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

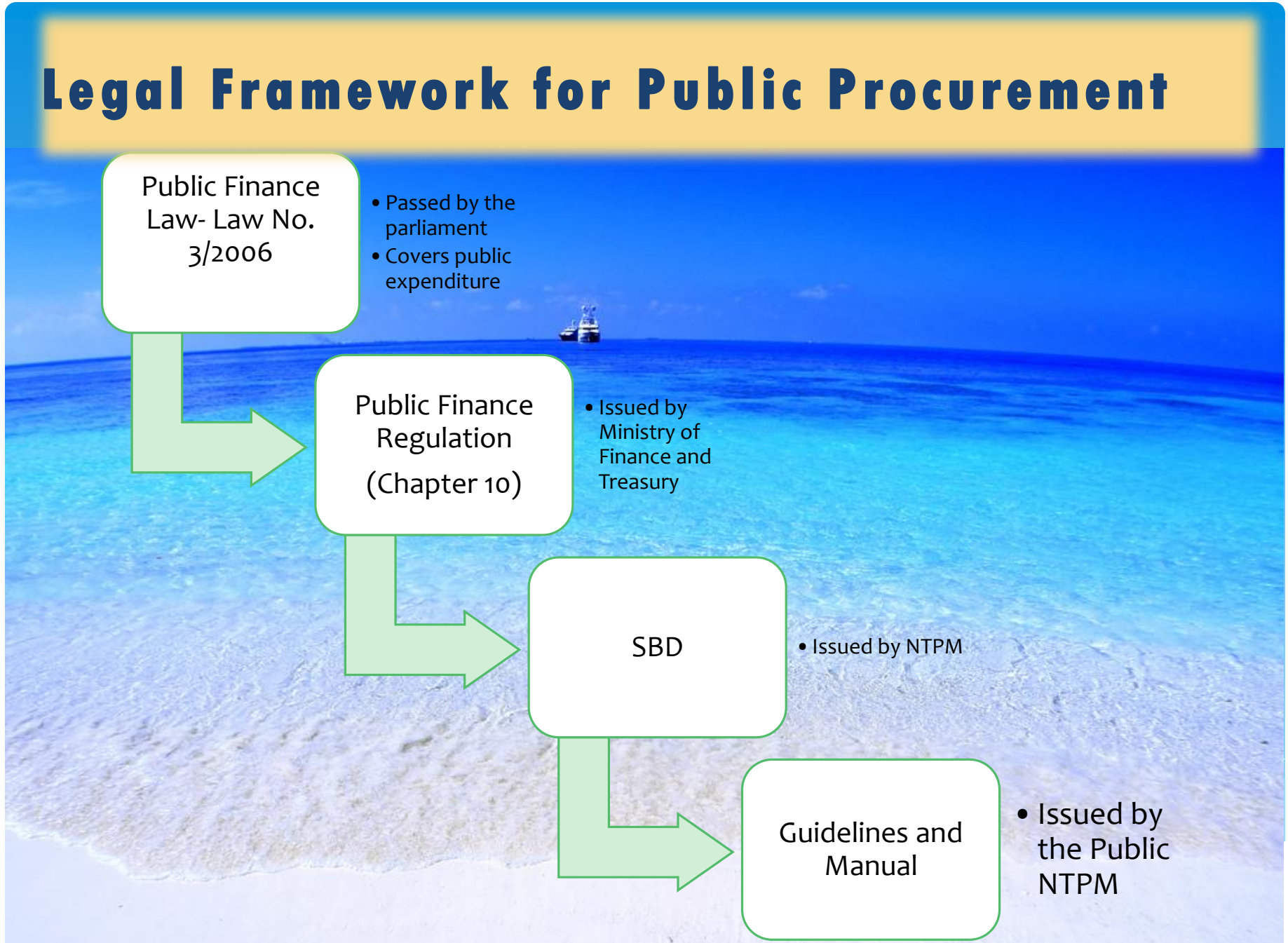**Public Finance Regulation (Chapter 10)**
- Issued by Ministry of Finance and Treasury

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

NTPM
- Over MVR 2.5 million

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

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

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

Current Practices in Public Procurement

* 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