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Factors Affecting Public Procurement Transparency and
Accountability: at the Federal Government of Ethiopia.

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A thesis Submitted to Addis Ababa University, School of
Commerce in partial fulfillment of the requirement for the
award of the master of art in Logistics and Supplies Chain
Management.

June, 2017
Addis Ababa

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

FACTORS AFFECTING PUBLIC PROCUREMENT
TRANSPARENCY AND ACCOUNTABILITY AT THE
FEDERAL GOVERNMENT OF ETHIOPIA

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DECLARATION

I, the undersigned, hereby declare that the work which is being presented in this thesis entitled Assessment on Factors Affecting the Implementation of Public Procurement Transparency and Accountability at the federal Government of Ethiopia. The thesis comprises my own work, has not been presented in any of other universities and that all sources of materials used for the thesis have been duly acknowledged.

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This is to certify that the above declaration made by the candidate is correct to the best of my knowledge.

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Place and Date of Submission: Addis Ababa University School of Commerce (AAUSC), Department of Logistics and Supply Chain Management May, 2017.

ACKNOWLEDGEMENT

I am grateful to the God for granting me the power, courage and wisdom to finish my study. I would like to thank for my advisor Teklegiorgis Assefa (Assistant Professor) of the Addis Ababa University School of Commerce, the successful completion of this research paper would have been impossible without his support.

I am also very thankful to the Addis Ababa University, School of Commerce lecturers and staff for their unreserved assistance and advisory support throughout my stay in the University.

My gratitude also goes to all those who gave me the required data for sample determination and support in the collection of data. Finally I also thank my parents and office colleagues for the encouragement and support.

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ABBREVIATIONS

COMESA:	Common Market for Eastern and southern Africa
CPAR:	Country Procurement Assessment Review
DP:	Direct Procurement
FDRE:	Federal Democratic Republic of Ethiopia
FEACC:	Federal Ethics and Anti Corruption Commission
FPPA:	Federal Public Procurement and Property Administration Agency
GDP:	Gross Domestic Products
ICT:	Information Communication Technology
NCB:	National Competitive Bidding
OECD:	Organization for Economic Co-Operation and Development
PB:	Public Body
RCB:	Restricted Competitive Biding
RFQ:	Request for Quotation
UNDP:	United Nation for Development Program
UNOPS:	United Nation Office for Project Service
WB:	World Bank

ABSTRACT

The study sought to answer the questions what are the major factors affecting public procurement transparency and accountability at the federal level and to suggest the possible recommendations. In this study descriptive type of survey was adopted and both primary and secondary data were used. The target population for the study was federal public bodies and from 166 federal public bodies 52 public bodies were selected for the study. The analysis was done using the statistical package for social science (SPSS) version 16. This research finding has shown there is a problem of procurement capacity building program, the complaint review Board do not have the capacity to handle the complaints efficiently, the procurement unit not structured properly and the important procurement documents did not disclosed on the FPPA website and FPPA websites not updated regularly. To overcome this challenges that could affect public procurement transparency and accountability there should be an institution who leads the procurement capacity building program ,it is essential to set up complaint review board who has the potential to review the complaints effectively , establishment of standards procurement unit structure based on their organizational behavior and their expenditure amounts and the FPPA website should be updated regularly to make accessible to the user (Public Bodies) to upload the required information and customers (Suppliers and any interested individuals) to look for information from the website.

Key words: public procurement Transparency and Accountability, Procurement Staff Competence, Complaint Handling, Procurement Unit Structure and Information Communication Technology.

CHAPTER ONE

1 INTRODUCTION

1.1 Background of the Study

Public procurement means obtaining goods, works, consultancy or other services through purchasing, hiring or obtaining by any other contractual means. It is also defined as procurement by a public body using public fund while Public Fund defined as any monetary resource appropriated to a public body from the Federal Government treasury or aid grants and credits put at the disposal of the public bodies by foreign donors through the Federal Government or internal revenue of the public body (Proclamation, No 649/2009).

The objective of public procurement is to provide quality goods and services through open and fair competition in the exact quantity and proper quality as specified, and has to be delivered at the time and place where needed (Basheka, 2008).

Public procurement is a key economic activity of governments that represents a significant percentage of the Gross Domestic Product (GDP) generating huge financial flows, estimated on average at 10-15% of GDP across the world and an effective procurement system plays a strategic role in governments for avoiding mismanagement and waste of public funds (OECD, 2009).

According to 2012/2013 unpublished FPPA unpublished report, in the financial year 2010/2011 the federal procurement budget of Ethiopia was operating with 65.5 billion. Out of the budget 43.60 billion birr (66.60%) was allocated to procurement. In the way in the fiscal year 2011/2012 fiscal year out of the total 85.50 billion total budget 57.60 billion birr (67.40%) of the budget was allocated to procurement.

Accountability in procurement is procuring public entities and their officers must be accountable for the effectiveness, efficiency, legal and ethical manner in which they conduct procurement (Hnught, Louis, et al 2007).

Important factors for measuring the level of accountability are clear chain of responsibility together with effective control mechanisms; handling complaints from suppliers; public review and scrutiny of procurement actions (OECD, 2009).

Transparency in public procurement about information. The access to key procurement information by civil society, the media and other stakeholders, and the ways in which these can use the information, directly affects accountability (UNDP, 2010).

Open bidding procedures, prompt notification to successful as well as unsuccessful bidders, publication of annual procurement plan, bid challenges system; engaging the private sector in the procurement process, keeping a complete and an adequate records of procurement activities are also Other transparency relevant measures (Gizachew Abebe, 2012).

According to the Federal Government of Ethiopia proclamation (2009), and directive (2010), the implementation of the procurement or practices must comply with the five major principles (1) Value for money,(2) Non-discrimination,(3) Transparency, (4) Accountability (5) Encourage local producers, companies and small and micro-enterprises.

Regardless of the efforts to improve the above principles the 2016 unpublished procurement audit report of the Federal Public Procurement and Property Administration Agency (FPPA), it is observed lot of non complaint of procurement practices in public bodies with respect to transparency and accountability.

It is against this background that the study sought to assess the factors that could affect the implementation public procurement transparency and accountability in the federal and forwarding possible solutions.

1.2 Statement of the problem

Effective implementation of procurement practices is determined by the level of compliance with procurement regulations, minimization of procurement expenditure, transparency and accountability of procurement funds and quality of procured goods and services (Gadde, 2007). Due to the colossal amount of money involved in public procurement and the fact that money comes from the public, there is a need for accountability and transparency (Hui et al,2011).

According to the Federal Government of Ethiopia proclamation (2009) and directive (2010), the implementation of the procurement or practices must comply with the five major principles Value for money, Non-discrimination, Transparency, Accountability, Encourage local producers, companies and small and micro-enterprises and Support the country's economic development.

Regardless of the efforts to improve the procurement principles, from the Procurement audits carried out by FPPA from year to year and issues discussed with media members in participation of the community for several times reveals non compliance with procurement laws with respect to transparency and accountability at the federal procuring entities.

According to Gizahew Abebe (2012), from the assessment made about efficiency, accountability and transparency in public procurement in Ethiopia, suggested that the level of efficiency accountability and transparency was low.

Therefore this study sought to fill the gaps to assess the factors that could affect the implementation public procurement transparency and accountability in the federal and forwarding possible solutions.

1.3 Research Questions

To understand and address the factors that could affect public procurement transparency and accountability at the federal level, the study tried to give answers for the following researchable questions:

- To what extent do procurement staff Competence influences Public procurement transparency and accountability at the federal level?

- To what extent do Complaint handling influences Public procurement transparency and accountability at the federal level?
- What is the effect of procurement unit structure on Public procurement transparency and accountability at the federal level?
- What is the effect of information communication technology on Public procurement transparency and accountability at the federal level?

By investigating the above questions thoroughly, so that the major factors that could affect public procurement transparency and accountability at the federal was identified, recommendation forwarded and an appropriate and timely action could be taken by the responsible body mainly by FPPA and others to adhere the principles of transparency and accountability in better ways.

1.4 Objectives of the study

1.4.1 General Objective

The general objective of the study was to investigate the major factors influencing public procurement transparency and accountability at the federal level.

1.4.2 Specific Objectives

Having the above mentioned general objective, the study has the following specific Objectives:-

- To examine the effect of Staff Competence in procurement with regard to public procurement transparency and accountability at the federal level.
- To investigate the effect of Complaint handling to ensure public procurement transparency and accountability at the federal level.
- To examine the effect of the procurement unit structure in addressing public procurement transparency and accountability at the federal level. .
- To examine how information communications technology affects public procurement transparency and accountability at the federal level.

1.5 Significance of the Study

Accountability and transparency have been recognized as key conditions for promoting integrity and preventing corruption in public procurement (OECD, 2007, P. 10).

Without transparent and accountable systems enabling governments and citizens to engage in a mutually responsive way, the vast resources channeled through public procurement systems run the danger of increased corruption and misuse of funds.

Therefore this study helped for the clear understanding of factors affecting public procurement transparency and accountability and to forward possible solutions.

The study also can initiate other researchers to make further study on the factors affecting transparency and accountability in public procurement practice.

1.6 Scope of the Study

The focus of this research was to assess and analyze the major factors affecting the implementation of public procurement practice in line with transparency and accountability and limited to only few federal Procuring entities. In these research suppliers, public enterprises, regional and city administrations were not covered.

1.7 Limitations of the Study

Lack of previous researches and written documents in the area of public procurement with respect to transparency and accountability was one of the major pitfalls of the research. In addition, limited time period and resources, getting information on primary data, the unavailability of the key personnel and delay on the response for the questionnaires took longer than expected time for the completion of the research and the issue of honesty and truly detailed answers to the questions from the participants were the major limitations of the study.

