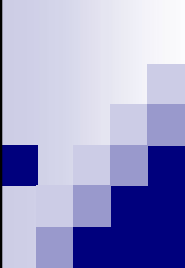



Slide #.#. Description



## Module 3: Procurement and Fund Tracking

Session 1: Social Accountability  
in Government Procurement and  
Fund Tracking



**Henedina Razon-Abad**  
Ateneo School of Government

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### ***For the Trainer***

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

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### Learning Objectives

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

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### Discussion Outline

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

4

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### ***For the Trainer***

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

5

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

6

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## Government must create value for society - - -

Quality education

Public Health

Reliable and Efficient Disaster Management Plan

Quality Health Care

Safety and Security

Quality of life, well-being and happiness

7

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Source: Ed Campos, Enhancing Public Sector Accountability

## Accountability Triangle

THE STATE: Politicians/ Policymakers

CIVIL SOCIETY Citizens

BUREAUCRACY Bureaucrats

Authorization & Voice

Political Accountability

Provision of Public Goods and Services

Social Accountability

Delegation of Implementation

Managerial Accountability

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Poor Governance	Good Governance
<ul style="list-style-type: none"> <li>Lack of transparency</li> <li>Monopoly Power</li> <li>Inefficiency</li> <li>Weak voice &amp; accountability</li> <li>Wide Discretion</li> </ul>	<ul style="list-style-type: none"> <li>Transparency</li> <li>Accountability</li> <li>Participation &amp; Equity</li> <li>Predictability &amp; Rule of Law</li> <li>Efficiency &amp; Responsiveness</li> </ul>
<ul style="list-style-type: none"> <li>corruption</li> <li>private gain</li> </ul>	<ul style="list-style-type: none"> <li>public value</li> </ul>

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Slide #.#. Description

## For the Trainer

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

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

Look at the picture.

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

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## Cost of Corruption

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

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## For the Trainer

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

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## Government Procurement

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

### Stages of the Procurement Process

```

    graph TD
      A[Procurement Planning] --> B[Preparation]
      B --> C[Advertisement]
      C --> D[Pre-qualification]
      D --> E[Bid Evaluation]
      E --> F[Award of Contract]
      F --> G[Contract Implementation]
  
```

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

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## Objectives of Public Procurement

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

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## Stage 1: Procurement Planning

- ★ Needs Assessment
- ★ Determining what to request

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## Stage 1 Red Flags

Problem Area	Possible Distortion	Governance Issue
Poor planning Lack of plans	<ul style="list-style-type: none"> <li>● Demand is induced not real</li> <li>● Misrepresent purchase as urgent so as to short cut bidding process</li> </ul>	Lack of competition  Lack of transparency
Absence of a clear criteria for project selection	<ul style="list-style-type: none"> <li>● Misallocation of resources</li> </ul>	

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## Stage 1 Red Flags

Problem Area	Possible Distortion	Governance Issue
Absence of opportunity for public discussion of government programs and decision-making	<ul style="list-style-type: none"> <li>● Project may be supply driven</li> <li>● Misallocation of resources</li> </ul>	Lack of accountability  Lack of transparency
Non-transparent procedures which cannot be monitored		

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- Step 1 Guide Question:
  - Are the goods or services to be acquired needed at this time?
- **Transparency** of process and **independence** of decision makers and hired consultants
- **Public participation** through public hearings to check the need, enable accountability and identify necessary or unnecessary elements of the goods or services to be acquired
- **Proactive disclosure** by government agencies of relevant information through billboards, radio, newspapers or internet

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## Stage 2: Procurement Preparation

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

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## Stage 2 Red Flags



Problem Area	Possible Distortion	Governance Issue
Weak technical specifications	<ul style="list-style-type: none"> <li>● Favor preferred bidders</li> </ul>	Lack of accountability
Project Management Office given sole responsibility over tender specifications and design	<ul style="list-style-type: none"> <li>● Contract splitting to allow unqualified bidders to participate</li> <li>● Tailor fitting to favor a preferred bidder</li> </ul>	
		Lack of competition

