


THE PROCUREMENT DIGEST

NEWSLETTER

March 2023



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MESSAGE FROM THE DIRECTOR GENERAL



Dear stakeholders,

As we approach the end of this quarter, I would like to take this opportunity to update you on the latest developments at the Public Procurement and Disposal of Assets Authority (PPDA).

Over the past quarter, we have continued to work diligently to ensure that our procurement processes remain transparent and efficient.

In line with our commitment to promote transparency and accountability in public procurement, we have continued to enforce compliance with the Public Procurement and Disposal of Public Assets Act, and other regulations governing procurement in the country. We have also been working to improve the quality of procurement data in order to enhance our monitoring and evaluation capabilities.

We are pleased to report that we have made significant progress in our efforts to reduce lead times for submissions. We have also improved in registration and participation of local Micro, Small and Medium-sized Enterprises (MSMEs) in public procurement. We have been working to create an enabling environment that will facilitate the participation of these enterprises in public procurement, including through the provision of training and capacity-building programs.

In the month of March we also joined the rest of the world in celebrating the International Women's Day. PPDA is committed to promoting equality and equity in the Spirit of leaving no one behind.

As we move forward, we remain committed to ensuring that the procurement process in our country is transparent, fair, efficient, and competitive. We will continue to work closely with all stakeholders to promote best practices in public procurement and disposal of public assets.

Thank you for your continued support.

Edington
Edington Chilapondwa PhD.

MESSAGE FROM THE EDITOR

Dear readers,

I am pleased to bring you the latest edition of the Public Procurement and Disposal of Assets Authority (PPDA) quarterly newsletter, the Procurement Digest. As always, we are committed to providing you with up-to-date information on the latest developments in public procurement in our country.

In this edition, we bring you a range of highlights on topics ranging from updates on the implementation of the Public Procurement and Disposal of Public Assets Act, to insights on how stalled projects affect national development.

As always, we welcome your feedback and suggestions on how we can improve the newsletter and better serve your needs. Please feel free to reach out to us with your comments and ideas.

Thank you for your continued support of PPDA, and we look forward to bringing you more updates in the next edition of our newsletter.

MONITORING STALLED PROJECTS



The Authority embarked on a monitoring exercise to follow up on some public projects that have stalled and gone beyond their project implementation time frame.

Stalled projects have significant negative impacts on public procurement and public finance such as increased costs, delays in service delivery, reduced investor confidence, legal challenges, and damage to the reputation of the government. As such, the Board represented by Directors Amos Nyambo and Engineer Mirriam



The project site Manager explains the status of the project to the PPDA team

PPDA is committed to enhancing transparency and efficiency in the public sector by ensuring that projects run on time. Speaking during the meeting in Mzimba, Edington Chilapondwa said that stalled projects have far-reaching consequences and negatively impact the well-being of citizens and businesses that rely on these services, consequently public officials and contractors should be held accountable for decisions that lead to such delays. Chilapondwa further said that, it is high time that those responsible for negligence should be held personally liable for such delays.

Nsomba let the PPDA team in touring selected projects to substantiate the cause of the delays and seek remedies to addressing those challenges.

During a site visit at one of the projects in M'mbelwa District Council, which has stalled since 2018, Director Amos Nyambo lamented the unapproved alterations on scope of works which affects project cost and delay completion of work.



Director Amos Nyambo makes a point during the site visit at Mzimba Boma Stadium which at the time of monitoring was at 60%

Stalled Projects Monitored, Jan-March

1. Construction of Thyolo Stadium
2. Construction of a Slip lane at Mount Pleasant Junction in Blantyre
3. Construction of North Road Market street in Limbe
4. Construction of Ntcheu Sports Stadium
5. Construction of TA Kalonga's house in Salima
6. Rehabilitation of Chief M'Mbelwa's House in Mzimba
7. Construction of Mzimba Boma Stadium