In spite of the limitations faced the researcher tried to overcome the limitations by exerting additional efforts (make a call and visiting them repeatedly and by not mentioning their names or trying to know their identities).

1.8 Organization of the Study

This research paper consisted of five chapters. The first chapter outlines the introductory part including with the background of the study, statement of the problem, research questions, significance, and objectives of the study, Scope and limitation of the study.

The second Chapter tells us the relative literature review of the study, which is mainly focuses on factors affecting public procurement Transparency and accountability at the federal level.

The third chapter is about research methodology, which tells us about the description of the study area, research approach, research design, population and sample, data source and types, data collection procedures, ethical considerations and data analysis.

The fourth chapter was the core part of the research which it deals with the analysis and presentation of the collected data.

Finally, the fifth chapter deals with the summaries of key findings concluding remarks and recommendations suggested for solving the problem stated in the introduction part.

1.9 Definition of Terms

Based on Federal Procurement Proclamation no.649/2009 and implementing Directive2010, the terms used in this paper has the following means.

- “Bid” mean a stage in the procurement process extending from advertisement of or invitation to bid up to signing of contracts.
- “Board” Mean an entity established under this proclamation to review and decide on complaints from candidates in regard to the conduct of procurements and disposal of property of the Federal Government.
- “Standard Bidding Documents” mean the documents prepared by the Agency to serve as a point of reference in the preparation of bidding documents by public bodies.
- “Supplier” mean a natural or juridical person under contract with public body to supply goods, works, or services.
- “Proclamation” means the Ethiopian Federal Government procurement and property Administration proclamation no 649/2009.

- “Procurement “means obtaining goods, works, consultancy or other services through purchasing, hiring or obtaining by any other contractual means.
- «Goods» mean raw material, products and equipment and commodities in solid, liquid or gaseous form, software and live animals as well as installation, transport, maintenance or similar obligations related to the supply of the goods if their value does not exceed that of the goods themselves;
- «Services» mean any object of procurement other than works, goods and consultancy services: such as maintenance, security, janitorial, electricity, telecommunication and water supply services;
- «Works» mean all work associated with the construction, reconstruction, up grading, demolition, repair or renovation of a building road, or structure, as well as services incidental to works, if the value of those services does not exceed that of the work themselves and includes build-own-operate, build- own-operate-transfer and build operate transfer contracts.
- «Consultancy Service» mean a service of an intellectual and advisory nature provided by consultants using their professional skills to study, design and organize specific projects, advice clients, conduct training and transfer knowledge;
- “Procurement unit” mean a body responsible for procurement with in public bodies without prejudice to the particular organizational structure appropriate to the nature of their duties.
- “Public Procurement” means procurement made by public body using public fund.
- “Public Body” means any public body which is partly or wholly financed by the federal Government budget, higher education institutions and public institutions.

CHAPTER TWO

2 LITERATURE REVIEW

2.1 Introduction

This chapter reviews about public Procurement practice at the federal level with respect transparency and accountability. The review focuses on the overview of the factors affecting transparency and accountability of public procurement practice at the federal level. In this chapter, number of relevant literatures was discussed on the factors affecting transparency and accountability of public procurement practice at federal level.

2.2 Theoretical Literature Review

Public Procurement is now recognized as one of the central elements of good governance. Public Procurement much more than a process or procedure it is a fundamental and integral part of the governance and public financial system (Knight Louise, 2007).

2.2.1 Transparency and Accountability in Public Procurement

According to Armstrong (2005), transparency is a key requirement of modern public procurement system since it gives access to laws, regulations, policies and practices of procurement by government agencies to the public. Lack of it is a major impediment to sustain economic growth, sources of unwholesome activities such as corruption, scandal and abuse of public resource (shu.Othman, Omar, Abdul and Husna, 2011).

Providing an adequate degree of transparency throughout the entire public procurement cycle is critical to minimizing the risk of fraud, corruption and mismanagement of public funds. The accessibility of information, stakeholder participation in key stages of the procurement cycle, and the possibility of review and remedy in case of dispute are essential to transparency and accountability in public procurement (OECD, 2011).

According to OCED (2007), accountability is ideally apart of the frame work for achieving effective decisions in public procurement. The mechanism allows the openness of the process records and brings defaults to book. Okafor and Modebe (2005), indicated that accurate written records of

different stages of the procurement procedure are essential to maintain accountability, provide an audit trail of procurement decisions for controls, serves as the official records in case of administrative or judicial challenge to provide an opportunity for citizens to monitor the use of public funds.

From international best practices, we can identify the following important factors for measuring the level of accountability are clear chain of responsibility together with effective control mechanisms, handling complaints from suppliers and public review and scrutiny of procurement actions (OECD, 2009).

2.2.2 Staff Competence in Procurement

In order to sustain economic growth and effective performance in procurement, it is important to optimize the contribution of employees to the aim of and goals of the organization. Technological development and organizational change have gradually lead some employees to the realization that success relies on skills and abilities of their employees and this means considerable and continuous investment in training and development (Sultana, 2012)

According to Banda (2009), many procuring organizations do not have staff with the right competence critical to good procurement process management. There is need for authorities to give much greater emphasis to developing such competence to adopt best practice more widely.

2.2.3 Complaint Handling

A complaint against an act or omission by the public body shall in the first instance be submitted to the head of the public body. If the head of the public body doesn't issue a decision within ten (10) working days or if the candidate is not satisfied with the decision of the head of the public body, the candidate is entitled to submit a complaint to the Board within in five (5) working days from the date on which the decision has been or should have been communicated to the candidate by the public body (Directive, 2010).

The board shall take any decision regarding a complaint, notify relevant bodies of the complaint and shall take into account information and argument received from such bodies and from the public body. The board shall issue its decision within fifteen (15) working days of receiving the

compliant, stating the reasons for its decision and remedies granted. On the other hand the public bodies are also lodge a complaint on suppliers mostly for non performed agreements as a result suppliers may be given last warning and /or banned from Government procurement may be for unlimited period.

2.2.4 Procurement Unit Structure

In Federal Proclamation (2009), and Directive (2010), the duties and responsibilities of procurement related decision makers are stipulated in very much detail. The head of a public body, the staff of procurement unit and members of procurement endorsing committee have different and specific duties and responsibilities to make sure that all procurements should be in compliance with the proclamation and directive.

The procurement workforce passes through virtually every effort within an organization, including successfully acquiring goods and services and executing and monitoring contracts. Moreover, the procurement area requires a wide range of standard operating procedures to deal with the normal daily tasks.

2.2.5 Information Communication Technology

The use of information technology in public procurement can increase transparency, facilitate access to public tenders reduce direct interaction between procurement officials and companies, increasing outreach and competition, such as bid rigging schemes. The digitalization of procurement process strengthens internal anticorruption controls and detection of integrity breaches, and it provides audit services trails that may facilitate investigation activities (OCED, 2016).

The procuring entities are required to disclose the procurement plan bid advertisement and Contract award on the Agency's website at the value of which corresponds to or is greater than the given thresholds (Directive, 2010)

2.3 Empirical literature Review

Transparency in public procurement takes form in a variety of practices such as publishing procurement policies, advance publication of procurement plan, advertisement of tender notice, disclosure of evaluation criteria in solicitation documents, publication of contract awards and prices

paid, establishing appropriate and timely complaint protest/dispute mechanism, implementing financial and conflict of interest disclosure requirements for public procurement officials and publishing supplier sanction list (UNOPS, 2011).

According to UNOPS (2012), the imposition of transparency requirements is a critical component of the principal's administrative control for it is only when the actions of the agent are transparent that they can be verified. For international regulators, transparency is also a mechanism used to ensure that the benefits of competition are open to all entitled vendors.

Transparency is considered as one of the most effective deterrents to corruption and a precondition for ensuring public officials accountability (OCED, 2007). The level of Efficiency, Accountability and transparency are all interrelated (Gizachew, 2012).

2.3.1 Staff Competence in Procurement

There are a number of training activities organized by different providers and that procurement capacity is gradually growing. A high number of procurement staff in the public sector has received relevant basic training.

However, there are also some major challenges and constraints to achieving a successful long-term procurement capacity development in Ethiopia. One of the main issues is the high turnover of staff in the public sector in general and accordingly in procurement related functions. The high turnover of staff is a typical problem and the root cause seem to be the low salary level compared to international organizations and even the private market. The lack of recognition of procurement as a profession and its limited options in terms of building a professional career is also considered to be part of the problem.

Currently, FPPA has a strategy to develop their organization and strengthen their activities but there is no specific national procurement capacity development strategies which target all stakeholders involved in procurement in Ethiopia. The development strategies will feed into the existing strategy guiding the activities of FPPA (CPAR, 2010).

2.3.2 Complaint Handling

The Federal Complaints Board was established in 2009 as the second tier for handling complaints from suppliers. The directorate is established as a separate unit but under the organizational structure of the FPPA and therefore financed by MOFED. The Board can annul decisions of a public body but they cannot cancel contracts or reverse decisions (i.e. with already awarded and signed contracts). They can issue recommendations and final decisions which the complainant can take to court as a strong piece of evidence. But in practice it is not possible for the Board or evidently the complainant to stop ongoing contracts (CPAR, 2010).

The board keeps good track of the cases received and the number of complaints has increased over the years since the Board was established, which is positive, considering the evolvement of the mechanism. Despite the increase in complaints received from both the public and the private sector this originates from a very low number and complaints received from suppliers is still very low (31 in 2009/2010). One of the main challenges is certainly the lack of promotion and awareness of the mechanism and suppliers' right to complain (i.e. the complaint procedure is not described at either FPPA or MOFED's websites) (CPAR, 2010).

