

**MINISTRY OF TRADE, INDUSTRY, PRIVATE SECTOR AND
PRESIDENTIAL SPECIAL INITIATIVES**

(MOTIPS/PSI)

**IDA/IFC/GOG FUNDED MICRO, SMALL AND MEDIUM ENTERPRISES
(MSME) PROJECT**

**PROCUREMENT MANAGEMENT MANUAL
(2007)**

Revision 0 (May, 2007)

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1.0 Background to the Project

1.3 Project Development Objectives and Key Indicators

The MSME project aims to enhance the competitiveness and employment levels of micro and small enterprises in the Ghanaian's economy through:

- (i) Building an integrated market access and trade facilitation infrastructure;
- (ii) Supporting entrepreneurship development;
- (iii) Developing and strengthening, on a sustainable basis, the capacity of local intermediaries to deliver financial and non-financial services to MSMEs and the capacity of MSMEs to make productive use of these services;
- (iv) Reducing selected business constraints, including technical barriers to trade, faced by MSMEs;
- (v) Providing an enabling environment (access to finance, trade promotion, and trade facilitation infrastructure) to boost increased investments in the MSME sector; and
- (vi) Enhancing the facilitation, project development, and implementation roles of the Government.

Key indicators to measure impact on the target group and beneficiaries would include the following:

1. SME lending as a percentage of total loan portfolio of banks participating in the partial credit guarantee program and line of credit facility.
2. Number of banks accessing technical assistance and building specialized SME lending facilities.
3. Number of MSMEs that have received new term loans.
4. Number of MSMEs that have received BDS grants and reporting increased in market share and/or profits resulting from direct interventions/services..
5. At least 3 comprehensive supply chain strategies in priority sectors developed by the end of 2007.
6. At least 100 MSMEs are incubated in the Furniture City.
7. ICT Park set up within the Tema Multi-Purpose Industrial Park and connected to SAT 3.
8. At least 10 ICT companies are hosted in the ICT Park.
9. Number of MSMEs accessing services from a one-stop information resource center.
10. Number of SMEs using the Export Roundtable and Export Trading House facilities.
11. Number of days required to register a new business is reduced from 82 days currently to not more than 30 days by the end of the project.

1.2. Target Groups and Project Beneficiaries

The project will mainly target the MSMEs engaged in commercial and economic activities, non-financial service providers, participating banks, policy advocacy groups and business associations, business development service providers, training providers. It will benefit the Ghanaian consumers, private sectors firms specifically small and medium enterprises seeking to enter both domestic end international market and expand their businesses.

1.3 Project Components

The project comprises four mutually reinforcing components: (i) access to finance; (ii) access to markets, trade facilitation and entrepreneurship development; (iii) business environment; and (iv) project implementation, monitoring, and evaluation. Details of the objectives, implementation scope and relevant linkages are highlighted in the PAD and PIM of the MSME project. To set the scope of this manual in the right context, the key objectives of component (iv) are presented below:

1.4 Project Implementation, Monitoring and Evaluation

This component will involve the execution, reporting, review, and monitoring requirements of the project. Activities include testing out models proposed to assist MSMEs and providing assistance to the Ministry of Trade and Industry to coordinate project activities and carry out the objectives of the project components. Also incorporated in the project is a project performance framework, which will monitor and assess results at four levels: output, intermediate outcome, economic outcome, and impact across the four principal components of the project at the institutional (service providers and facilitators) and end-user (MSME target groups) levels. The MOTI—in collaboration with the Private Sector Oversight Committee (PSOC) and the Ministry of Private Sector Development (MPSD) will assess the impact of the project half yearly during project implementation and after the project is completed.

Resources allocated to this component will fund financial audits, implementation monitoring, training, and the consultant assignments required to execute the project, including for real time monitoring. Provisions will also be made for equipment and operational costs (within an agreed framework) and support to carry out a comprehensive impact assessment survey. The latter will provide baseline data on enterprise productivity and the cost of doing business.

1.4 Detailed Financing Plan

Table 1: Project Components & Financing Source

COMPONENTS/ACTIVITIES	IDA	IFC	GOG	Others	TOTAL
	US \$'m	US \$'m	US \$'m	US \$'m	US \$'m
1. Access to Finance:					
a. Partial Credit Guarantee (PCG)	4.1	20.0	-	24.1	48.2
b. Line of Credit	2.1	20.0	-	-	22.1
c. Tech Assist. For Banks (BDS)	3.6	-	-	3.0	6.6
d. Tech Assist. For SME's (BDS)	3.6	-	-	1.6	5.2
Sub Total	13.4	40.0	-	28.7	82.1
2. Access to Markets, Trade Facilitation, and Entrepreneurship Development					
a. Access to Market	4.7	-	0.3	0.7	5.7
b. Trade Facilitation	5.2	-	0.3	0.9	6.4
c. Entrepreneurship Development	10.1	-	0.6	1.7	12.4
Sub Total	20.0	-	1.2	3.3	24.5
3. Business Environment	4.5	-	0.4	-	4.9
4. Project Implementation, Monitoring, And Evaluation:	2.9	-	0.3	-	3.2
5. Unallocated	4.2	-	-	-	4.2

GRAND TOTAL	45.0	40.0	1.9	32.0	118.9
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TABLE 2: Ghana/ IDA/IFC Cost Allocation (USD Million)

