Public Procurement in The Maldives

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Key parts of the presentation

* Introduction and quick facts – Maldives
* Legislative and institutional framework
* Current practices on procurement
* e-GP readiness and implementation status
* Challenges
MALDIVES – Quick Facts

Land Area – approximately 300 km² (1900 Islands)
Population – approximately 0.4 million
Main Industries – Tourism, Fishing, Construction
Currency – Maldivian Rufiyaa (MVR)

Per Capita GDP
– USD 3,930 (March 2014)
Inflation (CPI): 1.7% (July 2015)

Unemployment – 11.6%
Debt to GDP – 70% (2014)
Heavily depend on Imports – Fuel, Local consumptions, Building materials
Main Export – Fish products 40% of total exports
Exchange Rate fixed to US Dollar – USD 1 = MVR 15.42
Legal Framework for Public Procurement

- **Public Finance Law**: Law No. 3/2006
  - Passed by the parliament
  - Covers public expenditure

- **Public Finance Regulation (Chapter 10)**
  - Issued by Ministry of Finance and Treasury

- **SBD**
  - Issued by NTPM

- **Guidelines and Manual**
  - Issued by the Public NTPM
What Do the regulations apply to?

- All procurement by government agencies using public money
- Public enterprises are not covered
- Exceptions for:
  - Defense or national security
  - Grants/credits where donor rules apply
  - Private financing and concessions
Institutional Framework - Who does what

Ministry of Finance and Treasury
- Procurement policy
- Regulations
- Oversights

NTPM
- Over MVR 2.5 million

Lead Government Agencies
- Depending on the procurement and it’s size

Other Government Agencies
- Less than MVR 2.5 million
Approval levels

- Procurement officer – low value contracts
  - Up to MVR 2,000

- Finance Executive – low value contracts
  - Between MVR 2,000 to MVR 35,000

- Agency Tender/Bid Committees
  - Between MVR 35,000 to MVR 2.5 Million

- National Tender Board
  - More than MVR 2.5 Million
Both centralized and de-centralized system

SAP-MM module is used to procure goods and service for the small value contracts

Larger projects carried by National Tender Board

All information related to procurement are captured through SAP-MM module and PMS
e-GP readiness & implementation status

- Regulation has been changed to accommodate e-GP in the public sector
- Readiness assessment will be done by end of September 2017
- Existing SAP-MM module has some features of e-GP (e-purchasing, e-contract management, such as management of receivables, payments to suppliers, auditing etc.)
- Beginning of 2018, E-procurement will be started
Challenges

- Supplier/ contractors preparedness
- IT infrastructure and security issues
- Legislative readiness
- Enroot trust on online transaction and e-signature