The Federal Complaints Board appears well functioning and with a relevant staffing. However, the Board does not make its decisions public (only the result, not the names of the parties or the reasoning behind the result) thereby missing out on an opportunity to communicate a legal position and help other entities improve procurement complaint (CPAR, 2010).

There are clearly formulated timelines for handling complaints at the different levels. However, there is an issue in terms of meeting the deadlines not only at the first level of appeal but also with the Complaints Board. The first level of appeal is supposed to reach a decision within 10 working days but in practice this often takes up to a month if a decision is made at all. This is problematic since the supplier has to forward their complaint to the Board within 5 working days regardless of whether the first tier has made a decision or not. Ideally the Board has to decide within 15 working days but due to work load and complexity of cases in practice this can often take longer (CPAR, 2010).

2.3.3 Procurement Unit Structure

According to an OECD (2006), a sound procurement system needs also to have a competent professional workforce equipped with defined skills and knowledge for specified procurement jobs. According the COMESA procurement manual (2010), the procurement unit and its functions mean “The organizational structure of the procurement unit, how responsibilities are allocated, its reporting relationships, its decision-making authority and whether it has the capacity to handle the proposed procurement plan for the project in addition to its other routine duties if any.

2.3.4 Information Communication Technology

Procurement of goods, works and services through internet based information technology is emerging worldwide with the potential to reform processes, improve market access and promote integrity in public procurement (Scraper ,2008 pp:115).

For public procurement, as with all areas of public functions, openness and transparency are core principles. Fairness can only be ensured by making information throughout the process open and available to all. Value can be enhanced by ensuring that the information has been made available to as wide a range of interested participants as possible and that unfair advantages in terms of access to information are curbed. Going further than this, the future holds promises of enabling economies of scale through the creation of pooled public procurement portals where the wide sharing of data by multiple public bodies in open formats (CSV, XML, Open API based) can enable suppliers to provide the most competitive pricing based on higher volumes. The benefits in terms of lowered transaction costs and higher value generation for suppliers as well as public bodies can be substantial (UNOPS, 2012).

As technology solutions are founded up on and must integrate with the operating practices of procurement institutions, procurement staff must continue to find ways to creatively streamline processes become more efficiently promote accountability, preserve process integrity and provide information regarding contracting activities and decisions that build and strengthen public trust (Indaba Ibrahim Tirimba,2014).

2.3.5 Increasing Transparency in the Supplier List

The functioning of the suppliers list, where a master list is kept with the FPPA, is a necessary tool for effective procurement operations and for ensuring that suppliers are eligible and live up to their responsibilities. However, there is an issue of updating the suppliers list in all entities and making the list available to all stakeholders in the procurement system. The problem with lists which are not updated is that they can contain false and outdated information concerning suppliers and new suppliers can find themselves in a situation where they cannot receive i.e. request for quotations. It is also an issue that not all procuring entities have easy access to the most updated lists and that suppliers cannot be certain whether they are on the applied list or not.

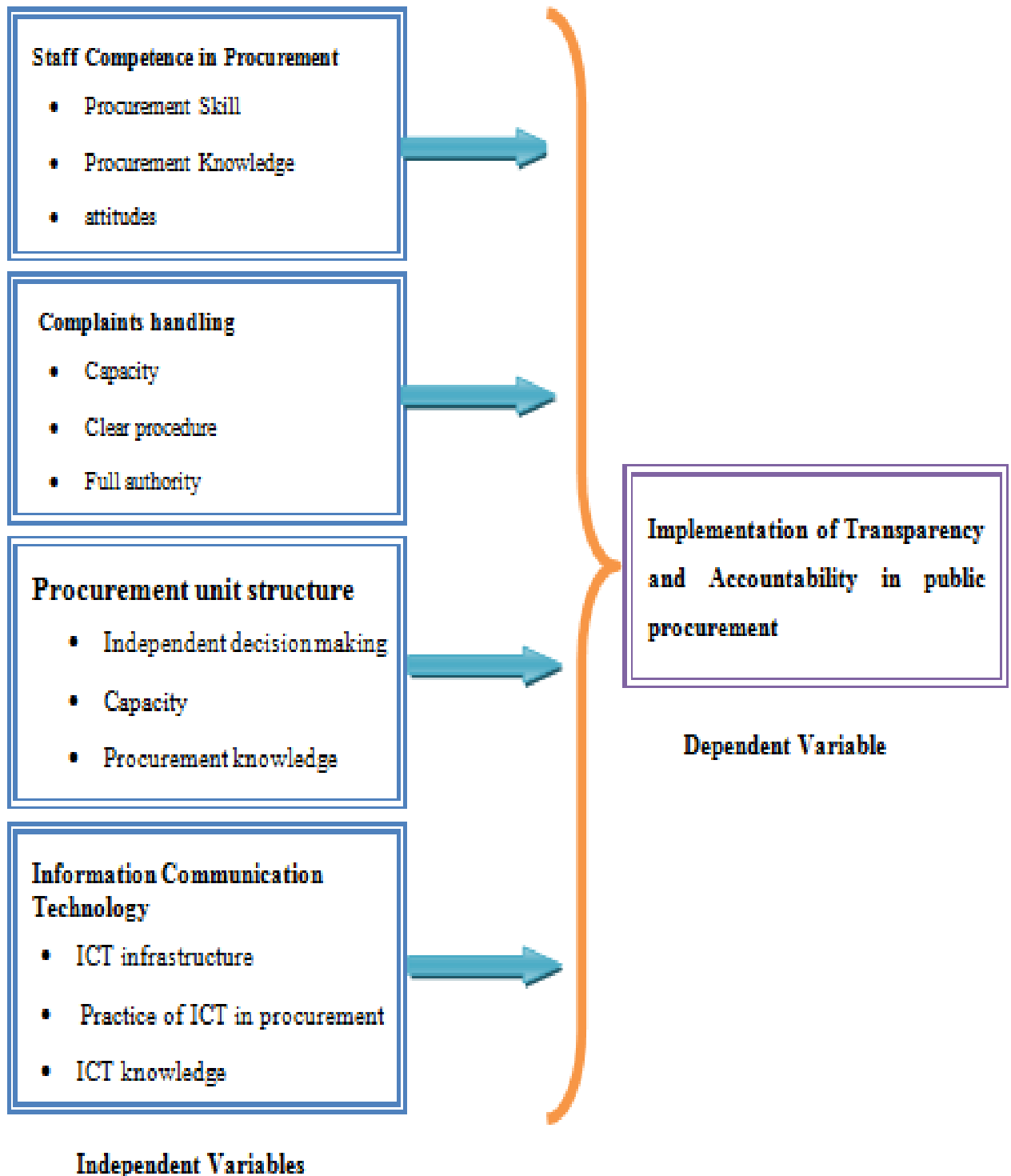
More worrying is the fact that inclusion on the lists in practice does not imply a check on the quality of the specific supplier, but only a check on whether the supplier is VAT registered and/or registered with a professional authority if applicable. An exception is the contractors' suppliers list at federal level, which requires a grading of the contractors capacity. So the list adds little value to the procurement process, as it is primarily a fiscal instrument and the post qualification process is based on a list without an actual assessment of the capacity and qualifications of the applicants (CPAR, 2010).

While suppliers list can be a useful tool in developing countries, where capacity and accountability for suppliers may be low, it is essential that the supplier list does not become an administrative bottleneck and opportunity for corruption, without adding true value to the procurement process (CPAR, 2010).

2.4 Conceptual Framework

In conducting the study, a conceptual framework was developed to show the relationship between the independent variables and dependent variable. In this study, the dependent variable was implementation of transparency and accountability in public procurement practice and the independent variables were Staff Competence in procurement, Complaint Handling, procurement unit structure and information communication technology.

The constructs and relationships between research variables are illustrated below.



Source: adapted from Beatrice N.Ayoti (2012)

2.4.1 Transparency and Accountability in public procurement

There is a little doubt that under the right circumstances increased transparency in public procurement can lead to greater accountability, better service delivery and ultimately less waste of public resources.(Ramses Jeppesen:2010).

Open bidding procedures, prompt disclosure of the results of bids, i.e., prompt notification to successful as well as unsuccessful bidders, publication of annual procurement plan, bid challenges system engaging the private sector in the procurement process, keeping a complete and an adequate records of procurement activities are also other transparency relevant measures (Cited Gizachew Abebe, 2012).

According to UNDP report (2010), access to key procurement information in civil society, media and other stakeholders directly affects accountability. The report noted that technology increases transparency and competence among suppliers through clear and comprehensive bidding documents and contracts in the procurement process.

According to OECD report (2007), transparent procurement processes requires legislative and administrative measures such as transparent proceedings, protection against corruption, fair pre-qualification procedures, transparent selection of the winning bidders, publication of plans, dissemination of information concerning lists and registers of suppliers and procedures to apply for registration.

2.4.2 Staff competence in Procurement

According to Berger & Humphrey (2007), procurement function that is carried out professionally is the heart of delivery of any service on value for money principle.

Insufficient professionalism of officials may translate in to poor planning, budgeting and risk management for procurement, leading to unnecessary delays and cost over runs for projects. In other words, public officials are not necessarily well prepared to keep up with professional standards. Furthermore, officials may not necessarily be aware that their acts are unethical or may bias the process which can lead to conflict of interest situations and sometimes corruption, (OCED, 2007).