PPDA'S STRATEGIC PLAN REVISED



**AGILITY
ADAPTABILITY
ALIGNMENT**

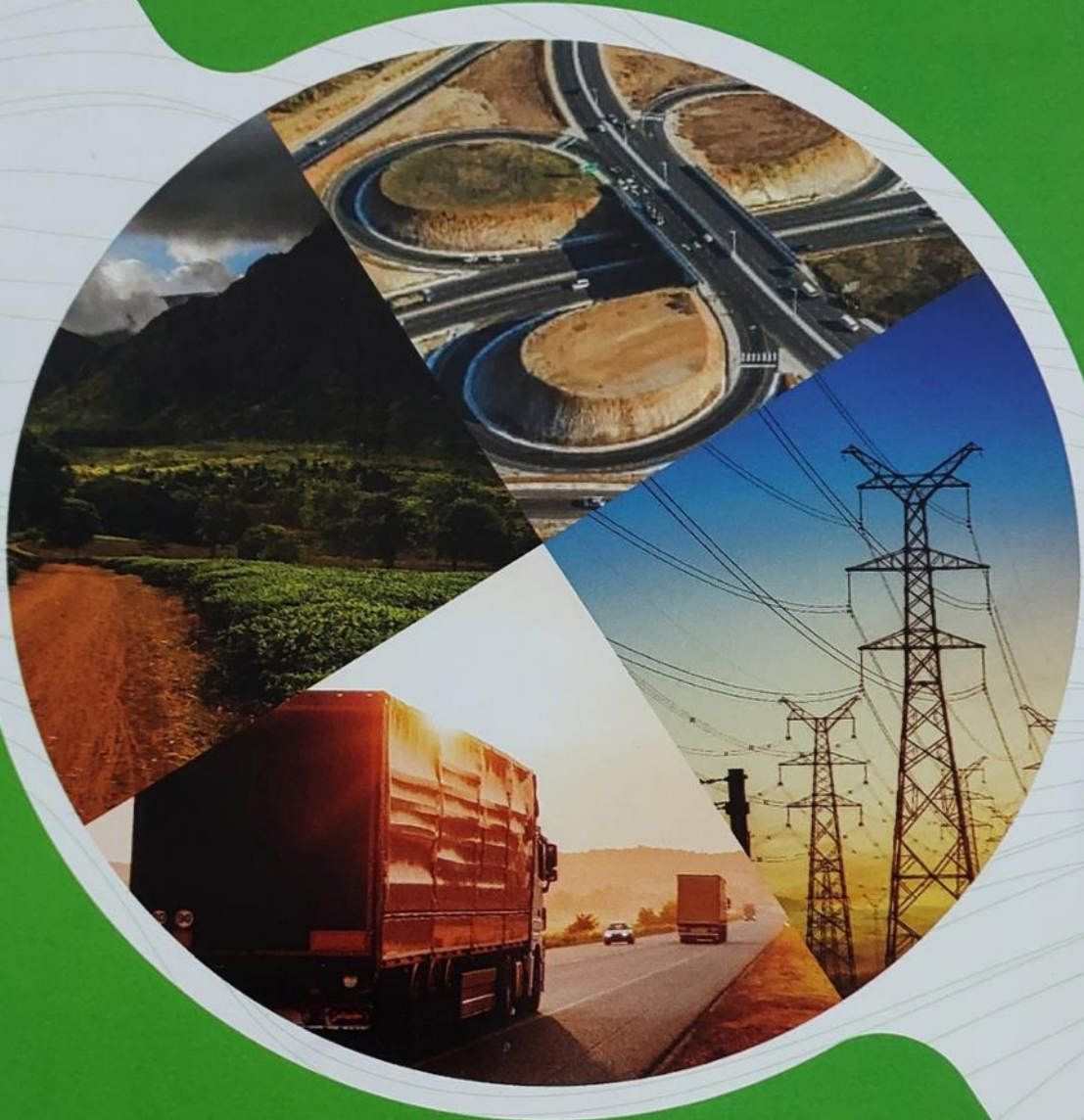
The procurement and disposal landscape is constantly evolving, with new laws, regulations, and market trends emerging all the time. PPDA must therefore, ensure that it remains relevant, adaptable, and effective in achieving its goals. For example, in recent years, there has been a growing emphasis on sustainability, social responsibility, and transparency in public procurement.

A revised strategic plan can help the PPDA to stay abreast of these changes and to adapt its policies and procedures accordingly.

By staying abreast of changes in the business environment, aligning its priorities with stakeholder needs, identifying new opportunities and risks, and remaining true to its core mission and vision, the PPDA continues to be a leading voice for transparency and accountability in public procurement in Malawi and beyond with its revised strategic plan.