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- Stage 2 Guide Question:
  - What are the optimal location, capacity and design for the investment?
- **Public participation** to discuss design process and ventilate any concerns or reservations about project
- **Proactive disclosure** by government agencies of relevant information

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## Stage 3: Advertisement

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

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## Stage 3 Red Flags



Problem Area	Possible Distortion	Governance Issue
Limited/insufficient advertising	<ul style="list-style-type: none"> <li>● Published in papers with limited circulation</li> </ul>	Lack of competition
		Lack of transparency

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## Stage 4: Pre-qualification

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

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## Stage 4 Red Flags

Problem Area	Possible Distortion	Governance Issue
Prospective bidders undergo detailed, tedious and potentially subjective pre-qualification process	<ul style="list-style-type: none"> <li>• Requirements set to favor a particular contractor or group of contractors</li> <li>• Lengthy process that creates opportunities for bribe solicitation</li> <li>• Contract sharing among the bribing companies</li> </ul>	Lack of contestability  Lack of transparency

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Slide #.#. Description

## Stage 5: Bid Evaluation

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

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## Stage 5 Red Flags

Problem Areas	Possible Distortions	Governance Issue
Wide discretion given to decision makers	<ul style="list-style-type: none"> <li>• Decision makers are biased</li> <li>• Selection criteria allow biases to play a role</li> </ul>	Lack of competition
Tendency to seek judicial intervention	<ul style="list-style-type: none"> <li>• Imposition of court restraining orders</li> </ul>	Dysfunctional judiciary
Unusual or length delays in bid evaluation	<ul style="list-style-type: none"> <li>• May indicate that someone is attempting to discourage best bidders or give extra time to favored bidders on the basis of leaked information</li> </ul>	Lack of competition

Slide #.#. Description

## Stage 5 Red Flags

Problem Areas	Possible Distortion	Governance Issues
Abuse of clarification period	<ul style="list-style-type: none"> <li>• Clarifications are not shared with all the bidders</li> <li>• Advantage to a particular bidder is granted through the exchange of confidential information during the clarification period</li> </ul>	Lack of transparency

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Slide #.#. Description

## Stage 6: Award of Contract

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

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Slide #.#. Description

## Stage 6 Red Flags

Problem Areas	Possible Distortion	Governance Issues
Unclear rules	<ul style="list-style-type: none"> <li>• Grounds for selection of the winners are not made public</li> <li>• Delay in the signing of the contract</li> </ul>	<ul style="list-style-type: none"> <li>Lack of transparency</li> <li>Lack of accountability</li> </ul>
Rejection of all bids	<ul style="list-style-type: none"> <li>• May be an indication that improper negotiations are being done on the side</li> </ul>	<ul style="list-style-type: none"> <li>Lack of transparency</li> </ul>

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

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

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Slide #.#. Description

## Stage 7: Contract Implementation

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

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Slide #.#. Description

## Stage 7 Red Flags

Problem Areas	Possible Distortions	Governance Issues
Poor monitoring and enforcement	<ul style="list-style-type: none"> <li>• Substitution of materials of poor quality and defective specifications</li> <li>• Failing to enforce quality standards, quantities or other performance standards of the contract</li> </ul>	<ul style="list-style-type: none"> <li>Lack of accountability</li> </ul>

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## Stage 7 Red Flags

Problem Area	Possible Distortion	Governance Issues
Contract renegotiation is allowed - discretion given to site engineers	Change orders introduce substantial changes to the contract, often done in small increments	<ul style="list-style-type: none"> <li>Lack of accountability</li> </ul>

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

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

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Slide #.#. Description

## Summary

- Poor planning
- No criteria for project selection
- Lack of information
- Biased requirements for a favored bidder
- Wide discretion of bids and awards committee
- Unreasonable length of time for signing
- Poor monitoring

**Public participation, transparency and proactive disclosure**

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Slide #.#. Description

## For the Trainer

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

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## Risk Factors

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

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Slide #.#. Description

## Corruption Schemes in Public Procurement

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

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Slide #.#. Description

## Kickback Scheme

(Many Faces of Corruption, Ed Campos)