COMPONENT DESCRIPTION	IMP AGENCY	IDA	IFC	GOG	Others	Total
Access to Finance		13.4	40.0		28.7	82.1
<i>PCG</i>	<i>IFC</i>	4.1	20.0		24.1	48.21
<i>LOC</i>	<i>IFC</i>	2.1	20.0			22.1
<i>Bank TA (BDS)</i>	<i>MOTI/BDSFM</i>	3.6			3.0	6.6
<i>SME TA (BDS)</i>	<i>MOTI/BDSFM</i>	3.6			1.6	5.2
Access to Markets, Trade Facilitation & Entrepreneurship		20.0		1.2	3.3	24.5
Access to Markets		4.7				
<i>Non-Financial Services to Enterprises (Const, Agri, Others)</i>	<i>MOTI/MRT/MW&H</i>	2.7				
<i>BDS</i>	<i>MOTI/BDSFM</i>	2.2				
<i>Integrated BDS</i>	<i>MOTI/BDSFM</i>	0.5				
<i>Expansion of Domestic Market- Linkages (Const, Agri, Others)</i>	<i>MOTI</i>	0.9				
<i>BDS</i>	<i>MOTI/BDSFM</i>	0.7				
<i>Integrated BDS</i>	<i>MOTI/BDSFM</i>	0.2				
<i>Meso Level Interventions</i>	<i>MOTI/BMOS/PEF</i>	1.08				
<i>Identification of Priority Sectors</i>	<i>MOTI</i>	0.45				
<i>SPX</i>	<i>AGI</i>	0.27				
<i>Web Gallery</i>	<i>MOTI</i>	0.36				
Entrepreneurship Development		10.1				10.1
<i>ICT-Based Entrepreneurship</i>	<i>MOC</i>	4.2				
<i>Support to MoTI/GCIs</i>	<i>MOTI/MPSD&PSI</i>	0.5				
<i>Incubation and Pilot Common Service Centers</i>	<i>MOTI</i>	5.0				
<i>Furniture City Garments/Textiles</i>	<i>MOTI/MPSD&PSI</i>	4.1				
<i>Garments/Textiles</i>	<i>MOTI/MPSD&PSI</i>	0.9				
<i>Projects Development for Creation of Common Service</i>	<i>MOTI</i>	0.4				
Trade Facilitation Infrastructure		5.2				5.2
<i>Information System</i>	<i>MOTI/GEPC/NBSSI</i>	2.9				
<i>Enhancing Export Promotion</i>	<i>MOTI/GEPC</i>	0.4				
<i>Support to Tourism Development</i>	<i>GTB</i>	0.5				
<i>Integration of Export Facilitation and Logistics Mgt.</i>	<i>MOTI</i>	0.9				
<i>Export Round Tables</i>	<i>MOTI</i>	0.5				
<i>Trade Houses</i>	<i>MOTI</i>	0.5				
<i>Overall Integration of the Trade Facilitation Infrastructure</i>	<i>MOTI</i>	0.5				
Business Environment	MOTI/MPSD& PSI	4.5		0.4		4.9
Implementation, Monitoring & Evaluation	MOTI	2.9		0.3		3.2
Unallocated	MOTI/IDA	4.2				4.2

GRAND TOTAL	45.0	40.0	1.9	2.0	118.9
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2.0 Implementing Agencies

The following Ministries, Departments and Agencies will be responsible for the implementation of the following activities and sub components.

2.1 MOTIPS/PSI

It is responsible for overall project implementation and also the following sub-components:

- Meso Level Interventions
- Web Based Platform /National Product Galleries
- Support to Ministry of Trade and Industry (MOTI) and GCIs
- Incubation and set up of Pilot Common Service Centers
- Projects Development for the Creation of Common Service centers for MSMEs
- SME Database
- Proactive Trade Information System (PTIS)
- Integration of Export Facilitation and Logistics Management.
- Overall Integration of the Trade facilitation Infrastructure.
- Standards.

The Ministry will implement these using its departments and agencies and other private sector partners with the requisite capacity and expertise. Where the Ministry deems it necessary it will sub-contract technical partners to perform any activity. Where it decides to use technical partners, this will be done in conformity with IDA procurement guidelines.

The Ministry will set up a Technical Unit which will comprise staff of the Ministry and staff from the **National Board for Small Scale Industries and its Business Advisory Centres**. Where it is required the private sector will be contracted to provide specialized technical services. The **Ghana Export Promotion Council**, an agency of the Ministry of Trade and Industry will be responsible for implementation of Enhancing Export Promotion sub – component, under the direction and supervision of the Ministry.

2.2. PSD

The Ministry for Private Sector Development and PSI will coordinate implementation of activities under the Business Environment component which fall under the Ministry’s PSD Strategy and Action Plan except those which fall under the TSSP. It will be required to work with the implementing MDAs under the PSD Strategy within the framework agreement under the pooled funding MOU and the composite work plan and the PSD Implementation Plan.

The sub components which have been elaborated within the PSD strategy are:

- Improvement of Business Start-up, Legislation and Regulation
- Streamlining the levying of local taxes on businesses
- Building Government capacity to serve private sector needs and policy formulation
- Strengthening public-private dialogue

- Monitoring and evaluation of the PSDS

2.3. Ministry of Communications

The Ministry exists to manage the conveyance of communications and technologies to promote viable integrated national development process within a global setting. It is mandated to facilitate the development of a reliable and cost efficient world-class communications infrastructure and services, driven by appropriate technological innovation to enhance the promotion of competitiveness in knowledge based environment. The Ministry will be responsible for the implementation of the ICT Based Entrepreneurship Development sub component, covering the following interventions

- Information and Communication Technology Park (ICT Park)
- Support to set up a conducive environment for Business Process Outsourcing (BPO) and Information Technology (IT) and ICT business in Ghana.
- Support to Ghana Information Communication Technologies Directorate (GICTeD)
- Capacity Building for the Ministry of Communication.