Thematic Areas

1. Digitalization
2. A strong regulatory framework
3. Promotion of MSMEs
4. Stakeholder Management
5. Human Resources Capacity Development
6. Enterprise Resource Planning



REVISED STRATEGIC PLAN 2022 - 2024

NOVEMBER 2022



PPDA BUILDS CAPACITY OF INTERNAL PROCUREMENT AND DISPOSAL COMMITTEES

The Directorate of Capacity Building at the Public Procurement and Disposal of Public Assets Authority (PPDA) plays a crucial role in building the capacity of stakeholders involved in public procurement processes in Malawi.

The Directorate is responsible for providing training and capacity building services to public entities, bidders, and other stakeholders involved in the procurement process. The directorate is specifically tasked with developing and implementing programs to enhance the knowledge, skills, and competencies of procurement practitioners and other stakeholders in the procurement system. Overall, the role of the Directorate of Capacity Building is to ensure that all stakeholders in the public procurement system have the necessary

knowledge, skills, and competencies to carry out their roles effectively and efficiently. This helps to promote transparency, accountability, and value for money in public procurement processes in Malawi. Between January and March, the PPDA trained four Internal Procurement and Disposal Committees (IPDCs) from Malawi Catering Services, Lilongwe Handling Company, National Economic Empowerment Fund and National Construction Industry Council. PPDA also conducted a Master Class for Media in Lilongwe to enhance awareness of the Public Procurement legal frameworks in Malawi.



PPDA staff pose with some stakeholders who participated at the Master Class for Media, on 13 January 2023 at Crossroads Hotel in Lilongwe.

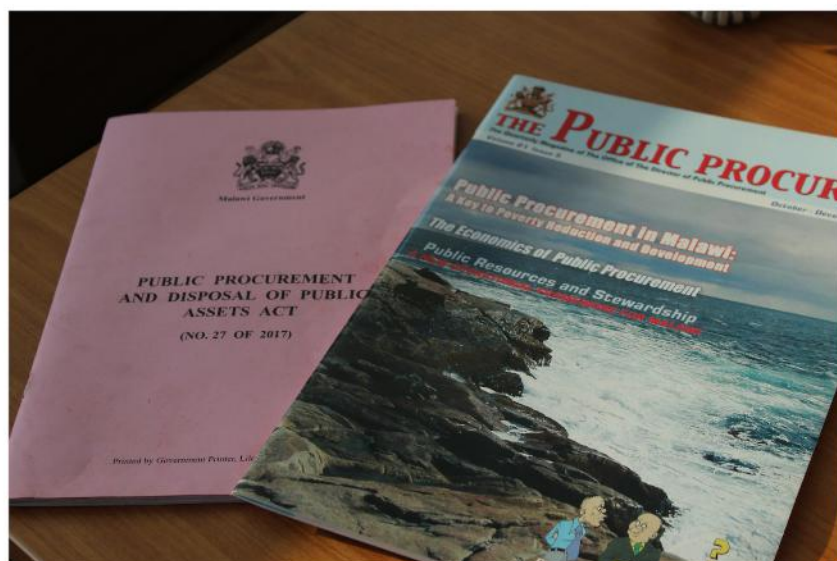


Chief Capacity Development Officer, George Chimphonda facilitating an IPDC training for Lilongwe Handling Company (LIHACO) 27 February - 2 March 2023 in Salima.



The Director General Edington Chilapondwa (L) awards a certificate to Ms. Lenia Bikoko, LIHACO IPDC Chairpesron at a ceremony presided over by the Deputy Director, Irene Mlewa (R).

REGULATORY AND COMPLIANCE



PPDA is mandated by law to ensure that public procurement and disposal of public assets processes are transparent, efficient and free from fraud or corrupt practices.

Section 56 of the PPD Act empowers the Director General to exclude a supplier, contractor or any bidder from participation in public procurement for any misconduct prescribed in the Act in accordance with the procedures set out in the Regulations. The debarment of suppliers follows the process below:

3

complaints recorded

4

Hearings and case reviews conducted

1

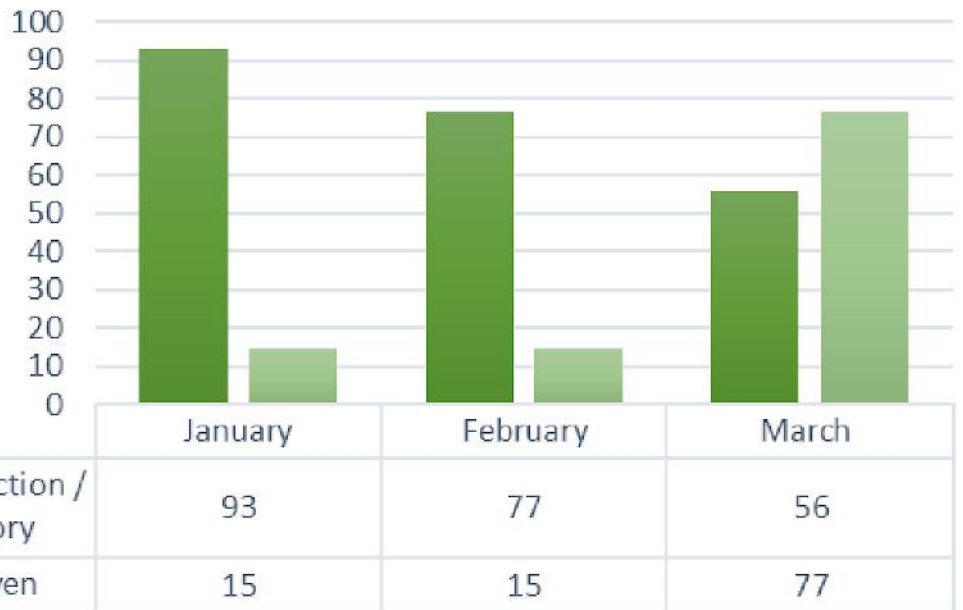
Investigation conducted.

- Investigation: The PPDA conducts an investigation into the alleged misconduct of the supplier or contractor.
- Notification: The supplier or contractor is notified of the investigation and given an opportunity to respond to the allegations.
- Determination: Based on the findings of the investigation and the response of the supplier or contractor, the PPDA determines whether or not to debar the supplier or contractor from public procurement.
- Notification of decision: The supplier or contractor is notified of the PPDA's decision to debar them from public procurement and the length of the debarment period.
- Publication: The PPDA publishes the name of the debarred supplier or contractor on its website and newspapers.
- Review: The debarred supplier or contractor has the right to request a review of the debarment decision by the PPDA's Appeals Committee.

No of No objection, Approvals, Advisory and Responses

998

Responses given to Procuring and Disposing Entities (PDEs).