2.4.3 Compliant Handling

Providing timely access to review mechanisms contributes to ensuring the overall fairness of procurement process. A key challenge for governments is to resolve complaints in fair manner while ensuring administrative efficiency that is the delivery of goods and service to citizens in a timely manner. Decisions that could be challenged should include not only the award decisions but also key decisions in the pre-and post award phases, such as choice of procurement method or the interpretation of contract clauses in the management of the contract. To ensure the impartiality of review mechanisms, review decisions should be ruled upon by a body with enforcement capacity that is independent of procuring entities. As a first stage, potential suppliers should have an opportunity to submit their complaints to procuring authority in order to prevent confrontation and the costs of quasi-judicial or judicial review.

In order to build bidders' confidence in the integrity and fairness of procurement system efficient appeal and complaint procedures are important. Accessibility, user-friendliness, timely processing, independent review, effective follow up are key features of sound appeal and complaints procedures. Appeal options can be made available before the signature of the contract, to ensure that the bidders who may challenge the decision of relevant authorities maintain a chance of being awarded the contract (OCED, 2016).

2.4.4 Procurement Unit Structure

In conducting public procurement functions there must be capable and qualified personnel's in the organizations. In this regard the Procurement directive (2010) stated that every public body must "ensure the procurement staff and head of the procurement unit of the public body have the required educational qualification and experience in the field relevant to the procurement". Therefore, each public body needs to have proper structure and qualified personnel's for conducting public procurement.

2.4.5 Information communication Technology

Procurement should provide access to reliable information about the activities of the procurement organization. This is a key safeguard against corruption and aids the improvement of competition, and relationships between procurement and stakeholders

New technologies can also play an important role in providing easy and real-time access to information for potential suppliers, track information and facilitate the monitoring on procurement processes (see also Recommendation 10). Electronic systems, for instance in the form of “one-stop-shop” portal, can be used in addition to traditional off-line media to enhance transparency and accountability throughout the procurement cycle.

Restrictions should apply in the disclosure of sensitive information, that is, information the release of which would compromise fair competition between potential suppliers, favor collusion or harm interests of the State. For instance, disclosing information such as the terms and conditions of each tender helps competitor detects deviations from a collusive agreement, punish those firms and better co-ordinate future tenders.

The need for access to information should be balanced by clear requirements and procedures for ensuring confidentiality. This is particularly important in the phases of submission and evaluation of tenders. For instance, procedures to ensure the security and confidentiality of documents submitted could help guide officials in handling sensitive information and in clarifying what information should be disclosed. Furthermore, closer working relationships between competition and procurement authorities should be developed to raise awareness about risks of tender-rigging, as well as prevent and detect collusion.

CHAPTER THREE

3 RESEARCH METHODOLOGY

3.1 Introduction

Methodology is a system of explicit rules and procedures in which research is based and against which claims of knowledge are evaluated. This chapter explains the research methodologies that includes, research design, population and sampling technique, types of data and tools, procedures of data collection and method of data analysis

3.2 Description of the Study

In Ethiopia there are about one hundred and sixty six Public bodies (Ministries, Agencies and Authorities) established at the Federal level which are participating in public procurement (MOFED, 2016).

The study was to assess the factors affecting public procurement practices by with respect to transparency and accountability at the federal level.

3.3 Research Approach

The researcher used qualitative and quantitative approaches. The qualitative approach allowed detailed description and with words and explanatory completed and details explanations from the respondents. This helped the researcher in getting most information and also by using the quantitative method, the researcher, would be able to effectively analyze the numerical data in order to meet the research objectives.

3.4 Research Design

According to Green and Tull (2009), a research design is the specification of methods and procedures for acquiring the information needed.

The design for this study was descriptive survey study method with qualitative and quantitative data analysis approaches. The researcher chooses the descriptive design because this design is a scientific method of investigation in which data was collected and analyzed in order to describe the nature and

characteristics of factors influencing the implementation of effective procurement practice with respect to accountability and transparency.

3.5 Population and Sample

3.5.1 Population

There are about one hundred and sixty six Public bodies (Ministries, Agencies and Authorities) established at the Federal level which are participating in public procurement (MOFED, 2016).

3.5.2 Sampling Techniques

The study used purposive sampling method from procurement entities selected by comparing the finding of from 2011/12 up to 2015/16 FPPA Procurement Audit reports and researcher selected the 2013/14 audited institution .Then from each procurement entities one respondent was selected for questionnaires from the procurement unit. The basic hypothesis was the procurement unit has more experiences in procurement which and provided appropriate information about the procurement process.

Interviews were conducted with the respondents comprising senior procurement experts from federal public procurement and property administration agency.

3.5.3 Sample Size

According to Uma sekaran in research method for business 4th edition Roscoe (1975), proposed the rules of thumb for determining sample size where sample size larger than 30 and less than 500 are appropriate for most research, the minimum size of the sample should be 30% of the population.

Based on the above criteria from one hundred sixty six public bodies or institutions 31% of the population or 52 institutions or public bodies were selected to be capable of providing response to questionnaires.

The institutions were also selected by comparing the finding of from 2011/12 up to 2015/16 FPPA Procurement Audit reports and researcher selected the 2013/14 audited institution .The main reason is the number of institutions are above30% of the population, the public bodies were selected based

on their budget for the audit purpose and the as the same time this public bodies were with high findings relatively.

Interviews were conducted senior procurement expert from federal public procurement and property administration agency. The determining factor was the agency has regulatory responsibilities about the procurement at the federal level and has more experiences in procurement.

3.6 Data Source and Types

According to Patton (2002), using more than one data collection instrument strengthens and gives credibility to the study. In this regard, the data to be gathered for the study was from primary and secondary data source. The primary source was gathered through questionnaire and unstructured interviews while the secondary data was retrieved from different literatures and published and unpublished reports. This approach was used because it revealed issues that could not be raised in using only one data collection instrument.

3.6.1 Primary Data Source

The primary data source was obtained from the cross sectional survey through questionnaire on the procurement procedures and practices of the public bodies.

3.6.2 Secondary Data Source

The secondary data was collected from websites, internet sources, procurement guidelines, suppliers, public procurement experts, procurement reports and journals.

3.7 Data Collection procedures

Every study has its own framework for collecting data to ensure that the required data are collected accurately and economically. The study employed both primary and secondary method of data collection.

The primary data was collected through research questionnaires and interviews. The questionnaires focused on the extent of the use of transparency and accountabilities. Different types of structured questionnaires (both open and closed ended) was used to gather data related to procurement practices of the public bodies.

Interviews were conducted to obtain reliable information from regulatory body /FPPA/ who have high stake working in procurement widely in the country. In open ended questions space will be provided for relevant explanations by the respondents. Thus giving them freedom to express their feelings. This method was effective to the study in that it creates confidentiality. The secondary data was collected from websites, internet sources, procurement guidelines, suppliers, public procurement experts, procurement reports and journals.

3.8 Ethical Consideration

The study addressed ethical considerations of confidentiality and privacy. The respondents participated in response of interview and questionnaire were their full consent to participate in this study and also they were not required to write their name on questionnaire, they were notified to keep their response confidential and used for only academic purpose. The response that the respondents gave is analyzed without any change.

In relation to the secondary data, the sources were properly stated and the authors of the secondary data used as references in the study have been properly acknowledged. In addition, the bibliographies of the authors and references materials used were properly addressed.

3.9 Data Analysis

According to Rambo and Tomb (2011), data analysis procedures include the process of packaging the collected information putting in order and structuring its main components in a way that the findings can be easily and effectively communicated.

After editing, coding the data was analyzed by using descriptive statistical method. Descriptive statistics used included use of frequencies, means and standard deviations. The analysis was done using the statistical package for social science (SPSS) version 16. The Data were tabulated and summarized using percentages and frequency distributions tables, means and standard deviations while charts were used for the presentation of findings.

3.10 Validity and Reliability of Research Instrument

According to Mugenda and Mugenda (2003), validity is the accuracy and meaningfulness of inferences, which is based on research results? It is the degree to which results obtained from the analysis of the data actually represent the phenomenon under study. For content validity the researcher discussed the items in the instrument with the supervisor's colleagues and other researchers to determine the validity the research instruments.

According to Kaufman & laufman (2005), reliability refers to the consistency or dependability of a measurement technique and it is concerned with the consistency or stability of the core obtained from a measurement technique and it is concerned with the consistency or stability of the score obtained from a measure or assessment over time and across settings or conditions.

Reliability test has been done to check whether the consistency or stability of the score obtained from a scale used on the questionnaire is measuring as it needed to measure. For the test of reliability Cronbach's alpha test was used as a measuring of internal scale consistency using SPSS (Statistical package for social science studies).

Table 3.1: Reliability Statistics

Cronbach's Alpha	No of Items
.705	29

Source: Field Survey, May 2017

As for the above table found from the data collected from 15 respondents the overall Cronbach's alpha score was 0.705. Nona (1978), has indicated that a reliability coefficient of 0.70 or higher is considered acceptable in most social science research situations. Therefore 0.705 is above the standard threshold level and as a result the questioners were reliable.

CHAPTER FOUR

4 DATA ANALYSIS, RESULTS AND PRESENTATION

4.1 Introduction

The focus of this chapter is on the analysis of data gathered from questionnaires, interviews and other related documents. This was mainly done to gather information to assess the factors affecting public procurement transparency and accountability at the federal level.

The analysis was presented in percentages and frequency distribution, mean, standard deviations, and charts. To do so a total 52 questionnaire and three interview questions were distributed to selected procuring entities of staffs working in procurement unit and senior procurement experts in the FPPA.

