

How to Improve Horizontal Accountability in Education Sector Procurements in Punjab?

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

Effective utilization of the available financial resources in the education sector of Punjab 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 Punjab consume a huge chunk of the sectoral budget every year. In the year 2013-14, around Rs. 15 billion, equivalent to more than 50 percent of the Annual Development Programme (ADP) of Punjab for that year, were allocated for procurements related to school constructions and repairs, free

textbooks and purchases by School Councils (SCs). This included Rs. 6 billion, for procurement of school civil works, Rs. 3.4 billion for development, printing and distribution of free textbooks and Rs. 5 billion for purchases made at school council level. Media reports and research evidence¹ indicate that there are numerous

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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.

issues like inefficiencies, lack of transparency and cost escalation in public education sector procurements in Punjab. 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 Punjab

In education sector procurements, School Education Department (SED) 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 Punjab Curriculum and Textbook Board (PCTB) 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 Public Procurement Regulatory Authority (PPRA), 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 Punjab

Over the last few years, public education sector procurements have coursed towards efficiency with the establishment of Public Procurement Regulatory Authority (PPRA) 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 Punjab:

Oversight and Transparency Issues in Procurement Process

Generally, a transparent procurement process is compromised when a line department (like School Education Department, 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 worksⁱⁱ 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 committee headed by DCO at districts level but the smaller ones remain off the radar.

Capacity Challenges of 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 authorityⁱⁱⁱ. Along with these deficiencies, there is also no continuous capacity building program for regulatory authority officials and vendors^{iv}.

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 Punjab, following steps will be beneficial:

Strengthening Capacities of Public Procurement Regulatory Authority (PPRA)

Provincial Public Procurement Regulatory Authority (PPRA) 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

Conforming with section 9 of the Punjab Transparency and Right to Information Act 2013, 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.

The Punjab Transparency and Right to Information (RTI) Act 2013

Section 9: Annual Report of Public Bodies

A public body shall publish in electronic form or otherwise an annual report of its activities under this Act during the previous financial year by 31 August each year in such manner as may be prescribed and make the report available for public inspection free of charge and for purchase at a reasonable cost.

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



Institute of Social and Policy Sciences (I-SAPS)

House No. 13, Street No.1
Sector G-6/3, Islamabad
UAN: 051-111-739-739
Fax: 051-2825336
E-mail: info@i-saps.org



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References and End Notes

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