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

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Slide #.#. Description

## Kickback Scheme

(Many Faces of Corruption, Ed Campos)

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

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

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## Front Company

(Many Faces of Corruption, Ed Campos)

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

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Slide #.#. Description

## Bid Rigging & Collusion

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

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## Conflict of Interest

(Many Faces of Corruption, Ed Campos)

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

Officials of agencies, friends, family members involved with contract

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

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## Effect of Corruption in Public Procurement to Project

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

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Slide #.#. Description

## Implications of Bad Governance

**Deficits**  
 Lack of transparency  
 Unpredictable policy environment  
 Weak accountability  
 Weak capacity

**Graft and Corruption**  
 Inefficiency

**Poor Quality**  
 High Cost

**Poor Service Delivery**  
 Debt Burden  
 Erosion of Values  
 Erosion of Public Trust

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Slide #.#. Description

## *For the Trainer*

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

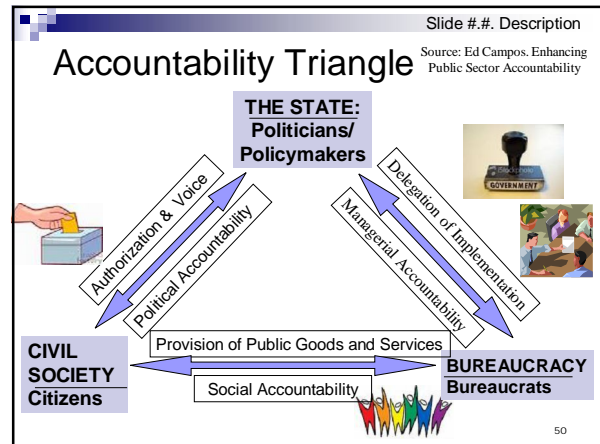
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Slide #.#. Description

## Social Accountability Strategies

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

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## 1. Informed Advocacy for Policy Reform

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

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## 2. Contract Implementation Monitoring by CSOs

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

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

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## Contract Implementation Monitoring by CSOs: Key Steps

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

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## Contract Implementation Monitoring by CSOs: Key Steps

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


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## Other strategies:

- Integrity Pact
- Budget Watch / Participatory Budgeting


End of Lesson 1

Slide #.#. Description



## Module 3: Procurement and Fund Tracking

### Session 2: Government Procurement Reform Act & Stakeholders Analysis


 Henedina Razon-Abad  
 Dondon Parafina  
 Ateneo School of Government

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Slide #.#. Description

### **For the Trainer**

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

2

Slide #.#. Description

### Learning Objectives

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

3

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### Discussion Outline

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

4

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### **For the Trainer**

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

5

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### Why Procurement Reforms?

**Survey Findings**

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

- 4 out of the top 5 most corrupt agencies featured prominently in government contracting
- Approximately 20% of government contracts go to kickbacks/commissions

- Equivalent to P 21 B in 2001 just for the national government are lost to corruption, much larger figure if local government transactions included
- Legal foundation a mess: over 100 laws, regulations, executive orders etc. governing procurement

6

## Review of Key Objectives & Critical Success Factors

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

7

## *For the Trainer*

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

8

## Stakeholders Analysis

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

9

## What is Stakeholder ?

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

10

## Criteria to determine importance of stakeholder

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

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## Why conduct a stakeholder analysis?

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

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## The Tool for Stakeholder Analysis

Stakeholder	Interests	Resources Available	Resource Mobilization Capacity	Position on Policy

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## Focus of Stakeholder Analysis

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

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## How to Conduct a Stakeholder Analysis

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

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## What is a stakeholder?