Lead time improved to an average of

19 days

No Objections & Advisory Responses Issued as of 22 Mar 2023



226

submissions made

107

Responses given





International Women's Day

#IWD2023

#EmbraceEquity

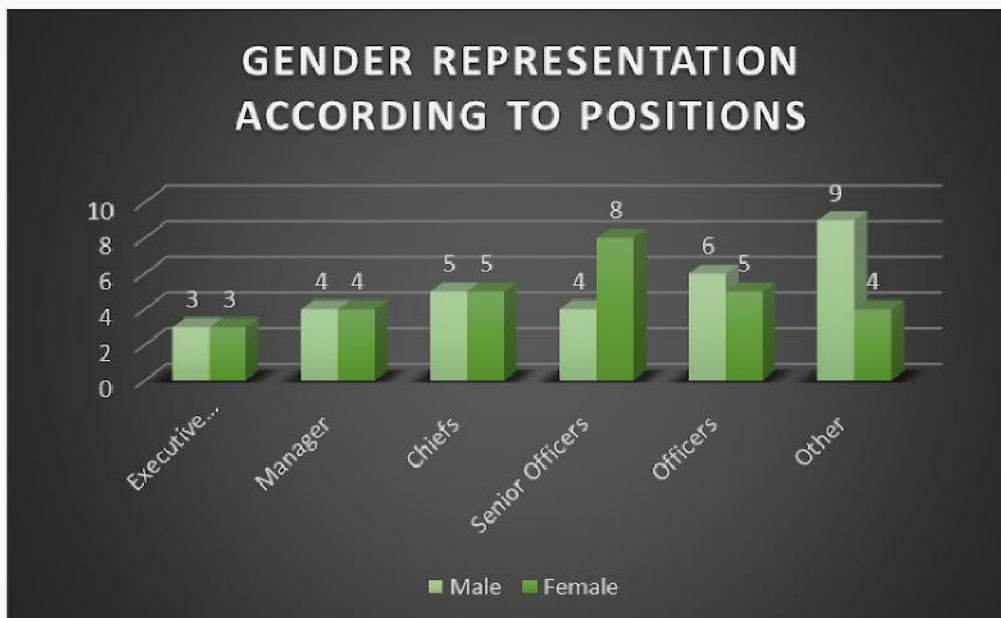
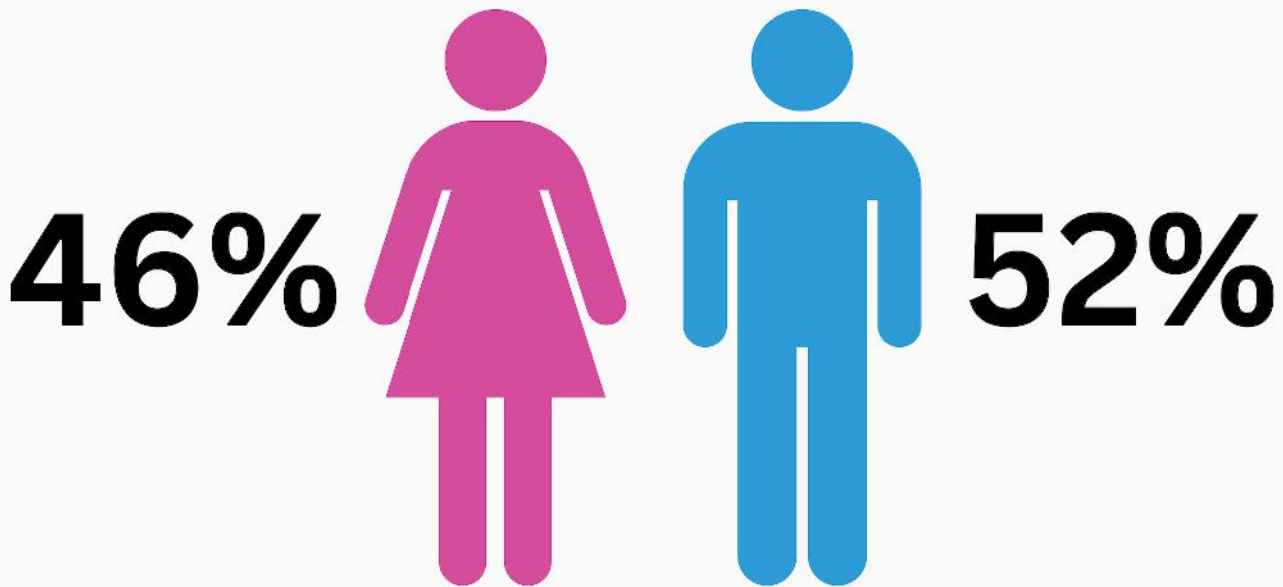
**“No country can ever truly flourish if it stifles the potential of its women and deprives itself of the contributions of half of its citizens.”
- Michelle Obama**





TOWARDS ACHIEVING 50/50 GENDER EQUALITY

The PPDA recognizes that gender equality is not only a fundamental human right but also essential for the organization's success and sustainability. One of the ways that the PPDA promotes gender equality in the workplace is through its hiring practices. This ensures that women are well represented in the organization and that they have an equal opportunity to participate in decision-making processes and to advance their careers. Currently PPDA boasts a 50/50 representation in all senior management positions.



PPDA RECRUITS DIRECTOR OF REGULATORY, REVIEW, MONITORING AND COMPLIANCE.



Jonathan Kantayeni

Jonathan Kantayeni began his career in public service over a decade ago as a Principal Monitoring Officer at the Public Procurement and Disposal of Assets Authority (then Office of the Director of Public Procurement-ODPP). With a keen eye for detail and a passion for ensuring compliance with regulations, Jonathan quickly rose through the ranks at the PPDA when he was promoted to Chief Monitoring Officer and Monitoring and Compliance Manager.

In his role as a Monitor and Regulation Manager, Jonathan was responsible for overseeing the procurement process for various public projects, ensuring that all suppliers were complying with regulations, and that the procurement process was transparent and fair. Through his hard work and dedication, He quickly gained a reputation for being a meticulous and reliable member of the PPDA team.

