



REMARKS BY CoST SEKONDI-TAKORADI MULTI-STAKEHOLDERS' GROUP (MSG) AT A BUSINESS INTEGRITY DIALOGUE WORKSHOP HELD ON THURSDAY 20TH MAY, 2021 AT TAKORADI.

Distinguished Invited Officers from the Government Sector, the Private Sector Members, Members of Civil Society, Nananoom, friends from the Media, Ladies and Gentlemen; CoST Multi-Stakeholders' Group is very glad to welcome you to this Business Integrity Dialogue Workshop.

Public institutions as well as state-owned enterprises need to procure goods, services and works to carry out their responsibilities and duties. However, literature abounds pointing to public procurement as one of the government activities most vulnerable to corruption worldwide. This manifests along the public procurement cycle in the form of undue influence in the need's assessment, embezzlement, bribery of public officials involved in the award process, or fraud in bid evaluations, invoices or contract obligations (OECD, 2016). It is also not uncommon for issues related to conflict of interest and bid-rigging to result in investment loss of between 10-30% as a result of procurement corruption (CoST 2012).

Although Ghana has one of the more transparent procurement systems in the West African sub-region, there remain a number of challenges confronting effective conduct of procurement and contract administration. Although there is and continue to be [significant investments](#) in public infrastructure, there is a growing incidence of [corruption associated with the construction sector](#). This is evidenced by the Auditor General's 2017 Report on the utilization of the District Assemblies' Common Fund that showed losses of close to GH¢70m (USD\$ 14m) as a result of [contract irregularities](#) and the sheer number of [abandoned publicly-funded infrastructure projects](#) bedeviling all subnational governments in Ghana.

Perceptions of corruption in public infrastructure delivery that is occasioned by [lack of access to information on procurement processes](#), particularly at the subnational level, results in growing mistrust in government. The private sector is not spared either, as they are seen to be willing participants.

As integrity risks exist throughout the public procurement process, from the need's assessment (*pre-tendering phase*) over the bidding stage (*tendering phase*) to the contract execution and payment (*post-award phase*); a holistic approach, targeting various actors across the process, for risk mitigation and corruption prevention is needed.

A New Approach Towards Infrastructure Transparency:

[CoST](#) (*Infrastructure Transparency Initiative*) is the leading global initiative that works to implement transparency and accountability reform within the built environment space. The major guiding principle of CoST is to enhance disclosure, validation, interpretation and

presentation of infrastructure data into much simpler language to empower stakeholders. This is aimed at reducing mismanagement, inefficiency, corruption and the risks posed to the public from poor infrastructure investments. CoST achieves this through applying various approaches - from conducting independent studies on projects, analyzing disclosed project information, creating awareness through various platforms, holding capacity building training for CSOs, Private Sector, Procurement Entity officials, citizens and other stakeholders.

CoST is a charity organization based in the United Kingdom (UK) with a global membership spanning across four continents. CoST's Infrastructure Data Standard (IDS) is currently being implemented in 19 countries. In Africa: Ethiopia, Uganda, Tanzania, Malawi, Sekondi-Takoradi (Ghana) and Mozambique are the only participating countries. In addition to working with CoST members at the national and subnational levels, it works internationally with key anti-corruption organizations to facilitate the global exchange of experience and knowledge on transparency and accountability in public infrastructure delivery. **CoST Sekondi-Takoradi Chapter** is the first subnational of CoST International, followed by Jalisco (Mexico).

In Ghana, [CoST Sekondi-Takoradi \(Foundation\)](#) is the subnational chapter of CoST International that aims to ensure better value from infrastructure projects through the implementation of [CoST's standards and approaches](#) to help reduce corruption, inefficiency and mismanagement associated with publicly-funded infrastructure projects. The chapter currently works with 8 procuring entities (local governments) in the Western Region of Ghana. It has successfully monitored 13 publicly-funded infrastructure projects and launched 2 Assurance Reports.

Although CoST Sekondi-Takoradi is yet to publicize its Scoping Study that ascertains the levels of disclosure amongst Procuring Entities¹ (PEs), there are significant challenges associated with access to information on public infrastructure projects and their execution, making it difficult for beneficiaries and other stakeholders to conduct monitoring along the project cycle, creating mistrust. These concerns consistently reveal that transparency and accountability in the public infrastructure sector are yet to be fully institutionalized across all Ministries, Agencies and Departments as well as Local Governments, and thus call for concerted and deliberate efforts to strategically apply CoST principles and features across all PEs in Ghana.

As we work towards the realization of full disclosure within the legal and policy frameworks and practice, it is more important that stakeholders take into consideration key integrity issues affecting performance of infrastructure projects. ***In furtherance of this, CoST Sekondi-Takoradi in partnership with the Sekondi-Takoradi Chamber of Commerce and Industry (STCCI)*** is hosting this engagement on integrity issues in public infrastructure procurement with other key stakeholders. It is anticipated that, these engagements will create a platform for increased access to information on integrity issues, ethics and compliance with existing principles, standards and policy frameworks for better performance.

According to the [Ghana Integrity Initiative](#) (GII, 2016), the Local Chapter of Transparency International, companies contend with high corruption risks when dealing with Ghana's public

¹ **Procuring Entities** are bodies/agencies that deal with procurement, maintenance and development of public infrastructure.

procurement system. Bribes and irregular payments are often exchanged in return for obtaining government contracts and licenses. Further, more than a third of businesses in Ghana expect to give gifts to procurement officials. Companies report that public funds are often diverted due to corruption and that procurement officials often favour well-connected individuals or companies when awarding public contracts. Some of the reasons fuelling high corruption levels in public procurement include a weak government administration and the state being a major investor and contractor (Business Transparency Index, 2016). Companies cannot expect complete transparency in locally-funded contracts, and there are allegations of corruption in the tender process.

In order to promote government accountability, foster trust in public institutions and create a competitive business environment for all companies involved in infrastructure procurement; there is the need to initiate process towards forming a multi-stakeholder platform for awareness creation and dialogue. It is envisioned that this platform would formulate and implement a holistic mutually supportive principles and codes to prevent corruption and stimulate good governance and accountability in public procurement.

The Objectives of our meeting here today are;

1. To create awareness on the existing legal and policy framework on ethics and integrity in public procurement.
2. To identify and discuss integrity issues in public infrastructure procurement processes.
3. To document and implement strategies to promote integrity in public infrastructure procurement processes.
- 4.

CoST Sekondi-Takoradi MSG wish you all fruitful deliberations.

Thank you.