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

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## Interests

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

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## Interests

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

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## Interests

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

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## Resources

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

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## Resources Available

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

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## Resources Available

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

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## Resource Mobilization Capacity

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

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## Resource Mobilization Capacity

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

24

## Position on issue

- Support
- Oppose
- Neutral
- Intensity of position

25

## Position on Issue

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

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## Sources of Information

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

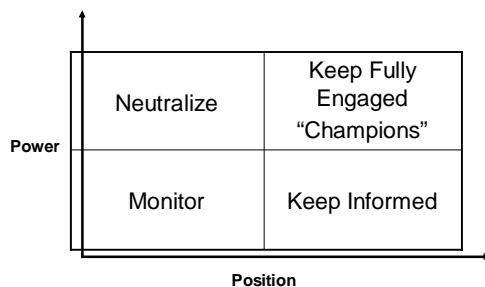
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## Strategic Considerations

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

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## Construct Stakeholder Map

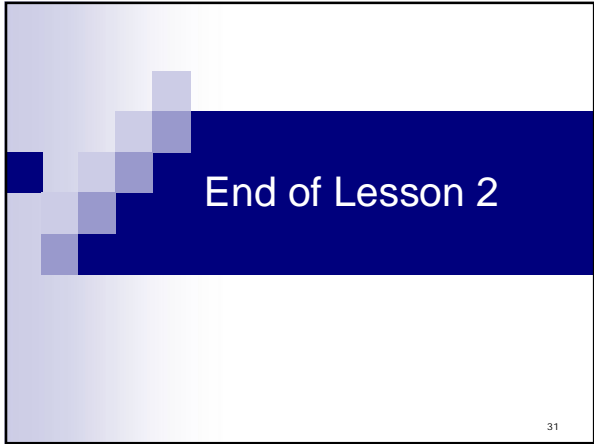


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## *For the Trainer*

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

30




End of Lesson 2

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Slide #.#. Description

## Module 3: Procurement and Fund Tracking

**Session 3: Citizens' Monitoring of  
Procurement Contract  
Implementation**



**Author**  
Ateneo School of Government

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Slide #.#. Description

## ***For the Trainer***

- Activity
  - Interactive discussion
  - Workshop: Mock Planning
- Time
  - Two sessions:
    - Session 1: 4 hours
    - Session 2: 3 hours
- Learning Objectives
- Discussion Outline

- Materials
  - Powerpoint presentation
  - Handouts/Slideshow
    - G Watch
    - Sample Contract Implementation Projects
    - Textbook Count Project
  - Guide Questions

2

Slide #.#. Description

## Learning Objectives

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

3

Slide #.#. Description

## Discussion Outline

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

4

Slide #.#. Description

## ***For the Trainer***

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

5

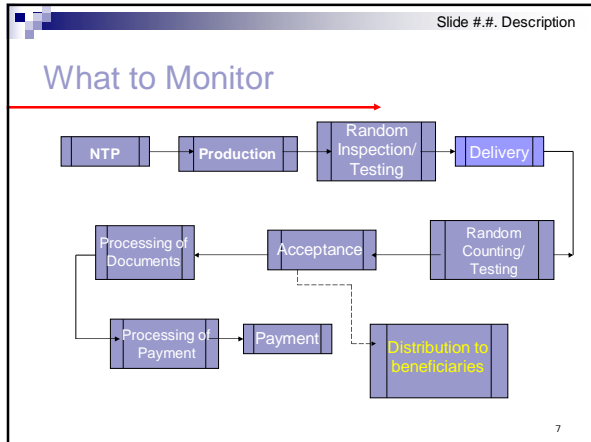
Slide #.#. Description

## Contract Implementation

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

6



Slide #.#. Description

## Description of Stages

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

8

Slide #.#. Description

## Description of Stages

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

9

Slide #.#. Description

## Grounds for Termination

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

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Slide #.#. Description

## Red Flags (adapted from Gottbreht)

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

11

Slide #.#. Description

## Red Flags (adapted from Gottbreht)

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

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Slide #.#. Description

## Identification of Red Flags

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	EN	FB	FR1	FR2	FR3	FS	K	UR
NTP				RF		RF		RF
P				RF	RF			RF
RIT				RF				RF
D	RF			RF		RF		RF
RCI		RF		RF				RF
A	RF	RF		RF	RF			RF
PD	RF	RF		RF	RF			RF
PP	RF	RF		RF	RF			RF
P	RF	RF		RF	RF			RF
DB	RF	RF		RF	RF	RF		RF

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Slide #.#. Description

## Guide to Identify Red Flags

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

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Slide #.#. Description

## Guide to Identify Red Flags

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

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Slide #.#. Description

## Guide to Identify Red Flags

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

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Slide #.#. Description

## Guide to Identify Red Flags

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

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Slide #.#. Description

## Guide to Identify Red Flags

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

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## Guide to Identify Red Flags

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

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## Pertinent Documents

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

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### For the Trainer

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

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### For the Trainer

Slideshow

**The Government Watch (G Watch) Experience**

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## What is G-Watch?