2.4. Ministry of Water Resources, Works and Housing

The Ministry for Water Resources, Works and Housing is responsible for the formulation and coordination of policies and programmes for systematic development of the country's infrastructure requirements in respect of Works, Housing, Water Supply and Sanitation and Hydrology. The Ministry co-ordinates and supervises by way of monitoring and evaluation of the performance of both public and private agencies responding to the participation in the realization of the policy objectives established for the sector. The Ministry together with the Ministry of Road Transport will be responsible for the implementation of the micro construction cluster sub component.

2.5. Ministry of Road Transport

The Ministry of Road Transport (MRT) is responsible for formulating policies for the transport sector, establishing the regulatory framework for transport operations, creating the enabling environment for investment and the development of an integrated transport system. Together with the Ministry of Water Resources, Works and Housing they will be implementing the micro construction sub component.

2.6. Ghana Tourist Board (GTB)

GTB is the main implementing agency of the Ministry of Tourism. It was established by the Ghana Tourist Board Decree of 1997 SMCD 89. The GTB has a Board of Directors which oversees its operations. The GTB has regional offices in each of the ten administrative regions of the country. These offices play important role in encouraging and improving tourism development at the community level. It applies tourist's facilities standards, collects tourism data, coordinates tourism planning and development and encourages local investment in tourism facilities and services. It also facilitates the development of new attractions, monitors tourism development and implements public awareness programmes on tourism. The GTB will be responsible for the implementation of the Trade facilitation sub component, support to Tourism Development.

2.7. Association of Ghana Industries (AGI)

AGI will be responsible for the implementation of the support and linkages with (AGI/UNIDO) Industrial Sub contracting and Partnership Exchange SPX. To this effect, ToR and contract management will be issued by the GoG and cleared by the Bank.

3.0 Implementation at the Component Level

At the component level responsibilities for carrying out project activities will be handled by the implementing agencies designated for each component. Each implementing agency will form its **Project Implementation Team(PIT)**, with a Team Leader designated the focal person for the project within that Implementing Agency (this has already been done). Each implementing agency will also have a **Procurement focal person and an M&E focal person**. The Team Leader will report to the Project Coordination Unit of MOTI, through the Project Coordinator and will be required to submit project implementation status reports. The Project Team Leaders, representing the Implementing Agencies, will be held responsible for ensuring the achievement of component targets and outputs. **The Procurement focal person will provide guidance and technical support to the Team on all procurement activities and processes and will liaise with the Project Procurement Specialist, designated by the Project Coordinating Unit.** The M&E focal person will coordinate the monitoring of the sub component activities, targets and performance indicators, outputs and results.

3.1 World Bank Role during Project Implementation

The primary responsibility of the World Bank will be to ensure credit funds are used for their intended purposes with:

- transparency,
- economic and
- efficiency.

The Bank will also be responsible for ensuring the project implementation is carried according to budget specifications and within the project time horizon to avoid any delays which could lead to cost overrun.

The Bank will carry out this role through:

- project supervision missions and
- review of periodic project reports.

Two supervision missions a year will be carried out and supervision mission will evaluate the progress of project implementation and will formulate an opinion concerning the achievements of the development objectives of the project. At the end of each supervision mission an Aide Memoiré, a summary of the conclusions and recommendations of the mission will be prepared and discussed with the Project Coordination Unit and the implementing agencies. The Aide memoiré will be confirmed by an official communication from the Bank after the return of the supervision mission to Washington.

4.0 Linkages Between Project Components And Relationship With Other Government And Donor Funded Projects

The MSME Project has been designed to ensure a strategic and complementary link to the Trade Sector Support Programme (TSSP), the Ghana Poverty Reduction Strategy (GPRS II), the Private Sector Development Strategy and other major national development programmes. In order to avoid duplication, it complements other ongoing projects and programmes funded by Development Partners, through the Pool Fund mechanism. The matrix structure of project management and coordination arrangements is intended to provide built-in mechanisms for facilitating and developing cross-sectoral linkages and relationships with the different Government and donor funded programmes, in order to build on past lessons, planned and ongoing efforts, in order to achieve significant leverage and multiplier effects through the MSME project.

Conscious efforts will be made by the Project Coordination Unit and the Project Management Committee to further deepen the inter-relationships between the different components of the project, i.e. access to finance, access to markets and the business environment. Furthermore, taking into account the capacity needs within the Ministry of Trade and Industry and other key MDAs to manage and coordinate the implementation of the project, a series of capacity building activities are planned.

5.0 Procurement Management of the MSME Project Implementation

Procurement as an activity and its management is most critical to the implementation success of any project. Procurement brings in the resources required to deliver:

- the intellectual, advisory and capacity building services of consultants
- the goods and or equipments needed for project support and implementation
- the works required to deliver project infrastructure requirements and needs.

5.1 Procurement Objectives of World Bank Funded MSME Projects

In undertaking procurement activities for this IDA funded MSME project, Project Implementation Teams must be made aware of the key objectives of procurement as provided in the Bank's procurement guidelines which are the following:

- Economy
- Efficiency
- Non-Discrimination
- Transparency
- Reliability
- Fairness and
- Accountability

Thus in all cases the Bank's preferred procurement method is one that guarantees and enhances competitive sourcing and selection of suppliers, contractors and consultants.

