

EFFECTIVENESS OF MONITORING AND EVALUATION OF PUBLIC PROCUREMENT PROCESSES AND PERFORMANCE OF RPPA IN RWANDA: A CASE STUDY OF RWANDA PUBLIC PROCUREMENT AUTHORITY (RPPA)

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Abstract: Public procurement is an important function of any government. The magnitude of procurement outlays has a great impact on the economy and needs to be well managed. The delayed deliveries, poor quality products or services, non-completion of orders and even threats of litigation due to delayed payments is a common scenario experienced by public institutions in Rwanda. Report by RPPA indicates that up to 30% of procurement inefficiencies in the public sector in Rwanda are attributed to supplier's performance issues. The current public sector monitoring and evaluation processes are not yielding the desired results in terms of meeting operational requirements of public sector institutions on time as a result of the bureaucratic nature of the processes involved and impacts negatively on the performance. The procurement function has not been given the recognition it deserves in developing countries, in most public entities, regardless of the effort by the partners like the World Bank, the International Trade Organization, the United Nations Conference on Trade and Development, the World Trade Organization and, others. Generally the study aim is to determine the effectiveness of monitoring and evaluation of public procurement processes and performance of RPPA in Rwanda. The time frame of this study is from 2015-2017. This study adopted a survey research design. The primary data was collected from employees of RPPA Through questionnaire technique. In line with this study, the target population was 30 employees of RPPA. Data was collected by using structured questionnaires. The response was analyzed through SPSS (Statistical Packages of Social Sciences) version 21. The coefficients of model fitness on how monitoring and evaluation of public procurement processes influence performance of RPPA in Rwanda. The performance has an overall correlation with outsourcing of 0.833 which is strong and positive. This means that 83.3% of monitoring and evaluation of public procurement contributed to the performance of RPPA Rwanda. Analysis of Variance shows that f-calculated is greater than f – critical that is $6.301 > 0.01$. This implies that the regression equation was well specified and therefore the co-efficient of the regression shows that there is a strong relationship between two variables. The aim of this study was to explore the monitoring and evaluation of public procurement processes on the RPPA performance. RPPA need to incorporate the monitoring and evaluation of public procurement processes. This will enable them to improve the overall organizational performance. RPPA need to find out ways of encouraging employees to make use of e-procurement systems. If employees are encouraged to use the e-procurement, adoption of the same will greatly improve.

Keywords: Public procurement, economy, public procurement processes, e-procurement systems.

1. BACKGROUND OF THE STUDY

Public procurement is an important function of any government. The magnitude of procurement outlays has a great impact on the economy and needs to be well managed. It has been estimated that financial activities of government procurement in most countries in the world are of the order of 10% – 30 % of GNP (Calendar & Mathews, 2010). Public Procurement devotes significant resources and time, to ensure the processes and the procedures are sound, transparent, shared and followed Procurement function is important part of doing business in today competitive environment. As a result of this development purchasing function has now moved from product-centered to a performance-centered. This trend has called for the process to be evaluated in order to achieve the performance-centeredness in the public sector, (Wan Lu, 2015). With this realization, many public sector institutions and for that matter governments in many countries have invested substantial funds to restructure public sector purchasing or procurement processes to improve performance in terms of quality services and savings.

Public procurement contracts represent a major share of any country's GDP and public expenditure budget. According to the recent Evaluation Report (2011) published by the European Commission, public procurement in the European Union in 2009 amounted to EUR 2,100bn, representing 19% of GDP. Those figures alone provide sound reasons for monitoring the performance of public procurement systems. Public procurement is the purchasing and logistics operations in the public sector or in public institutions (Osuga et al., 2015). In many countries, the public sector is the major source of market for suppliers sometimes demanding up to 40 percent of national demand. For instance, in the UK, the public sector demand per year stands at £ 150 billion. For this reason, the government of UK has formulated public contracts regulations 2015 aimed at enhancing transparency and efficiency in public procurement operations in the country (UK Legislation, 2015). In Africa, owing to the importance of public procurement, conference on public procurement has been constituted to look at issues of integrity and transparency in public procurement (International Trade Centre, 1999). Similarly, scholars have developed interest on the subject of public procurement in the recent past conducting a number of studies on the subject. For instance, Quinot & Arrowsmith (2013) wrote a book that focused on the law governing public procurement in a number of African systems and looks at key themes relevant to all African states to provide a focused view of the African systems and bring a comparative perspective in understanding Public Procurement in Africa and other parts of the world.

In Kenya, the Public Procurement and Disposal Act 2005 outlined the process through which the government operates and spends public money (Rotich, 2015). It is estimated that in Kenya public procurement accounts for over 10% of the Gross Domestic Product (GDP), making it a large market for suppliers and contractors (Cousins, 2008). With this amount of resource, public procurement tops the list of sectors with high opportunities for corruption (International Transparency, 2010). This therefore means that every effort should be made to erect safeguards to check against corrupt malpractices in public procurement (PPOA, 2009). Most of the Organizations in Rwanda did not have proper procurement practices; this came into practice due to force from word bank, IMF and other aid providers. Most of the time the awarded contract worked contrary to the intension simply corruption has played part no other way round to reject the goods or works.