It is a project of the Ateneo School of Government.

It tracks public expenditure and monitors procurement contract implementation.

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

It started in year 2000.

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context

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

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

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# vision

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

# mission

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

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# framework

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

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## Monitoring Tool

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

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## SAMPLE RESULTS OF TOOL APPLICATION

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

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**Region XI** (Department of Health) to **Region III** (Department of Health)

**Exclusive Distributorship Feb 2001**

ITEM NO.	ARTICLE	QTY	UNIT	PRICE	TOTAL
1.	Methylergometrine hydrogensulf. 10mg tab. x 100's	100	tab	189,000.00	18,900,000.00
2.	Methylergometrine hydrogensulf. 10mg tab. x 100's	100	tab	189,000.00	18,900,000.00
3.	Oxytocin synthetic 10i.u./ml amp 100's	11	box	1,183.00	13,013.00
	Oxytocin maleate 10 i.u. amp	9	amp	9.88	88.92

**Drug Price Discrepancy: 1,031%**

**Public Bidding Jan-Jun 2001**

01 MAR 2001

### Bislig case: When will we see the bridge finished?

The construction of Bislig Bridge in Surigao del Sur started in 1998. As of 2003, total expenditure for the project is P95 million. It is only 25% completed and is estimated to take 5 more years to finish.

**Abandoned School Building (2002)**  
**Albis Elementary School, Benguet**



## Textbook Delivery (2001)

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



## Textbook Distribution (2003)

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

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## Agency actions and responses

➤ DOH passed memo aimed at improving drug procurement procedures in regional offices and hospitals



➤ DPWH reviewed projects with reported problems and declared openness to involve citizens in project inspection

- DepEd-DPWH joint memo to improve school building projects was passed
- DepEd launched *Textbook Count*

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## For the Trainer

Slideshow

**The Textbook Count Project**

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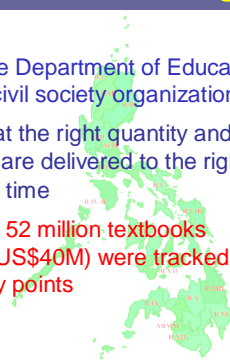
## Textbook Count and Citizens' Action

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

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## Nationwide Coverage

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



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## Why is it needed?

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

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## How is it designed?

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

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## Components & Goals

### Bidding

Safeguard the integrity of the bidding process

### Production

Ensure good textbook quality

### Delivery

Help high schools and districts check the textbooks delivered to them

### Distribution

Help districts distribute the textbooks to elementary schools

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## Component 1: Bidding

### Pre-Bid Conference

Preliminary discussion on content of bid document

### Bid Submission and Opening

- Submission of eligibility, financial and technical requirements
- Pass/fail criteria for judging

### Post-qualification and Content Evaluation

- Evaluates capacity of eligible bidders
- Evaluates content of textbook

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## Component 2: Warehouse Inspection

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

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## Stages of Warehouse Inspection

### Printing and Folding

### Binding, Trimming and Checking of Finished Book

### Packing and Packaging

at least  
= 20 inspections  
in 4 months

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2003 Ad

**PARA MATUTO SI PEPE at PILAR KAILANGAN MAY BANTAY.**

**TEXTBOOK COUNT**  
LITERACY INITIATIVE

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

From June to October, over 25 million textbooks needed by the 2004 Basic Education Division Office (BEDO) schools nationwide. If you're a parent, a teacher, a school official, or a community leader, help us to educate for a strong republic. The National Textbook Delivery Program's Textbook Count! Textbook Count is a project of the National Textbook Delivery Program's Textbook Count. Textbook Count is a project of the National Textbook Delivery Program's Textbook Count. Textbook Count is a project of the National Textbook Delivery Program's Textbook Count.