5.2 The Procurement Plan

Project implementation requires the acquisition of input resources which are normally grouped into :

- Goods

- Works and
- Services-mainly consultancy services

The economic and timely supply and delivery of these input resources have a huge impact on the success or otherwise of the project's ability to meet its overall objectives and outcomes.

Procurement Planning and its execution is therefore an integral part of project implementation and monitoring, which must be done and reviewed periodically to anchor the project over its life.

The MSME Project therefore requires Implementing Agencies to prepare procurement plans, which shall indicate the following:

- Contract packages
- Estimated cost for each package
- The procurement method, and
- The processing steps and times and
- Synchronized with resource requirements of component implementation plans.

The procurement plan also serves as a tool for monitoring funds utilization and overall implementation performance. The Development Credit Agreement (DCA) for the MSME project captures the thresholds for selecting procurement methods in the procurement plan, and whether the bank's prior or post review no objection is required before procurement can be carried out.

The MSME Project Procurement Plan

The Procurement Plan has been prepared for the first 18 months of operation and include relevant information on all goods, works consulting services, training and capacity building to be undertaken under the Project as well as the scheduling of each milestone in the procurement process. The procurement plans shows the step-by-step procedures and processing times for procurement including: contract packages for goods, consultant services and training; estimated cost; procurement or consultant selection method; bidding, evaluation and contract award; the activities which follow contract signature such as manufacture, shipment, delivery and installation of goods; mobilization, construction and completion of works.

The implementing agencies will update periodically the sub-component procurement plans and submit them to the PCU Project Procurement Specialist to consolidate in the master procurement plan.

Any update – annual or periodic to the procurement plan must be approved by the Bank before implementation. Special training on Procurement Planning would be provided to all procurement focal persons at the Implementing Agencies to build their capacity to undertake this very important exercise.

Table 3.Approved Goods , Works and Non Consulting Services at Project Inception

List of contract Packages which will be procured following ICB

Ref. No	Description	Estimated Cost (\$)	Procurement method	P-Q	Domestic preference	Bank Review	Expected Bid open date m/d/y	Contract award date m/d/y
MSME-G1	Equipment sourcing for Garments/Textiles	400,000	ICB	N/A	No	Prior	4/21/06	7/3/06
MSME-G2	External lighting/Generator for ICT Park	300,000	ICB	N/A	No	Prior	3/5/07	5/14/07
MSME-G3	ICT Park Networking equipment & installation	600,000	ICB	N/A	No	Prior	8/14/07	10/24/07
MSME-W1	Infrastructure Development for furniture city	500,000	ICB	N/A	Yes	Prior	2/20/07	7/9/07
MSME-W2	Construction of Units Workshops/ for furniture city	2,010,000	ICB	N/A	Yes	Prior	2/20/07	7/9/07
MSME-W3	Construction of Multipurpose communal facilities building for ICT Park	1,970,000	ICB	N/A	Yes	Prior	2/19/07	5/14/07

Table 4. Consulting Services

List of Consulting Assignments with short-list of international firms.

Ref. No.	Description of Assignment	Estimated Cost (\$)	Selection Method	Bank Review	Expected Proposal Submission date m/d/y	Contract Award date m/d/y
MSME-C1	BDS Non-financial Services to Enterprises	1,200,000	QCBS	Prior	5/12/06	8/8/06
MSME-C2	BDS Expansion of Domestic Market Linkages	700,000	QCBS	Prior	5/19/06	8/15/06
MSME-C3	Marketing Linkages – Support for MOTI/PSI/DIP	200,000	QCBS	Prior	8/18/06	11/14/06
MSME-C4	Consultancy for Garments/Textiles	300,000	QCBS	Prior	6/15/06	9/11/06
MSME-C5	Engineering & Architectural Designs for furniture city	500,000	QCBS	Prior	7/6/06	10/2/06
MSME-C6	Design and Landscaping for ICT Park	200,000	QCBS	Prior	5/8/06	8/15/06
MSME-C7	Preparatory studies & Project Development for ICT concept**	150,000	SS	Prior	N/A	Nov. 07

** Already in progress.

Note : Implementation of Environmental and Social action plans

Under the trade facilitation and entrepreneurship development component, the project will construct a building and install fiber optic cables at the industrial park. These works will not involve development of a new site or resettlement of endogenous populations. However, the mitigation and management measures in the Gateway environmental assessment IDA-funded Gateway Project, will apply to all infrastructure component to the MSME project.

5.3 Procurement Administration

Procurement through International Competitive Bidding (ICB) and selection of consultants estimated to cost more than US\$200,000 under the project would be carried out in accordance with the World Bank's "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004, and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004 (and updated October, 2006), and the provisions stipulated in the Development Credit Agreement.

All other procurement and selection of consultants will be carried out in accordance with the Ghana Public Procurement Act 663 of 2003. The general description of various items under different expenditure category is provided. For each contract to be financed by the credit, the different procurement methods or consultant selection methods, the need for prequalification, estimated costs, prior review requirements, and time frame are agreed between the Borrower and the Bank project team in the Procurement Plan.

5.3.1 Procurement By Implementing Agencies

The Implementing Agencies will carry out their own procurements, and each implementing agency will appoint its own Procurement focal person. The Procurement focal person will vet all procurements to ensure that the various rules and Guidelines are strictly adhered to.