4.2 Response Rate

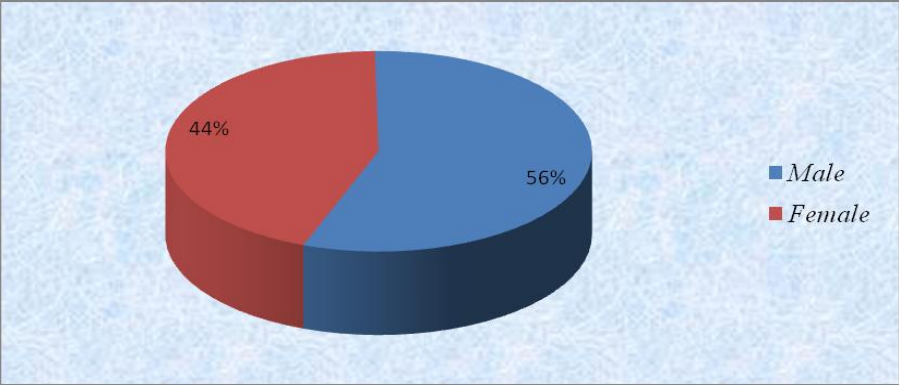
The sample size of the study were 52 respondents but only 50 respondents were participated in the study, thus, the response rate was 96% which facilitated gathering sufficient data that could be generalized to determined factors affecting public procurement transparency and accountability at the federal level. Because this was in line with Orodho 2009, a response rate above 50% contributes towards gathering of sufficient data that could be generalized to represent the opinion of respondents about the study problem in the target population.

4.3 Response Profile

The demographic information considered in this study included gender, educational background, working experiences and current positions in the organization.

4.3.1 Gender of the Respondent

Figure 4.1: Gender of the respondent

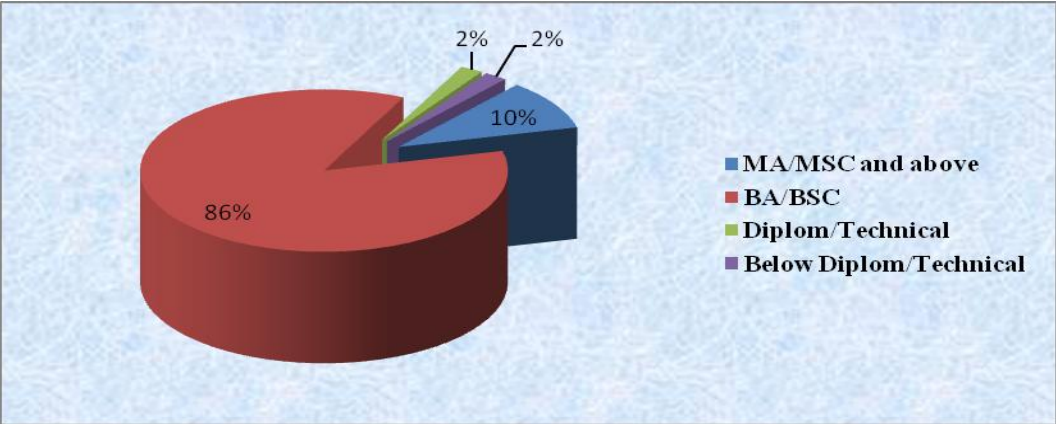


Source: Owned Survey, 2017

The above figure shows that 56% (28) of the respondents were male and 44% (22) of the respondents were female.

4.3.2 Educational background of the Respondent

Figure 4.2: Educational Background of the Respondent

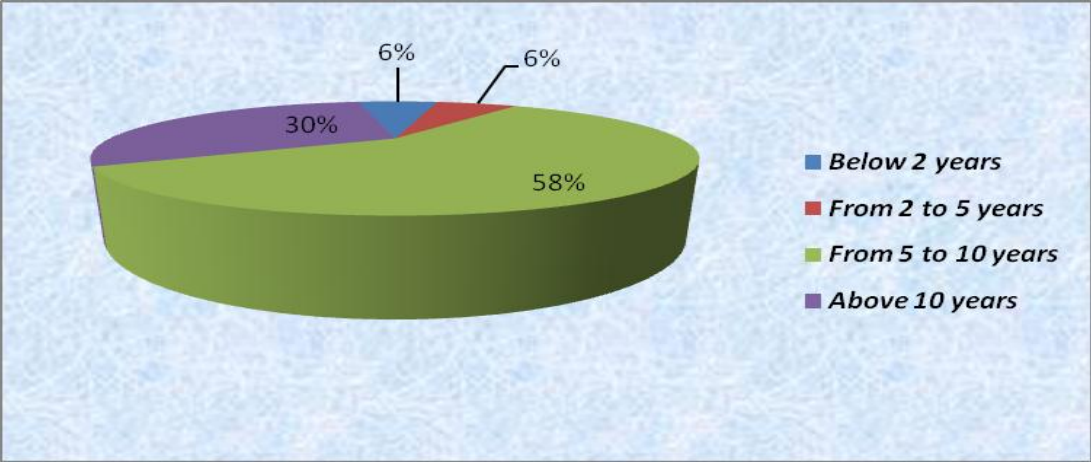


Source: Owned Survey, 2017

The above figure shows that 2% (1) of the respondents was below Diploma or Technical education, 2% (1) of the respondents was Diploma, 86% (43) of the respondents were BSC/BA holders and 10% (5) of the respondents were MA/MSc and above.

4.3.3 Years of Experience of the Respondent

Figure 4.3: Years of Experience of Respondent

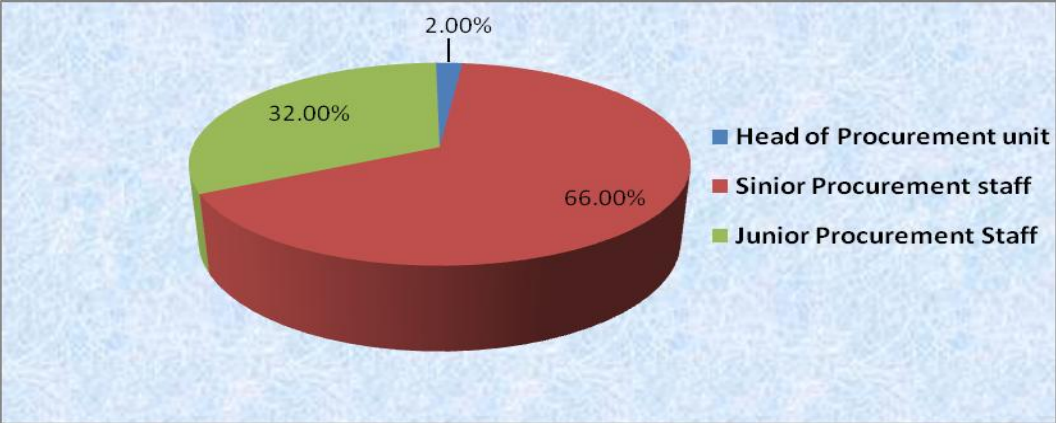


Source: Owned Survey, 2017

The above figure shows that 6% (3) of the respondents have experiences below 2 years, 6% (3) of the respondents have experiences between 2 and 5 years, 58% (29) of the respondents have experiences between 5 and 10 years and 30% (15) of the respondents have experiences above 10 years.

4.3.4 Current Position of the Respondent

Figure 4.4: Current position of Respondent



Source: Owned Survey, 2017

The above figure shows that 2% (1) of the respondents was head of the procurement unit, 66% (33) of the respondents were senior procurement officers while 32% (16) of the respondents were junior procurement officers.

The above important frequencies of respondents profile showed that respondents were well educated, well experience and had the necessary knowledge and ability to give accurate and valid information on the factors affecting public procurement practice with respect to transparency and accountability.

4.4 Factors affecting Public Procurement Accountability and Transparency

In this part the factors affecting public procurement practice transparency and accountability of Procurement staff competence, Complaint handling, and procurement unit structure and information communication technology were discussed.

The score of strongly disagree have taken to represent a variable which had a mean score of 0 to 1.5, the score of disagree have been taken to represent a variable with a mean score of 1.5 to 2.5, the score of neutral been taken to represent a variable with a mean score of 2.5 to 3.5, the score of agree have been taken to represent a variable with a mean score of 3.5 to 4.5 and the score of strongly agree have been taken to represent a variable which had a mean score of above 4.5 while a standard deviation of >1.00 implies a significant difference on the impact of the variables among the respondents while a standard deviation of $1 < 1.00$ which indicated smaller dispersion from the mean which is interpreted to mean convergence on the particular proposition.

4.4.1 Procurement Staff Competence

In this section the researcher presented various aspects touching on procurement staff competence and public procurement transparency and accountability and the findings are depicted in table 2.

Table 4. 1: Procurement Staff Competence on Effect of Public Procurement transparency and accountability

Measurements and instruments	N	Mean	SD
The organization recruits competent staff to handle the procurement process	50	3.86	1.050
The procurement staff has enough experience	50	3.58	1.071
The procurement staff educational back ground is procurement	50	3.06	1.018
Procurement staffs are committed to ethical principles in procurement process.	50	2.26	.944
The procurement staff have taken procurement training regularly	50	2.00	.833
The training design is based on a skills gap to match the needs of the system	50	1.68	.683
The organization motivates the procurement staff based on merit and skill	50	1.58	.785
Valid N (list wise)	50		

Source: Owned Survey, 2017

From the above table it was established that majority of the respondents agreed that the organization recruits competent staff to handle the procurement process (3.86) and the procurement staff has enough experience (3.58).

However the respondents disagreed that Procurement staffs are committed to ethical principles in the procurement process(2.26), the procurement staff have taken procurement training regularly(2), the training design is based on a skills gap inventory to match the needs of the system(1.68), the organization motivates the procurement staff based on merit and professional skill(1.58).Furthermore the respondents were unsure when asked whether the procurement staff educational back ground is procurement(3.06).