2004 Ad

**Be Prepared.**

**DepED**

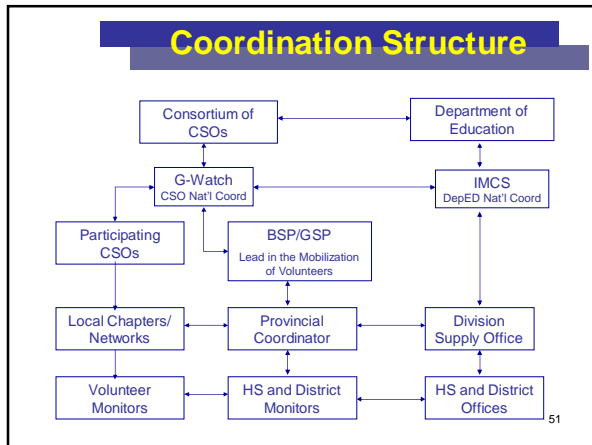
2005 Ad

**To quench our students' thirst for knowledge, we called on COCA-COLA to help deliver textbooks to hard-to-reach schools.**

From August to October, COCA delivery trucks will help bring badly needed textbooks to the far-flung schools in areas they cover. It's a great example of how the DepED, local communities and the private sector are all working together to ensure that every child has access to quality education.

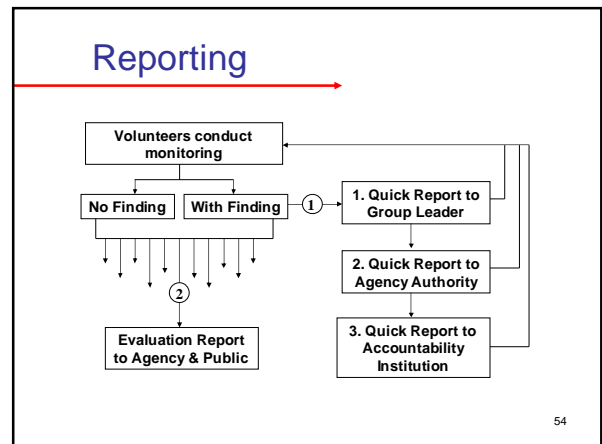
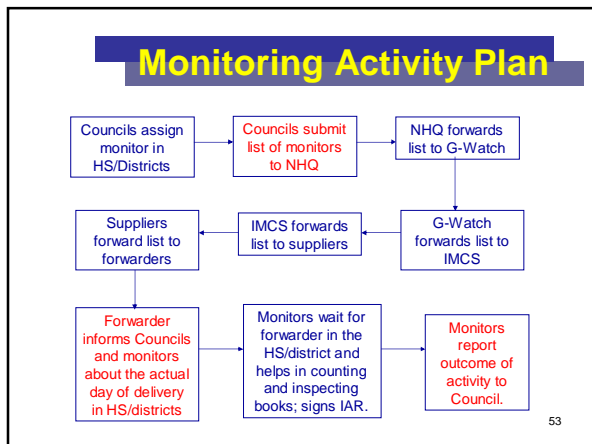
**You can help the students in your area get their books on-time. To volunteer as a textbook delivery watcher, call the following numbers: Philippine Governance Forum at 899-4900 • Instructional Materials Council Secretariat, DepED at the 100 • or via our Call Center: 021-2368-8368 • or via our text: 092-3347421.**

**DepED**



### Materials for volunteers

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





## Making it work

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

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## Accomplishments of Textbook Count

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



## G-Watch Lessons

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

*Thank you!*

## For the Trainer

- Give the mechanics for the mock planning exercise

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## MOCK PLANNING on Monitoring Initiative

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## Mechanics

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

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### Guide Questions, 1<sup>st</sup> set

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

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Report back to Small Group Plenary  
Return to Workshop Group

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### Guide Questions, 2<sup>nd</sup> set

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

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Report back to Small Group Plenary

Summary and Synthesis

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End of Lesson 3

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