According to joint Country Procurement Assessment Report (CPAR 2003) by the World Bank and government of Rwanda, it is estimated that at the national level about 20 percent of the government expenditure on procurement is lost through fraud, theft and corruption, mainly through bribery, kick back, nepotism and fake investment that have to be written off. Monitoring and evaluation of public procurement process in public sector (central and local government, government institutions, government agencies and parastatal organizations) found to be encompassed by complains from various stakeholders such delay in procurements process, wrong items delivery, low quality services and general stakeholders' dissatisfaction over the public process.

Over the past two decades, considerable efforts have been made to establish a strong and robust basis for assessing public spending, and its effects on development. It is in this regard that Rwanda Public Procurement Authority was established on 30/12/2007 by the law no 63/2007 establishing and determining organization, functioning and responsibilities of the Rwanda Public procurement Authority. Any national level monitoring and evaluation of public procurement processes needs to take into account the impact of monitoring and evaluation in public procurement on the performance of RPPA.

2. STATEMENT OF THE PROBLEM

The procurement function of goods, works and services has been delayed according to the Procurement guideline, (President of Sri Lanka, 2014). Monitoring and evaluation government procurement process is to minimize delays and to obtain financially the most advantageous and qualitatively the best services, (Daya Liyanage, 2016). The registration of suppliers will be mitigating interruption and unnecessary delay in procurement.

The delayed deliveries, poor quality products or services, non-completion of orders and even threats of litigation due to delayed payments is a common scenario experienced by public institutions in Rwanda. Report by RPPA indicates that up to 30% of procurement inefficiencies in the public sector in Rwanda are attributed to supplier's performance issues. As reported by RPPA, in the public sector in Rwanda, monitoring and evaluation are in most processes on the performance of public institution in Rwanda. The current public sector monitoring and evaluation processes are not yielding the desired results in terms of meeting operational requirements of public sector institutions on time as a result of the bureaucratic nature of the processes involved and impacts negatively on the performance. The procurement function has not been given the recognition it deserves in developing countries, in most public entities, regardless of the effort by the partners like the World Bank, the International Trade Organization, the United Nations Conference on Trade and Development, the World Trade Organization and, others.

This could be deliberate or sheer ignorance on the value the effectiveness of procurement processes could contribute to any organization performance (Telgen, Zomer, & de Boer, 1997). Hence the study aimed to evaluate the effectiveness of monitoring and evaluation of public procurement processes and performance of RPPA Rwanda.

3. OBJECTIVE OF THE STUDY

1. To examine the effectiveness of E-procurement on the performance of RPPA.

4. CONCEPTUAL FRAMEWORK

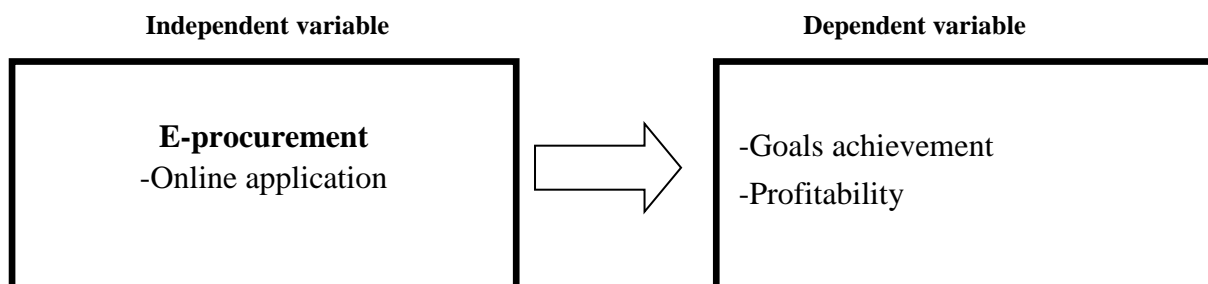


Figure 1

5. RESEARCH DESIGN

This study adopted a survey research design. According to Oso & Onen (2011), the research design adopted should enable the researcher to achieve answer the questions the study is seeking to answer. This design therefore enabled the researcher to relate Monitoring & Evaluation of public procurement processes with performance of RPPA. The primary data will be collected from employees of RPPA Through questionnaire technique.

6. STUDY POPULATION AND SAMPLING TECHNIQUE

The target population contains members of a group that a researcher was interested in studying (Nachimas, 2009). In line with this study, the target population will be 30 employees of RPPA. Sample size is the number of population involved in the study as the respondents in the study. Sampling technique on the other hand is the scientific process through which the sample elements are selected (Mugenda & Mugenda, 2013). In this study, the sample size determined by using random stratified sampling. The researcher selected 30 of respondents will be involved in the study.