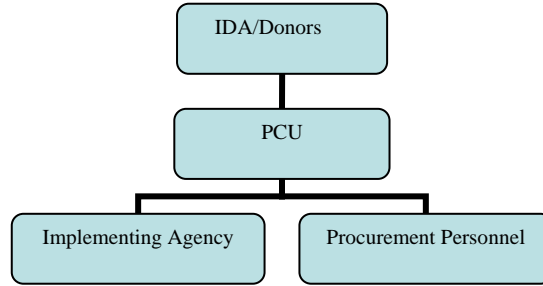
The scope of responsibilities of the Procurement focal persons include:

- Plan procurement activities
- Inform potential bidders and consultants of contract opportunities
- Prepare bidding documents
- Procure Goods, Works and Related Services
- Prepare Expressions of Interest (EOI) and Requests for Proposals (RFP)
- Select and employ Consultants

The Implementing Agencies will submit their procurement documentation to the PCU of MOTI. The PCU will forward same to its Procurement Specialist for final vetting and advice. It will then be returned to the PCU, to be either sent to IDA/Donors (in cases where 'no objection' clearance is required before the procurement process is continued) or back to the Implementing Agencies (for the continuation of the procurement process).

There may be prior consultations between the Implementing Agencies and the Procurement Personnel of the PCU as and when the need arises.

PROCUREMENT ORGANOGRAM



5.4 Procurement Thresholds

Procurement will be carried out in accordance with the World Bank’s “Guidelines: Procurement under IBRD Loans and IDA Credits” dated May 2004 and “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” dated May 2004 as specified in the DCA.

Table 3: Thresholds for Procurement Methods and Prior Review

Expenditure Category	Contract (Threshold) US\$	Value	Procurement Method	Contracts Subject to Prior Review
Works	>=2,000,000		ICB	All Contracts
	>=50,000- <2,000,000		NCB	Contracts >=US\$500,000
	<50,000		Shopping	None
	All values		Direct contracting	All contracts
Goods and Non-Consulting Services	>=250,000		ICB	All contracts
	All values		LIB	All contracts
	>=30,000- < 250,000		NCB/LIB/UN	None
	<30,000		Shopping/UN	None
	All values		Direct Contracting	All contracts
Consulting Services	>= 100,000 firms		QCBS	All contracts
	Below 100,000 firms		QCBS/ LCS/ FBS/ CQS	None
	>=50,000 individuals		Individual	All contracts
	< 50,000 individuals		Individual	None
	All values		Single Source Selection	All contracts

5.5 Procurement Categories and Methods

Procurement of Works: Works procured under this project would include: construction of workshop units at the proposed furniture city. Construction of farm walkways and pathways under the PSI, and minor building and office rehabilitation. The procurement will be done using the Bank's Standard Bidding Documents (SBD) for all ICB and National Standard Tender Documents satisfactory to the Bank.

Procurement of Goods: Goods procured under this project would include: computers, communication equipment, equipment for the proposed Furniture City and the Wood Technology and Design Centre, vehicles, office equipment, software, and laboratory and other testing equipment, and furniture. The procurement will be done using Bank's SBD for all ICB and National Standard Tender Documents satisfactory to the Bank.

Procurement of Non-consulting Services: Non-consulting services to be procured under the project include surveys, computer and office equipment maintenance, facilities management, and advertising, promotion, and vehicle maintenance services. The procurement will be done using bidding documents satisfactory to the Bank.

Selection of Consultants: Consulting services to be provided under the project include funds management services, various institutional and sector studies, advisory services, engineering and design services, and capacity building. Short lists of consultants for services estimated to cost less than US\$200,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

Commercial Practices: Items estimated to cost less than \$250,000 equivalent per contract and consultant services estimated to cost less than \$100,000 to be financed under BDS Grants may be procured in accordance with commercial practices acceptable to IDA.

Operational Costs: Other sundry items (office rental and utilities) and other project implementation-related expenses to be financed by the project on a declining basis would be procured using the Ghana's Public Procurement Act 663 of 2003.

Training, Workshops, and Study Tours: These will be carried out on the basis of approved programs on a yearly basis. The programs will identify the general framework of training and similar activities for the year, including the nature and objectives of training and study tours, workshops, the number of participants, cost estimates, and the translation of the knowledge gained in the actual implementation of project components.

6.0 Procurement Steps

These are as specified below under International Competitive Bidding (ICB), National Competitive (NCB), Shopping, Quality and Cost Based Selection (QCBS) and Selection based on Consultant's Qualification (CQ).

Table 5: ICB

No.	Description/Step	Duration	Responsibility	Remarks
1	Identification & Packaging	Optional	Implementing Agency	Procurement Assists
2	Preparation of Specifications	Optional	Implementing Agency	Procurement Assists
3	Preparation of Bidding Documents	Optional	Implementing Agency	Procurement Assists
4	Seek 'no objection'	± 2 weeks	MOTI-PCU/IDA	Procurement Assists
5	Advertise (UN Development Business, dg-Market & Local Newspapers)	6 weeks	Implementing Agency	Procurement Assists
6	Sale of Bid documents	6 weeks	Implementing Agency	Procurement Assists
7	Bid opening	1 day	Implementing Agency	Procurement Assists
8	Bid Evaluation	± 4 weeks	Implementing Agency	Procurement Assists
9	Seek 'no objection'	± 2 weeks	MOTI-PCU/IDA	Procurement Assists
10	Draft Notification & Contract	1 week	Implementing Agency	Procurement Assists
11	Sign Contract	4 weeks	Implementing Agency	Procurement Assists
12	Expedite/Monitor Contract	Optional	Implementing Agency	Procurement & Disbursement Assists

