

## How to Improve Horizontal Accountability in Education Sector Procurements in Khyber Pakhtunkhwa?

Improving Transparency and Strengthening Checks and Balances within the System

### Education Procurements In-sight

An initiative to bring issues in education sector procurements in the forefront of policy debate and strengthen institutional capacities within the concerned government departments to exercise their mandate of security more effectively

**E**ffective utilization of the available financial resources in the education sector of Khyber Pakhtunkhwa can be ensured by enhancing transparency in use of funds, compliance with procurement rules and scrutiny of procurements by relevant departments and institutions. In order to improve efficiency of education sector procurements, it is important to strengthen existing mechanisms of horizontal checks and balance at work within the system, and particularly the dynamic interactions between institutions and actors engaged in the procurement of education goods and services. Horizontal accountability mechanisms have due significance in ensuring efficiency in public sector procurements as its impact is more embedded within the system.

Procurements in school education of Khyber Pakhtunkhwa (KP) consume a huge chunk of the sectoral budget every year. In the year 2014-15 around Rs. 8 billion, equivalent to 52 percent of the Annual Development Programme (ADP) of KP for the year, have been allocated for

procurements related to school constructions and repairs, free textbooks and purchases by Parent Teacher Councils (PTCs). This includes Rs. 4.3 billion, for procurement of school civil works, Rs. 2.5 billion for development, printing and distribution of free textbooks and Rs. 890

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#### Policy Conclusions

- ✓ Oversight and transparency issues in the procurement process should be addressed by strengthening monitoring and scrutiny by relevant departments.
- ✓ Disclosure of information and transparency at each step of the procurement process is an effective tool for improving education sector procurements.
- ✓ A mandatory annual report for all concerned departments and a website detailing all procurements can help in ensuring that the procurement process is transparent and available for scrutiny.

million for purchases made at parent teacher council level. Media reports and research evidence<sup>1</sup> indicate that there are numerous issues like inefficiencies, lack of transparency and cost escalation in public education sector procurements in Khyber Pakhtunkhwa. The expenditure quantum on education sector procurements coupled with transparency and compliance related challenges highlight the need to strengthen horizontal checks and balances within education procurement processes of the province.

### **Actors and Institutions for Horizontal Accountability in School Education Procurements in Khyber Pakhtunkhwa**

In education sector procurements, Elementary and Secondary Education Department (ESED) is the primary client whereas multiple other state departments are involved in the procurements at provincial and district levels. Other than the departments directly involved in implementing the procurement schemes, i.e., the Khyber Pakhtunkhwa Textbook Board (KPTB) and Civil Works Department (CWD); there are state agencies which play an oversight role in the education sector procurements with a horizontal accountability perspective. These include Khyber Pakhtunkhwa Public Procurement Regulatory Authority (KPPRA), Anti-Corruption Establishment (ACE), Audit Department and Public Accounts Committee (PAC).

Although the institutional mandates for horizontal accountability have been clearly outlined by law, yet leakages and instances of corruption still feature in public education sector procurements owing to weaker

implementation. Hence, there exists a strong need to ensure that checks and balances within the system are fully functional and effectively implemented so that the public money is well spent and more students benefit from it.

### **Accountability Challenges in Education Sector Procurements of Khyber Pakhtunkhwa**

Over the last few years, public education sector procurements have coursed towards efficiency with the establishment of Khyber Pakhtunkhwa Public Procurement Regulatory Authority (KPPRA) and various other mechanisms, including effective control systems and grievance redress mechanism. These opportunities help ensure that the huge finance poured in for the betterment of education system in the province is utilized effectively. However, there still exists a need to strengthen the existing mechanisms by aiming at removing inefficiencies in the system and closing escape-ways for those who are involved in instances of bid rigging, collusive tendering, interferences and insider dealings, etc. Following are some of the major challenges that exist in the education sector procurements of Khyber Pakhtunkhwa:

#### *Oversight and Transparency Issues in Procurement Process*

Generally, a transparent procurement process is compromised when a line department (like ESED, Audit etc.) does not perform its oversight functions effectively. Cost escalation issues in construction of schools and non-compliance with specified technical and other parameters including use of low quality ink/paper in textbooks and poor quality of bricks or concrete

used in civil works<sup>ii</sup> are amongst other few issues that have been identified at various forums. It has also been identified that major instances of malpractices in civil works procurements lie with the smaller schemes as larger schemes generally get the attention of monitoring committees at districts level but the smaller ones remain off the radar.

### *Capacity Challenges of Khyber Pakhtunkhwa Public Procurement Regulatory Authority*

Evidence suggests that lack of resources and inadequate monitoring and evaluation capacity to analyze the compliance and performance related to procurements remain a weak link and a major challenge for the regulatory authority<sup>iii</sup>. Along with these deficiencies, there is also no continuous capacity building program for regulatory authority officials and vendors<sup>iv</sup>.

### *Informal Coalitions and Collusion*

Bid rigging or collusive tendering is one of the practices which spoils transparency of the whole procurement process. Sometimes, the bidders constitute a pool and submit a single bid and achieve the award of the bid. The procurement work is then subsequently distributed among the pooled bidders. In other cases, the additional profits achieved through such rigging are shared among the bidders. The bidders also sometimes conspire to raise the prices collectively and force the government to pay rates which are above the market rates. There have also been instances where some bidders intentionally submit losing bids and then receive financial gains from the winning bidder.

## **Opportunities to Enhance Horizontal Accountability in Education Sector**

In order to enhance effectiveness, transparency and accountability of public education procurements in Khyber Pakhtunkhwa, following steps will be beneficial:

### *Strengthening Capacities of Khyber Pakhtunkhwa Public Procurement Regulatory Authority (KPPRA)*

Provincial Khyber Pakhtunkhwa Public Procurement Regulatory Authority (KPPRA) needs to ensure that all material related to the public sector procurements is readily available on its website for ease of access. It also needs to make its capacity building programme more comprehensive.

### *Publication of Annual Reports by the Concerned Departments*

Further to section 5 of the Khyber Pakhtunkhwa Right to Information (RTI) Act 2013 related to publication and availability of records, an annual report focusing on procurements done in the education sector should be made mandatory for all the involved departments. The report would outline all kinds of procurements done during the year along with their costs, timelines, cost escalation details etc. This would keep the process much more transparent and available for scrutiny, not only for the monitoring agencies but also for all the stakeholders.

### *Website detailing Procurements at District Level*

Disclosure of information can vastly improve transparency in education sector procurements.

It would also help in building the general perception of the public towards government procurements. Procurements done at district level (civil works and

major parent teacher council purchases) can be listed on the website mentioning the cost, timelines and name of contractor etc.



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**References and End Notes**

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