In recognition of his outstanding contributions, Jonathan was recently promoted to the position of Director in February, 2023. This is a significant responsibility, as the PPDA plays a critical role in ensuring that public funds are spent wisely and that the procurement process is fair and transparent.

Jonathan holds Master in Supply Chain Management from University of Bolton (2020), Master of Arts in Economics from University of Malawi (2005) and a Bachelor of Social Science from University of Malawi (1999). He has several post graduate certificates including Certificate in Leadership Development Program in Malawi with Management Sciences & USAID Deliver Project and PPP Skills & Competency Development with IP3.

The PPDA would like to congratulate Mr. Jonathan Kantayeni for this deserved appointment.



E-SERVICES

In the context of the Public Procurement and Disposal of Assets Authority (PPDA), e-services has so far been used to enhance pre procurement reviews and submissions. With support from World Bank and African Development Bank (AfDB) PPDA will soon upscale the e-services to include tendering, bidding, evaluation, contract management, and reporting. Some of the automated processes shall include:

1

E-services, refers to the use of technology to automate and streamline service delivery processes. E-services can significantly improve the efficiency and effectiveness of service delivery, leading to faster, more accurate, and cost-effective service delivery.

2

E-Procurement System - a web-based system for automating procurement processes, including procurement planning, budgeting, and monitoring.

3

Electronic Tendering System - an online platform for posting tender notices, receiving and evaluating bids, and awarding contracts.

4

Vendor Registration System - an online platform for registering and maintaining a database of suppliers and service providers.

6

E-government market place- An online place where PDUs and Suppliers can interact.

5

Asset Disposal System - an online platform for the disposal of assets that are no longer needed by the government or public institutions.



MSME PARTICIPATION IN PUBLIC PROCUREMENT: SUCCESSES AND CHALLENGES

Micro, Small and Medium Enterprises (MSMEs) play a crucial role in the economic development of Malawi, contributing to employment creation, poverty reduction, and economic growth. The 2019 Malawi FinScope MSME Survey estimates that there were almost 1.6 million MSMEs in the country, employing about 1.8 million people in total. About 74% are micro enterprises, 23% are small enterprises and only 3% are medium enterprises. It is estimated that MSME sector contributes about 40% of gross domestic product (GDP) and 24% of employment. One way to support and promote MSMEs' growth is by enabling their participation in public procurement. Public procurement can be a significant source of revenue and exposure for MSMEs, but it also presents a number of challenges.

MSMEs' participation in public procurement in Malawi has been encouraged through policies and strategies aimed at promoting their growth and development. The government has implemented measures such as the Public Procurement Act, the MSME Order, the National Economic Empowerment Fund (NEEF) and the National Export Strategy to support MSMEs' access to procurement opportunities.



One of the notable successes of MSMEs' participation in public procurement in Malawi has been increased revenue generation. By participating in public tenders, MSMEs can secure contracts that generate revenue and contribute to their growth. Public procurement has also provided MSMEs with exposure to new markets, enhancing their visibility and reputation. MSMEs that have secured government contracts have been able to leverage this experience to win contracts with private sector clients.

Another success is the contribution of MSMEs to job creation. Public procurement contracts awarded to MSMEs have enabled them to expand their operations and hire additional staff, contributing to employment creation in the country.

Despite the successes of MSMEs' participation in public procurement, there are also a number of challenges that need to be addressed. One of the major challenges is the lack of information and awareness about procurement opportunities. Many MSMEs are not aware of how to participate in public tenders, the requirements for bidding, and the procurement process. This lack of information and awareness limits MSMEs' ability to access procurement opportunities.

Another challenge is the issue of capacity constraints. Many MSMEs lack the financial, technical, and managerial capacity to participate effectively in public procurement. This limits their ability to compete with larger, more established firms.

The procurement process itself can also be a challenge for MSMEs. The process can be lengthy and bureaucratic, with many requirements and regulations that can be difficult for MSMEs to navigate. This can deter MSMEs from participating in public procurement.

PPDA wishes to call on all procuring and disposing entities to ensure that they continue implementing policies and strategies that support MSMEs' participation in public procurement and address the challenges they face.



OUR MISSION

To provide a regulatory, monitoring and oversight service on public procurement and asset disposal matters in a professional, efficient and effective manner with a view to realize value for money.

www.ppda.mw

OUR VISION

A public procurement and asset disposal system that is transparent fair, efficient, corrupt-free and instills public confidence.

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