Table 6: NCB

No.	Description/Step	Duration	Responsibility	Remarks
1	Identification & Packaging	Optional	Implementing Agency	Procurement Assists
2	Preparation of Specifications	Optional	Implementing Agency	Procurement Assists
3	Preparation of Bidding Documents	Optional	Implementing Agency	Procurement Assists
4	Vet bid document	1 weeks	Procurement	
5	Advertise	6 weeks	Implementing Agency	Procurement Assists
6	Sale of Bid documents	6 weeks	Implementing Agency	Procurement Assists
7	Bid opening	1 day	Implementing Agency	Procurement Assists

8	Bid Evaluation	± 4 weeks	Implementing Agency	Procurement Assists
9	Vet Evaluation Report	± 2 weeks	Procurement	
10	Draft Notification & Contract	1 week	Implementing Agency	Procurement Assists
11	Sign Contract	4 weeks	Implementing Agency	Procurement Assists
12	Expedite Contract	Optional	Implementing Agency	Procurement & Disbursement Assists

Table7: Shopping

No.	Description/Step	Duration	Responsibility	Remarks
1	Identification & Packaging	Optional	Implementing Agency	Procurement Assists
2	Preparation of Specifications	Optional	Implementing Agency	Procurement Assists
3	Preparation of Invitation	Optional	Implementing Agency	Procurement Assists
4	Distribution of Invitation	Optional	Implementing Agency	
5	Receipt of Quotations	Optional	Implementing Agency	
6	Evaluation of Quotations	Optional	Implementing Agency	
7	Vetting of Report	1 day	Procurement	
8	Award of Contract	Optional	Implementing Agency	
9	Expedite Contract	Optional	Implementing Agency	Procurement & Disbursement Assists

Table 8: Selection of Consultants- QCBS/LCS/FBS

No.	Description/Steps	Duration	Responsibility	Remarks
1	Preparation of TOR & Cost estimate	Optional	Implementing Agency	Procurement Assists
2	Seek 'no objection'	± 2 weeks	MPCU/IDA	Procurement Assists
3	Advertise EOI	2 weeks	Implementing Agency	Procurement Assists
4	Receive EOI responses	1 day	Implementing Agency	Procurement Assists
5	Evaluation EOI responses and shortlist 6 firms	± 4 weeks	Implementing Agency	Procurement Assists

6	Prepare RFP	Optional	Implementing Agency	Procurement Assists
7	Seek 'no objection'	± 2 weeks	MPCU/IDA	Procurement Assists
8	Finalize RFP	± 1 week	Implementing Agency	Procurement Assists
9	Dispatch RFP	± 2 weeks	Implementing Agency	Procurement Assists
10	Prepare Proposals	4 weeks	Consultants	Procurement Assists
11	Receive Proposals	4 weeks	Implementing Agency	Procurement Assists
12	Evaluate Technical Proposals	± 4 weeks	Implementing Agency	Procurement Assists
13	Seek 'no objection'	± 2 weeks	MPCU/IDA	Procurement Assists
14	Invitation to open Financial Proposals	± 2 weeks	Implementing Agency	Procurement Assists
15	Open Financial Proposals	1 day	Implementing Agency	Procurement Assists
16	Evaluate Financial Proposals	± 1 week	Implementing Agency	Procurement Assists
17	Vet Financial Proposals Report	± 1 week	Implementing Agency	Procurement Assists
18	Invitation for Negotiation	± 2 weeks	Implementing Agency	Procurement Assists
19	Negotiation	± 2 weeks	Implementing Agency	Procurement Assists
20	Draft Contract	± 1 week	Implementing Agency	Procurement Assists
21	Seek 'no objection'	± 2 weeks	MPCU/IDA	Procurement Assists
22	Award contract	± 1 week	Implementing Agency	Procurement Assists
23	Expedite Contract	Optional	Implementing Agency	Procurement & Disbursement Assists

Table 9: Selection of Consultants- CQS

No.	Description/Steps	Duration	Responsibility	Remarks
1	Preparation of TOR & Cost estimate	Optional	Implementing Agency	Procurement Assists
2	Seek 'no objection'	± 2 weeks	MPCU/IDA	Procurement Assists
3	Advertise or seek profiles	2 weeks	Implementing	Procurement

			Agency	Assists
4	Evaluate EOI or Proposals	Optional	Implementing Agency	Procurement Assists
5	Solicit Proposals	Optional	Implementing Agency	
6	Evaluate Proposals	Optional	Implementing Agency	Procurement Assists
7	Negotiate Contract	Optional	Implementing Agency	Procurement Assists
8	Draft Contract	Optional	Implementing Agency	Procurement Assists
9	Award Contract	Optional	Implementing Agency	
10	Expedite Contract	Optional	Implementing Agency	Procurement & Disbursement Assists

7.0 Integrating Procurement and Financial Management and Disbursement Processes under the MSME Project

7.1. Financial Management under the MSME Project

Financial Management will be centralized at the PCU of the Ministry of Trade & Industry.

The PCU Secretariat will manage the bank accounts for the MSME project, supervise and account for disbursement. A Financial Management Procedures Manual for the MSME project will be prepared by the Project Accountant to provide a guide to the management and control of project records and funds and will also form the basis for computerization of the MSME project accounts.

The contents of the manual will include chart and structure of accounts, budgeting, internal control, accounting procedures, records management, computerization of accounts, financial monitoring reporting format, operation of Special account, and withdrawal application procedures.