This shows that even though the organization recruits competent staff to handle the procurement process and the procurement staff has enough experience, most of the respondents disagreed on most the components of staff competence that could affect public procurement transparency and accountability.

The low variation of standard deviation which is <1.00 indicates that respondents were unanimous on components of procurement staff competence that could affect public procurement transparency and accountability. On the other hand components of procurement staff competence that could affect public procurement transparency and accountability with high variation shown on the organization recruits competent staff to handle the procurement process, the procurement staff has enough experience and the procurement staff educational back ground which is >1.00 implies a significant difference on the above factors of components among the respondents.

Based on the result of the interview questions held by the researcher, the findings are supported and according to the senior procurement expert in the FPPA

” It is found that all the above observed challenges are faced by the federal public procuring entities due to the low salary of the government procurement staff as compare to the nongovernmental and private sectors and like any other work discipline the overall procurement process must be managed by qualified public officials in order to ensure the implementation of the procurement is done in efficient and effective manner which is also a means to address transparency and accountability stipulated in the rule.

Well-designed, effective, and comprehensive procurement training is essential to improving the expertise knowledge and performance of the procurement personnel in each PB's. Proper training is vital to sustain and promote good procurement practice”.

4.4.2 Complaint Handling

In this section the researcher presents various aspects touching on complaint handling and public procurement transparency and accountability and the findings are depicted in table 3.

Table 4. 2: Complaint Handling on Effect Public procurement Transparency and accountability

Descriptive Statistics			
Measurements and instruments	N	Mean	SD
There are times specified for the submission, review and issuing of complaint decisions	50	4.46	.908
The complaint submission and review procedures are clearly publicized	50	3.76	1.170
The complaint review board has full authority and independence for resolution of complaints.	50	2.96	.989
The complaint review board has the capacity to handle complaints efficiently	50	2.22	.887
The complaint decision Board notify decisions with in the standard time	50	1.88	.824
Decisions are rendered on the basis of available evidence submitted by the parties	50	1.70	.544
Decisions are published and made available to all interested parties and to the public	50	1.54	.862
Valid N (list wise)	50		

Source: Owned Survey, 2017

From the above table , it was established that The respondents agreed that there are times specified for the submission ,reviewing and issuing of complaints decisions (4.46) and the complaint submission and review procedures are clearly publicized (3.76).

However the respondents disagreed that the complaint review board has the capacity to handle complaints efficiently (2.22),the complaint decision Board notify decisions with in the standard time (1.88),decisions are rendered on the basis of available evidence submitted by the parties(1.70) and decisions are published and made available to all interested parties and to the public(1.54).

Furthermore the respondents were unsure or do not know when asked whether the complaint review board has full authority and independent for resolution of complaints (2.96).

The low variation of standard deviation which is <1.00 indicates that respondents were unanimous on components of complaint handling that could affect public procurement transparency and

accountability. On the other hand components of Complaint handling that could affect public procurement transparency and accountability with high variation shown on The complaint submission and review procedures are clearly publicized >1.00 implies a significant difference among the respondents.

Based on the result of the interview questions held by the researcher, the findings are supported and according to the senior procurement expert in the FPPA

”Even though the complaint Directorate is a separate unit under the FPPA organizational structure, there is an independency problems and there is no enough experts in number and the necessary professionals however because of periodic awareness creation programs and proper dissemination of the law, the number of suppliers lodging complaints has increased and majority of the decision were made in favor of suppliers or bidders.

Table 2.3: Public Procurement Complaint Handling Progress report 2010/2011-2014/2015

Ethiopian budget year	Number of Complaints Submitted	Number of Complaints resolved	Performance %	Increasing rate of Complaints number in%
2003	35	34	97	-
2004	48	37	77	37
2005	101	100	99	110
2006	107	105	98	0.08
2007	117	109	93	7
Total	408	385	464	

Source: Unpublished FPPA Complaint report 2014/2015

4.4.3 Procurement Unit Structure

In this section the researcher presents various aspects touching on Procurement unit structure and public procurement transparency and accountability and the findings are depicted in table 5

Table 4.4: Procurement Unit Structure on Effect Public procurement transparency and accountability

Descriptive Statistics			
Measurements and instruments	N	Mean	SD
Procurement structure is enough to handle the procurement process	50	4.12	1.023
The Procurement staff has enough capacity to handle the procurement process properly	50	3.58	1.197
Procurement unit responsibilities are clearly defined for the procurement process.	50	2.98	.958
There is an established system to prevent miss procurement in the organization	50	2.28	.784
The procurement decision making is based on transparent criteria	50	1.84	.681
There is an accountability system in the organization in the procurement decision making	50	1.80	.833
The procurement unit has full authority and independence for the procurement process	50	1.46	.646
Valid N (list wise)	50		

Source: Owned Survey, 2017

From the above table, it was established that the respondents agreed that the procurement structure is enough to handle the procurement process (4.12) and the Procurement staff has enough capacity to handle the procurement process properly (3.58).

However the respondents disagreed that there is an established system to prevent miss procurement in the organization (2.28), the procurement decision making is based on transparent criteria (1.84) and there is an accountability system in the organization in the procurement decision making (1.80) and also the respondents strongly disagree the procurement unit has full authority and independence for the procurement process (1.46)

Furthermore the respondents were unsure or do not know when asked whether the Procurement unit responsibilities are clearly defined for the procurement process (2.98).

This shows that the most of the respondents disagree on the components of procurement unit structure that could affect public procurement transparency and accountability except the above mentioned components.

The low variation of standard deviation which is <1.00 indicates that respondents were unanimous on components of procurement unit structure that could affect public procurement transparency and accountability. On the other hand components of procurement unit structure that could affect public procurement transparency and accountability with high variation shown on the procurement unit structure is enough to handle the procurement process and the Procurement staff has enough capacity to handle the procurement process properly which is >1.00 implies a significant difference on the above factors of components among the respondents.

The interview conducted by senior procurement expert in the FPPA

”Revealed that though the structural arrangement is mostly in a better situation as compared to the past or before the business processes re-engineering (BPR) was conducted. But in relation to qualification and standards of procurement, it is not in an equal footing with other professions like Accounting, Law and etc. The procurement personnel do not have access to proper IT support. They also lack proper office space and adequate facilities. This leads that the performance of procurement can be negatively affected, mostly Transparency, which is the disclosing of information to the public at specified time as per the procurement rule”.

4.4.4 Information Communication Technology

In this section the researcher presents various aspects touching on Information communication technology and public procurement transparency and accountability and the findings are depicted in table 6.

Table 4.3: ICT on Effect of Public Procurement transparency and accountability

Descriptive Statistics			
Measurements and instruments	N	Mean	SD
The level of ICT infrastructure is enough for the procurement process	50	3.58	1.247
The procurement staff has enough skill to use ICT for the procurement process.	50	3.76	1.135
There is an up to date information for the procurement document on the FPPA website	50	3.08	1.192
The FPPA website is easily assessable to disclose the procurement information	50	2.58	.883
The tender documents are disclosed on websites before the suppliers buy the tender	50	2.14	.857

document to know the requirement			
The organization procurement plan has been disclosed on the FPPA website	49	1.96	.763
The invitation to bid and contract award has been disclosed on the FPPA website	50	1.68	.551
The supplier list on FPPA website shows potential suppliers	49	1.41	.674
Valid N (list wise)	48		

Source: Owned Survey, 2017

From the above table, it was established that majority of the respondents the respondents agreed that the level of ICT infrastructure is enough for the procurement process (3.58) and the procurement staff has enough skill to use ICT for the procurement process (3.76).

The respondents disagreed that the tender documents are disclosed on websites before the suppliers buy (2.14), the organization procurement plan has been disclosed on the FPPA website (1.96) and the invitation to bid and contract award has been disclosed on the FPPA website (1.68).

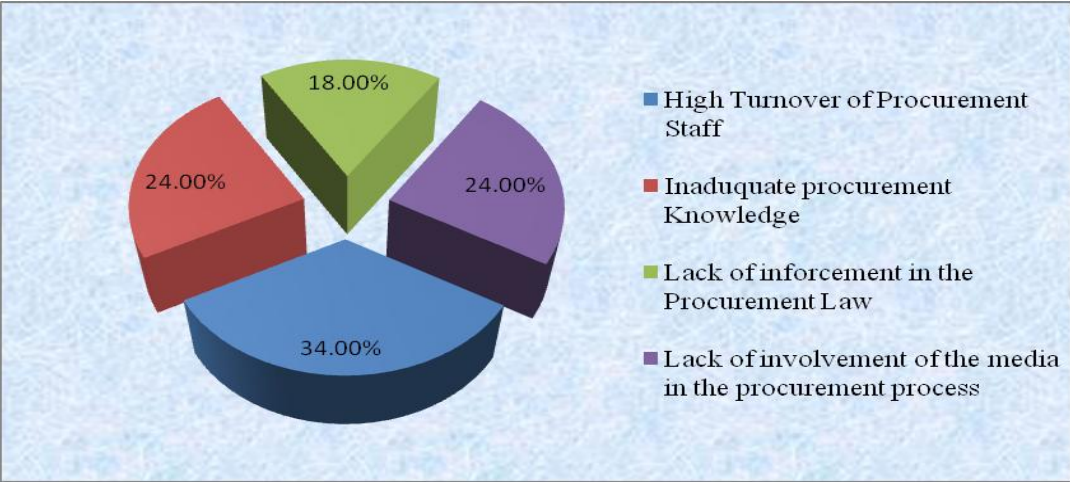
The respondents strongly disagreed that the supplier list on FPPA website shows potential suppliers (1.41).

