

## Seoul, Korea Training Workshop on Capacity Building Program Government Procurement Reform .



Procurement Reform within Papua New Guinea's  
Procurement System.

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# Role of the CSTB

- The Central Supply and Tenders Board is required to “control and regulate” procurement under the Public Finance (Management) Act. It does this by reviewing all major tenders (>K100, 000) and ensuring that they:
  - Are conducted in accordance with the law, and
  - Represent “value for money, transparent, promote effective competition, fair and ethical dealing and efficiency and effectiveness.

- Centralised Central Supply & Tenders Board
- Promulgation of new legislation and Finance Instructions in relation to procurement.
- The Government of Papua New Guinea (GoPNG) through the Central Supply and Tenders Board (CSTB) is currently undergoing significant internal reform. It is also managing procurement reform across PNG as part of its legislated responsibility.

- Control & Regulates by Law 20 Provincial Boards
- Limited threshold of each Supply Board and Depart. Heads
- Public Finances (Management) Act and Financial Instruction
- All procurement by Government is through conventional methods
- Majority of expenditure is on infrastructure
- Limited internet and website usage by private sector

- The CSTB developed a Procurement Reform Plan to establish its intentions for procurement reform and provide an opportunity for integration of further procurement reforms across the entire government sector and to anticipate harmonization with Aid and Donor Agencies' procedures and practices.
- In cooperation with AusAID Advisors the CSTB reviewed the Financial Instructions and developed a Good Procurement Manual and Operational Manual. The Good Procurement Manual is required to be used in accordance with the Financial Instructions and as such this Manual is the centre-piece of GoPNG procurement principles, practices and procedures.

# Reform Plan

- The rollout of the Good Procurement Manual is just one of the elements of the overall procurement reform process. The Procurement Reform process is clearly envisioned in three phases:
- **Consolidation Phase** 1 year horizon
  - This phase strengthens existing procurement capabilities in the government and standardises practices and procedures, where possible.
- **Development Phase** 5 year horizon (2006-2009)
  - This phase exploits the good work from the previous phase under the auspices of the Reform Plan. Extensive Training and further institutional development is seen to be the target in this phase.
- **Continuation Phase** After year 2009
  - The GoPNG will continue the reform process, on an ongoing basis. This phase will be undertaken by the Government with a sustainable system, with little or no external assistance.

# E-procurement in PNG – where it its at.

- Current infrastructure is not stable enough to support minimal requirements.
- Government recognizes the use of Information Communication Technology as a tool for future growth in e-Commerce/ e-procurement
- Government has recently launched its Medium Term Development Strategy, (MTDS),...improve telecommunications (ICT)...develop provinces
- Two main objectives :-
  1. Conduct research into ICT development
  - 2.To develop & deliver a more responsive & effective service

## C : Implementation Arrangement

- Central Supply & Tenders Board will take carriage of the project.
- Formation of Working Committee
- Improve current Laws & Legislation to enter e-Procurement
- Promote public & private sector participation



# Benefits of our reforms

- **Improved transparency**
- **Improved accountability**
- **Reduce corruption**
- **Increase public participation**
- **Generate a savings of 20 to 30 percent ( US\$ 120million approx)**
- **Rapid enhancement of the ICT infrastructure.**

# EM TASOL

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THANK YOU ALL