The Manual will prescribe procedures for the payment of procurement and contract execution claims. And in order to achieve this objective, procurement at all levels of the project shall generate an audit trail that conforms to the Bank's post contract award review criteria with all the necessary supporting documentation as presented in the following tables 10-12.

Table 10 Post Review of Contracts Awarded under Shopping

Date of Review:	Name of Reviewers:			
Contract/Name/No/Date	Works		Goods	Contract Amount
Contractor's Name and Address				

Topics of Procurement Management Cycle (Block One of Cover Page)	Comments and Findings	Rating ¹⁰
Is this Contract in the Agreed Procurement Plan?		
Solicitation Letter issued to minimum of three firms?	Date of Solicitation Letter: Closing Date: Sent to:	
Time allowed for submission of written quotations	#..... days	
Verification of existence of the quotations; Names of suppliers who gave quotations	Names of the suppliers who responded to the solicitation letter are: 1) Name, amount 2) 3)	

Quotation evaluation report and date; were quotations opened at the same time?	Evaluation report date: Quotations opened at the same time?	
Signed Contract/Purchase Order document	Date of signed contract or Purchase Order Document: Date of beginning and end of the contract:-	
"Delivery Receipt" "Store Receipt"	Date and Delivery Receipt No.	
Actual Contract Completion Date	Date of Invoice: Inspection done?	
Timeliness of Payments	Number of days between Date and Invoice and Payments?	
Cost of Items: higher than "market"?	What Information was verified in order to check if it's higher or lower?	

¹⁰ 3=Performance is Satisfactory (which implies that its' Lower Risk) 2=Average (Medium Risk) 1=Unsatisfactory (High Risk)

¹¹ It is a good practice to have all contracts in the procurement plan, including shopping. Recurrent expenditures like office supplies to be aggregated

Was this contract subject to any complaint		
Specific Comment on potential misprocurement		
Did you do any physical inspection for this contract?		
Average Rating		

Table 11 Post Review of Consultants Contract Awarded

Date of Review:	Name of Reviewer:	
Contract Name/No/Date:	Contract Amount: \$	Specify if Firm or Ind.: Specify Method of Proc.
Consultant's Name and Address:		

Note: This check-list needs to be adjusted for individual consultants by using only topics marked in "bold"

Topics of Procurement Management Cycle (Block One of Cover Page)	Comments and Findings	Rating ¹²
Is this Contract in the Agreed Procurement Plan? ¹³	Date OF Procurement Plan:	
Expression of Interest and short-lists?	Date of Expression of Interest: Closing Date: Where was the EOI advertise:	

	How many on the short-list? Short-List is composed of the following consultant (or firm), Country	
Request for Proposal (RFP) issued to six firms with a wide geographical spread? Or does it comprise entirely of national consultant (in case of assignment where the ceiling established in the procurement plan and as approved by the Bank)	Was an RFP sent out? If answer No, explain Name of firms RFP was issued to:	
Time allowed for submission of proposals		
Adequacy of Bid Evaluation	We need to change the word adequacy???? Is response "adequate Are the evaluation criteria responsive to the TORs?	
Special Conditions of Contract attached to the RFP		

¹² 3= Performance is Satisfactory (which implies that it's Low Risk) 2=Average (Medium Risk) 1= Unsatisfactory (High Risk)

¹³ It is a good practice to have all contracts in the procurement plan, including shopping. Recurrent expenditures like office supplies to be aggregated

Was WB no objection obtained on the RFP?		
Technical Evaluation Report	Date of evaluation report Date of opening of technical proposal: Who carried out the evaluation? Evaluation Committee Members or other? Evaluation based on criteria in the RFP?	
Were Financial Proposals opened in public?	Date of opening of Financial proposals Who attended the Financial proposals	
Evaluation report – including on comparison of individual consultants		
Signed Contract/Purchase Order document	Contract No (or Purchase Order No) Date of contract Signature:	
Certification of Service Delivery	Date of final Report: If report was not final or no certification of service Delivery, explain why?	

Timeliness of Payments	Date of invoice: _____ Date of payment: _____ Number of days to pay invoice: _____	
Adequacy of unit prices with "market"?		
Was this contract subject to any complaint		
Specific Comment on potential misprocurement		
Contract Award Publication	Date and name of publication: _____	
Average Rating		

Table 12 Post Review of Contracts Awarded under NCB

Date of Review: _____	Name of Reviewers: _____	
Contract Name/No/Date: _____	Specify if this is Works or Goods: _____	Contract Amount: _____
Contractor's Name and Address _____		

Topics of Procurement Management Cycle (Block One of Cover Page)	Comments and Findings	Rating ⁸
Is this Contract in the Agreed Procurement Plan? ⁹		
Advertising	Date if Advertisement: Where was it advertised?	
Quality of Bid Documents		
Time allowed for submission of bids (AT LEAST ONE MONTH)	Closing date for Advertisement: Number of days to submit bids: Is the number of days sufficient? If no, how many days should have been given to the bidder?	
Bid opening and minutes of bid opening Date(s) Who attended the Bid Opening?	Bid Opening Date: Minutes of Bid Opening: Who attended the Bid Opening Was price read out loud?	
Bid security records: Is it as stated in the bidding document?		
Quality of Bid Evaluation Procedure, Bid evaluation Report, and transparency (verify also existence of bids and give Names of bidder, checking also their eligibility)		
Methods used in the evaluation of bids and awards of contracts objectives and made known in the bidding documents and not applied arbitrarily?		
Post-qualification done		

Bid validity Extensions? How many days? Is the bid validity valids ?		
Contract document (same as for selected bid?)		