Furthermore the respondents were however unsure or do not know when asked whether the there is an up to date information for the procurement document on the FPPA website(3.08) and the FPPA website is easily assessable to disclose the procurement information(2.58).

The low variation of standard deviation which is <1.00 indicates that respondents were unanimous on components of information communication technology that could affect public procurement transparency and accountability. On the other hand components of information communication technology that could affect public procurement transparency and accountability with high variation shown on the level of ICT infrastructure is enough for the procurement process, the procurement staff has enough skill to use ICT for the procurement process and there is an up to date information for the procurement document on the FPPA website which is >1.00 implies a significant difference on the above factors of components among the respondents.

4.4.5 Other Factors Affecting Public Procurement transparency and accountability

Figure 4.5: Other Factors affecting public Procurement transparency and accountability



Source: Owned Survey, 2017

From the above figure other factors affecting accountability and transparency of the public procurement 18% (9) of the respondents have answered lack of enforcement of procurement law, 24% (12) of the respondents have answered inadequate procurement knowledge and low involvement of the media in the procurement process and most of the respondents 34% (17) replied high turnover of procurement staff.

CHAPTER FIVE

5 SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMANDATION

5.1 Introduction

This chapter discussed the summary of the key findings, conclusions and recommendations to help improve performance of public procurement transparency and accountability at the federal government of Ethiopia based on the objectives of the study.

The chapter concluded with research areas of further study. Based on the analysis of information presented above, the following findings were used.

5.2 Summary of Findings

The general objective of this study was to determine the factors affecting Public procurement practice transparency and accountability at the federal level. The study specifically determined the effect of procurement staff competence, complaint handling, and procurement unit structure and information communication technology on effective implementation of transparency and accountability at the federal level.

It was revealed that there is a problem of procurement capacity building program, the complaint review Board do not have the capacity to handle the complaints efficiently, the procurement unit not structured properly and the important procurement documents did not disclosed on the FPPA website and FPPA websites not updated regularly. The major findings summarized are as follows.

5.2.1 Procurement Staff Competence

The study sought to determine the effect of procurement staff competence on effective practice of public procurement transparency and accountability at the federal level.

The study found out that the procurement staff competence as perceived by the respondents were the organization recruits competent staff to handle the procurement process and the procurement staff has enough experience. However the result showed that Procurement staffs are not committed to ethical principles in the procurement process, the procurement staff have not taken procurement training regularly, the training design is not based on a skills gap inventory to match

the needs of the system and the organization motivates the procurement staff is not on merit and professional skill.

This finding was related with Kiage (2013), found that procurement staff competencies affect procurement performance both for procurement unit and the whole ministry. In other words the study reveals that experienced staff carries out duties in a professional manner and reduce wastage of resources.

The findings are supported by CPAR report (2010), there are major challenges and constraints to achieving a successful long-term procurement capacity development in Ethiopia. One of the main issues is the high turnover of staff in the public sector in general and accordingly in procurement related functions. The high turnover of staff is a typical problem and the root cause seem to be the low salary level compared to international organizations and even the private market. The lack of recognition of procurement as a profession and its limited options in terms of building a professional career is also considered to be part of the problem.

5.2.2 Complaint Handling

The study sought to determine the effect of Complaint Handling on effective practice of transparency and accountability of public procurement at the federal level.

The study found out that there are times specified for the submission and review of complaints and issuing of decisions and the complaint submission and review procedures are clearly publicized. However the result showed that the complaint review board do not have the capacity to handle complaints efficiently, the complaint decision Board do not notify decisions within the standard time, decisions are not rendered on the basis of available evidence submitted by the parties and decisions are not published and made available to all interested parties and to the public.

This showed that even though the submission, review and issuing of decisions of the complaint procedures are clearly publicized, due to other components of Complaint handling (the complaint review board do not have the capacity to handle complaints efficiently, the complaint decision Board do not notify decisions within the standard time, decisions are not rendered on the basis of available evidence submitted by the parties and decisions are not published and made available to all interested parties and to the public) would affect procurement transparency and accountability.

The findings were supported by OCED (2016), in order to build bidders 'confidence in the integrity and fairness of procurement system efficient appeal and complaint procedures are important. Accessibility, user-friendliness, timely processing, independent reviewed effective follow up are key features of sound appeal and complaints procedures.

According to CPAR report (2010), despite the increase in complaints received from both the public and the private sector this originates from a very low number and complaints received from suppliers is still very low (31 in 2009/2010). One of the main challenges is certainly the lack of promotion and awareness of the mechanism and suppliers' right to complain (i.e. the complaint procedure is not described at either FPPA or MOFED's websites).The Board does not make its decisions public (only the result, not the names of the parties or the reasoning behind the result) thereby missing out on an opportunity to communicate a legal position and help other entities improve procurement complaint. There is an issue in terms of meeting the deadlines not only at the first level of appeal but also with the Complaints Board. The first level of appeal is supposed to reach a decision within 10 working days but in practice this often takes up to a month.

5.2.3 Procurement Unit Structure

The study sought to determine the effect of Procurement Unit structure on effective practice of transparency and accountability of public procurement at the federal level.

The study found out that the procurement structure is enough to handle the procurement process and the Procurement staff has enough capacity to handle the procurement process properly. However the result showed that there is not an established system to prevent miss procurement in the organization , the procurement decision making is not based on transparent criteria, there is no an accountability system in the organization in the procurement decision making and the procurement unit has not full authority and independence for the procurement process.

The findings were supported by interview conducted by senior procurement expert revealed that though the structural arrangement is mostly in a better situation as compared to the past or before the business processes re-engineering (BPR) was conducted the structure and responsibilities were not standard, lack proper office space and adequate facilities. This leads that the performance of procurement can be negatively affected, mostly Transparency and accountability.

5.2.4 Information Communication Technology

The study sought to determine the effect of information technology on effective practice of transparency and accountability of public procurement at the federal level.

Even though the level of information communication technology infrastructure was enough for the procurement process and the procurement staff has enough skill to use information communication technology infrastructure, the tender documents, the organization procurement plan, the invitation to bid and contract award were not been disclosed on the FPPA website, the supplier list on FPPA website did not shows potential suppliers. And as the same time there was uncertainty weather the website was updated and the accessibility of the FPPA website to users.

This showed that even though he level of ICT infrastructure is enough for the procurement process and the procurement staff has enough skill to use ICT for the procurement process, practically the information Communication technology was not exercised on the procurement processes.

The findings are supported by CPAR report (2010), supported by there is no integrated procurement information system at the website, there is no general requirement for publication of awards in the same media as publication of bidding opportunities, and no specification of the types of information that can be published. As a consequence an opportunity to increase transparency and enlist the public in the enforcement of value for money in public procurement is missed.

The problem with the supplier lists which are not updated is that they can contain false and outdated information concerning suppliers and new suppliers can find themselves in a situation where they cannot receive. It is also an issue that not all procuring entities have easy access to the most updated lists and that suppliers cannot be certain whether they are on the applied list or not. More worrying is the fact that inclusion on the lists in practice does not imply a check on the quality of the specific supplier, but only a check on whether the supplier is VAT registered and/or registered with a professional authority if applicable.

5.2.5 Increasing the transparency of Supplier List

The function of the supplier list is the master list kept with the FPPA website. However the list is not updated in that the list contains false and outdated information, not all procuring entities and other stakeholders have easy access to information, the list does not show the quality and capacity of the suppliers and the suppliers who are registered in the supplier list are sure whether they are on the supplier list or not.

5.3 Conclusions

On the basis of the analysis and presentation, Procurement Staff Competence, Compliant Handling, Procurement Unit Structure on the effect of Transparency and accountability of public procurement practice at the federal level has been assessed.

5.3.1 Procurement Staff Competence

Technological development and organizational change have gradually led some employees to the realization that success relies on skills and abilities of their employees and this means considerable and continuous investment in training and development. However the findings showed that Procurement staffs are not committed to ethical principles in the procurement process, the procurement staffs have not taken procurement training regularly, the training design is not based on a skills gap inventory to match the needs of the system and the organization motivates the procurement staff is not on merit and professional skills. There are also some major challenges and constraints to achieving a successful long-term procurement capacity development in Ethiopia. One of the main issues is the high turnover of staff in the public sector in general and accordingly in procurement related functions. The high turnover of staff is a typical problem and the root cause seems to be the low salary level compared to international organizations and even the private market. The lack of recognition of procurement as a profession and its limited options in terms of building a professional career is also considered to be part of the problem.

5.3.2 Compliant Handling

In order to build bidders' confidence in the integrity and fairness of procurement system efficient appeal and compliant procedures are important. Accessibility, user-friendliness, timely processing, independent reviewed effective follow up are key features of sound appeal and complaints

procedures. However the result showed that the complaint review board do not have the capacity to handle complaints efficiently, the compliant decision Board do not notify decisions with in the standard time, decisions are not rendered on the basis of available evidence submitted by the parties and decisions are not published and made available to all interested parties and to the public. There are also some major challenges that since the compliant boars is structured under Ministry of Finance and economic Corporation there is an independency problems and there is no enough experts in number and the necessary professionals however because of periodic awareness creation programs and proper dissemination of the law, the number of suppliers lodging complaints has increased and majority of the decision were made in favor of suppliers or bidders.

5.3.3 Procurement Unit Structure

Having proper organizational structure with qualified staff, equipment and clearly defined responsibility, is keen to implement the procurement process effectively. However the result showed that there is not an established system to prevent miss procurement in the organization ,the procurement decision making is not based on transparent criteria, there is no acaccountability system in the organization in the procurement decision making and the procurement unit has not full authority and independence for the procurement process.