7. DATA COLLECTION INSTRUMENTS

Data was collected by using structured questionnaires. The questionnaires had five sections; Section A had questions on bio data of the respondents, section B, C and D has research items on Monitoring & Evaluation of public procurement processes related to the performance of RPPA.

8. RESEARCH FINDINGS AND DISCUSSION

Table 1: The effectiveness of E-procurement on the performance of RPPA

Statements	1	2	3	4	5
1. The adaptation of e-procurement decrease the corruption in public procurement and is influence the performance of RPPA	33%	17%	3%	35	12%
2. Monitoring the Stakeholders activities on e-procurement influence the performance of RPPA	5%	12%	6%	44%	33%
3. The adoption of e-procurement has been improved the performance of RPPA	-	2%	-	85%	13%
4. Government officials have realized that public agencies must utilize ICT in order to enhance the e-procurement processes in the public sector.	-	-	1%	63%	36%

Source: Primary data, 2019

E-procurement practices refer to the use of computer-internet based system to carry out individual or groups of the procurement process, including search, sourcing, negotiation, ordering, receipt, and post-purchase review (Asumba, 2010). The above Table 4.7 shows the effectiveness of e-procurement on the performance of RPPA. The perception of respondents shows that the adaptation of e-procurement decrease the corruption in public procurement and is influence the performance of RPPA, the results shows that the adoption of e-procurement reduce lower level of corruption, Government still have challenges of controlling the e-procurement for fighting the corruption.

In Rwanda, combating corruption, and building capacity in procurement has helped governments

Maximize the buying power of their budgets and improve the quality of service delivery to their

Citizens especially the marginalized. Competitive and transparent public procurement systems are seen as a key element to achieving sustainable development and more prosperous marginalized group in Africa. The use of Information Communication Technologies (ICTs) has dramatically changed services, people's expectations and business models of the quality and efficiency of information sharing and service delivery. E-procurement systems aid in reducing transaction costs by automating processes, thus replacing human labor with information technology.

8.1 Regression analysis of e-procurement:

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.437 ^a	.855	.641	252

a. Predictors: (Constant), e-procurement

Table 2 presents the coefficients of model fitness on how e-procurement explains performance of RPPA. The profitability has an overall correlation with e-procurement of 0.755 which is positive. This means that 85.5%. E-procurement contributed to the performance of RPPA. The rule of Thumb is that, usually an R square of more than 50% is considered as better. This study proves the rule of Thumb the R² is (0.743).

Table 3: ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	27.612	1	4.251	5.135	.001 ^a
	Residual	.752	28	.010		
	Total	33.355	29			

a. Predictors: (Constant), E-procurement.

b. Dependent Variable: RPPA Performance

Table 3 shows the overall significance of the regression estimation model. It indicates that the model is significant in explained the relationship between e-procurement and RPPA Performance at 5% level of significance. Analysis of Variance shows that f-calculated is greater than f – critical that is $5.135 > 0.01$.

Table 4: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error				
1	(Constant)	.152	.081	1.728	.031	
	E-procurement	.702	.064	.522	1.631	.000

a. Dependent Variable: RPPA Performance

From table 4, the regression model therefore becomes:

$$Y = 0.152 + 0.702x + \varepsilon$$

On table 4, the regression coefficient of the predictors (e-procurement) is presented. Results indicate that e-procurement is the most significant explain RPPA Performance with a significance level is 0.000 which is less than a p-value of 0.05 and beta value is 0.522. When e-procurement increase by 1 unit keeping procurement committees and financial stability constant, e-procurement would increase by 70.2%.

9. CONCLUSION

The aim of this study was to explore the monitoring and evaluation of public procurement processes on the RPPA performance. The outputs from the findings indicate that there is a significant positive relationship between the monitoring and evaluation of public procurement processes and RPPA performance. Prior to e-procurement, procurement often dealt with administrative routine duties as well such as individual transactions, converting purchase requests into purchase orders or ensuring the correct amount of inventory is maintained and therefore, the use of e-procurement technologies in e-procurement is aimed at realizing faster and more efficient operational procurement processes hence reducing procurement costs and thereby enhancing organizational performance.

10. RECOMMENDATIONS

RPPA need to incorporate the monitoring and evaluation of public procurement processes. This will enable them to improve the overall organizational performance. RPPA need to find out ways of encouraging employees to make use of e-procurement systems. If employees are encouraged to use the e-procurement, adoption of the same will greatly improve.

It is therefore recommended that RPPA resources planning systems in particular should be concerned with trying to integrate and co-ordinate the various internal functional areas in order to break down those functional boundaries and ensure decisions for areas like marketing, operations and financial decisions are all made using the same data.

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