⁸ 3= Performance is Satisfactory (which implies that it's Low Risk) 2=Average (Medium Risk) 1=Unsatisfactory (High Risk)

⁹ It is a good practice to have all contracts in the procurement plan, including shopping. Recurrent expenditures like office supplies to be aggregated.

Reference to Bank and "no" objection", if any (not required under Agreement)	Date of NCB	
Advance payment and guarantee: Details and records:	Name of Bank: Amount:	
Fairness and efficiency of treatment of bidder's Complaints		
Contractual completion date (extended? Amendments, variation orders acceptable)?	Plan date of end of contract as scheduled: Actual: Date of Amendment, if any: Revised date for contract to end: Actual: Variation order????	
Contract payments same as contract?	Contract payments scheduled in the contract: Was it paid as scheduled? Any deviation? Why?	
Bill of Lading, if any		
Acceptance or Inspection receipt		
Timeliness of payments	Invoice date: Payment date: Number of days to process payment: Is this in accordance with the contract?	
Procurement Documentation (Filing)	What was missing in the file? Does the unit keep all procurement files in one location? Who handles the filing? Are evidence of payment (e.g. payment vouchers, receipts) filed separately in the finance unit?	
Cost of Items: higher than" market"?	Explain here how did you conclude if it's higher or lower than "market"?	

Have there been any corruption cases?		
Was this contract subject to any complaint	If yes, date of complaint, Name of complainant, date it was resolved?	
Specific Comment on potential mis-procurement		
Contract Award Publication	Date of Publication: Where was it published?	
Do you do any physical inspection for this contract?		
Average Rating		

All procurement activities(shopping, selection of consultants and NCB) that are subject to post review by the Bank may be audited with the application of the above criteria as check lists, and any significant deviation may lead to a declaration of mis-procurement or ineligible procurement if not qualified and approved under the Procurement Plan.

7.2 Contract Execution and Disbursement Claims

The financial administration manual of the MSME project clarifies the conditions under which claims may be made, and payment effected, but from the perspective of procurement, the following basic documents are required to be arranged in the top down sequence presented below:

First all claims invoices must be covered by a short letter to the PCU Coordinator, requesting payment for supplies made , services rendered or works completed. This letter must be signed by the head of entity or his delegate, and should confirm the attachment of the following documentation in the order of listing:

1. VAT Invoice covering the delivery or performance of the contract
2. Supplier/Contractor/Consultant's claims invoice referencing the purchase order/ contract number, and the waybill/certificate number
3. Goods Receipt Note (GRN) or Certificate of contract execution issued by the supervising consultant or engineer and for goods, the waybill that accompanied the delivery.
4. The original purchase order or copy of the contract(for simplification in verification, copies of all consultancy, services or works contracts should have been lodged at the PCU prior to submission of payment claims, so that IA's need not attach fresh copies anytime a new payment claim is to be submitted under the original contract).
5. For procurement via shopping method, a copy of the RFQ issued to suppliers, and for consultancy services, a copy of the EOIs as they appeared in the local newspapers. For procurement under NCB, because of the bulky nature of tender documents, copies of which would already have been lodged with the PCU at finalization of the document,

prior to advertising, a reference to the contract identification number only in the covering letter would be adequate .

6. An approval from the head of entity or his delegate to the procurement focal person to proceed with the procurement of the goods, works or consultancy assignment.
7. The original procurement requisition letter to the head of entity from the procurement focal person, justifying the procurement on the grounds of :
 - a. Having been approved in the latest updated procurement plan by the Bank
 - b. Costs estimates being within the approved budget for the particular procurement activity.
 - c. Having received commitment of GOG funds to finance 10% of the purchase if the anticipated costs are basically local other than training and capacity building, which would be 100% Bank financed.

8.0 Tender Evaluation Reporting

Section 6 of this manual highlights the procurement steps to be followed under ICB, NCB, Shopping and the selection of consultants. In all situations the PCU/IDA have been mandated to superintend over the procurement processes. A series of no objections or approvals requirements have been weaved into the procurement processes by the IDA for all procurement activities requiring the Bank's prior review , subject to the appropriate thresholds, and all procurement focal persons are required to familiarize themselves with these requirements. All requirements to seek the Bank's prior review, shall be routed through the PCU.

Approvals for procurement processes meeting the Bank's 'post review' criteria, shall be given by the PCU as appropriate before a continuation of the procurement process at the next stages. In particular, prior to contract award, or the issue of a purchase order, the technical, financial or combined technical and financial evaluation reports shall be submitted under cover of a formal letter from the head of entity to the PCU Coordinator for verification and review that there has been full compliance with procurement under IDA guidelines or the public procurement Act (Act 663), before approval for the award of the contract would be given.

9.0 Documentation and Filing System

All Implementing Agencies are expected to maintain full records of procurement including minutes of any evaluations, documentation and a competent filing system that delivers a complete audit trail in their procurement activities. The Bank's annual independent procurement and financial audits of the MSME project shall be a combination of both documentary and physical procurement auditing. The records of procurement activities and associated filing

system are expected to facilitate the auditing assignment of consultants selected to perform the audits.

10.0 Reporting of Procurement Activities

All implementing agencies are required to undertake monthly reporting of their procurement activities. The basic reporting format is the Procurement Plan template, which will report the progress of ACTUAL procurement activities against the plan. Challenges and constraints encountered that impede the procurement process must be reported as well.