5.3.4 Information Communication Technology

The use of information technology in public procurement can increase transparency, facilitate access to public tenders reduce direct interaction between procurement officials and companies, increasing outreach and competition, such as bid rigging schemes. However the study showed that tender documents are not disclosed on websites before the suppliers buy the tender document, the organization procurement plan has not been disclosed on the FPPA website, the invitation to bid and contract award has not been disclosed on the FPPA website that the supplier list on FPPA website does not shows potential suppliers. There are also some challenges that no integrated procurement information system at the website that is no relevant procurement opportunities or plans are accessible, there is no general requirement for publication of awards in the same media as publication of bidding opportunities, and no specification of the types of information that can be published.

5.3.5 Increasing the Transparency of supplier lists

The inclusion on the lists in practice does not imply a check on the quality of the specific supplier, but only a check on whether the supplier is VAT registered and/or registered with a professional authority if applicable. An exception is the contractors' suppliers list at federal level, which requires a grading of the contractors capacity. So the list adds little value to the procurement process, as it is primarily a fiscal instrument and the post qualification process is based on a list without an actual assessment of the capacity and qualifications of the applicants.

5.4 Recommendations

In the light of the entire results obtained and conclusions of this study, to overcome the challenges faced by transparency and accountability of public procurement practice at the federal level the following recommendations have been made.

Apart from FPPA other several institutions are participating in procurement capacity building program. However no coordination have been takes place between the institutions and as a result there will be high risk of over lapping or even contradicting in their activities than from complementary activities. Therefore there should be an institution who leads the procurement capacity building program with the aim of efficient and effective procurement capacity building program process a strategic and periodic procurement training needs to be given to the PB' staff and also a massive awareness creation training needs to be given to the suppliers and the community at large using of media as well as and to develop joint activities targeting uncovered aspects of procurement capacity at the federal level.

The level of awareness of the compliant system and the independency of the compliant review board among the suppliers is very low therefore it is essential to set up an independent compliant review board and create awareness to suppliers about the compliant review procedure.

It needs to set standards how organizations being structured , staffed and their responsibilities should be clear with respect of their organizational behaviour and their expenditure amounts and also the basic facilities required for the staff.

The Agency needs to update its website at regular interval in order to make accessible to the user (Public Bodies) to upload the required information and customers (Suppliers and any interested individuals) to look for information from the website.

A strong collaboration is needed between different responsible organs (Ministry of Civil Service, Ministry of Education, Ministry of Finance and Economic Development, FPPAA and others) in order to develop different scheme to tackle the high staff turnover and lack of office facilities and IT infrastructure persisted in PB's.

There must be strong link and coordination between the regulatory bodies (FEAC, FPPA and FAG) to address the accountability and transparency issues on time and the accountability measure needs to focus not only on the wrong doing but also on those who are not doing their duties as per the plan/or on time.

5.5 Areas for Further Research

The study confined itself to factors affecting transparency and accountability on public procurement practice at the federal level. It is therefore recommended that this research helps other researchers or other interested organizations that necessitate conducting detailed research in the public procurement practice with respect to transparency and accountability of the Federal Government of Ethiopia. So they might use this study as a preliminary for their further and detailed studies.

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ANNEXES

ANNEX I

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

Logistics and Supply Chain Management Master Program.

Questionnaires for the procurement entities

Dear respondents this questionnaire is administered to collect data as part of the requirement for award degree master of art in logistics and Supply chain management on factors affecting the implementation of public procurement Transparency and accountability practice at the federal level.

The objective of the questionnaire is to collect information about factors affecting Transparency and Accountability in the execution of public procurement at the federal level. The information you provide will be very important for the success of the research, will be used only for academic purpose, will be kept confidential and only summary results will be made public.

Please be honest and objective while filling the questionnaire. I thank you so much in advance for your cooperation.

Yours sincerely,

Gebeyaw Yitayih mobile +251911093522

Instruction please tick " X" in the box where appropriate. Please also answer all the questions to enhance the objectivity of the research.

SECTION ONE: DEMOGRAPHIC AND RESPONDENTS PROFILE

1. Gender: Male Female

2. Procurement activity Level

At Department/Process level At Division level

At a unit level other (please Specify) -----

3. Your Educational level

a) MA and above b) BA c) Diploma d) Below diploma

4. Working Experience in procurement

a) Below 2 years b) from 2 to 5 years

c) From 5 to 10 years d) above 10 years

5. Current Position a) head of procurement unit Senior procurement staff

c) Junior procurement staff d) other specify.....

SECTION 2: FACTORS RELATED TO STAFF COMPETENCE IN PROCUREMENT

Objective of the study: To determine the factors affecting public procurement accountability and transparency related to procurement staff competence.

Please rate your level of agreement based on the represented scales provided in the table: where

(1=strongly disagree; 2 =Disagree; 3= Do not know; 4= Agree; 5=strongly agree)

No	Categories	Levels of rating				
		1	2	3	4	5
1	The organization recruits competent staff to handle the procurement process					
2	The procurement staff has enough experience					
3	The procurement staff have educational back ground is					

	procurement					
4	Procurement staffs are committed to ethical principles in the procurement process.					
5	The procurement staff have taken procurement training regularly					
6	The training design is based on a skills gap inventory to match the needs of the system					
7	The organization motivates the procurement staff based on merit and professional skill					

➤ Please state other issues which can affect the public procurement accountability and transparency with respect to staff competence

SECTION 3: FACTORS RELATED TO COMPLAINT HANDLING REVIEW

Objective of the study: To determine the factors affecting public procurement accountability and transparency related to complaint handling review.

Please rate your level of agreement based on the represented scales provided in the table: where **(1=strongly disagree; 2 =Disagree; 3= Do not know; 4= Agree; 5=strongly agree)**

No	Categories	Levels of rating				
		1	2	3	4	5
1	There are times specified for the submission and review of complaints and issuing of decisions					
2	The complaint submission and review procedures are clearly publicized					
3	The complaint review board has full authority and independence for resolution of complaints.					
4	The complaint review board has the capacity to handle complaints efficiently					
5	The complaint decision Board notify decisions with in the standard					

	time					
6	Decisions are rendered on the basis of available evidence submitted by the parties					
7	Decisions are published and made available to all interested parties and to the public					

➤ Please state other issues which can affect the public procurement accountability and transparency with respect to complaint review handling

SECTION 4: FACTORS RELATED TO PROCUREMENT UNIT STRUCTURE

Objective of the study: To determine the factors affecting public procurement accountability and transparency related to procurement unit structure.

Please rate your level of agreement based on the represented scales provided in the table:

Where (1=strongly disagree 2 =Disagree 3= Do not know 4= Agree 5=strongly agree)

No	Categories	Levels of rating				
		1	2	3	4	5
1	Procurement structure is enough to handle the procurement process					
2	The Procurement staff has enough capacity to handle the procurement process properly					
3	Procurement unit responsibilities are clearly defined for the procurement process.					
4	There is an established system to prevent miss procurement in the organization					
5	The procurement decision making is based on transparent criteria					
6	There is an accountability system in the organization in the procurement decision making					
7	The procurement unit has full authority and independence for the procurement process					

- Please state other issues which can affect the public procurement accountability and transparency with respect to procurement unit structure
-
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SECTION 5: FACTORS RELATED TO INFORMATION COMMUNICATION TECHNOLOGY

Objective of the study: To determine the factors affecting public procurement accountability and transparency related to information communication technology.

Please rate your level of agreement based on the represented scales provided in the table: where **(1=strongly disagree 2 =Disagree 3= Do not know 4= Agree 5=strongly agree)**

No	Categories	Levels of rating				
		1	2	3	4	5
1	The level of ICT infrastructure is enough for the procurement process					
2	The procurement staff has enough skill to use ICT for the procurement process.					
3	There is an up to date information for the procurement document on the FPPA website					
4	The FPPA website is easily assessable to disclose the procurement information					
5	The tender documents are disclosed on websites before the suppliers buy the tender document to know the requirement					
6	The organization procurement plan has been disclosed on the FPPA website					
7	The invitation to bid and contract award has been disclosed on the FPPA website					
8	The supplier list on FPPA website shows potential suppliers					

- Please state other issues which can affect the public procurement accountability and transparency with respect to information technology
-

SECTION SIX: Please state other factors that affects the implementation of public procurement transparency and accountability at the federal level

Thank you

Annex II

Interview Questions for FPPA

Interview Questions Designed to Collect Data on factors affecting Transparency & Accountability at the Federal level

Dear Respondent, My name is Gebeyaw Yitayih, a Masters student in Logistics and Supply Chain Management of the Addis Ababa University School of Commerce. I am doing a research entitled “Factors Affecting *Transparency and Accountability in public procurement at the federal level.*

I have designed few questions about the implementation of the Federal public procurement. These questions are meant for assessing the factors affecting Transparency and Accountability in public procurement. I shall therefore appreciate your time and cooperation in responding to the following questions.

Thank you in advance!

Gebeyaw Yitayih

E-mail Address: bitewgebeyaw@yahoo.com

1. Is your organization have checked the impact of procurement training on transparency and accountability?
2. Is there is strategy for the procurement staff competence program for carrier development at the federal level?
3. Is the procurement structure and procurement staff enough to implement the responsibilities procurement process?
4. Are decision makers at all levels held accountable for their contributions to the acquisition process? If so how?
5. Is the Complaint board has enough capacity to handle the complaint?
6. Do you think the complaint review board independent to make decisions?
7. Is the enough information of procurement documents are accessible to the FPPA website?
If no what is the reason?
8. Do you think the supplier list give enough information to the procuring entities?
9. Are there any additional comments and ideas regarding factors affecting procurement transparency and accountability?