



# MINISTRY OF FINANCE

## Procurement Policy Unit

(Established in terms of 6 of the Public Procurement Act, 2015)

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# CAPACITY BUILDING STRATEGY

(Issued in terms of section 7(1)(h) of the Public Procurement Act, 2015)

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## **Strategy for Capacity Development in Procurement and Supply management**

### **1. Purpose**

The purpose of this paper is to identify needs and make recommendations for a Capacity Building Strategy to implement reforms in the public procurement system of Namibia.

### **2. Background**

UNDP defines capacity development as the process through which individuals, organizations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time. Capacity Development helps strengthen institutions to perform better and more consistently over time and to respond to and manage shocks and changes.

The Government of the Republic of Namibia is in the process of transforming the public procurement system to align it to its vision of an efficient and transparent public procurement system which achieves value for money and serves as a strategic tool to achieve socio economic objectives. The Public Procurement Act, 2015, is founded on international procurement best practices. Its successful implementation requires a new breed of procurement professionals.

Up to now officers have been performing based on the job experience that they have acquired through the years. A few of them had the opportunity for some exposure to new trends by participating in workshops and seminars organized by the Public Procurement Unit and private institutions, but the scope of applying the skills acquired was quite limited due to time limitations and the number of officials that required training with such period.

The Ministry of Finance, through the Procurement Policy Unit, organized some training workshops during the 2017 implementation year to acquaint the officers with the new system in order to allow for officials to acquire basic knowledge as the law has become operational. But that is barely sufficient to achieve the above quoted Government's vision.

The paper focuses on Capacity Development with particular emphasis on Human Resource Development, Organizational Development and Institutional development.

### **3. Objectives of a capacity development programme**

The capacity building programme must aim at achieving the vision of the Government as mentioned above. In this context, the programme must aim at the following key objectives:

- To enhance the capacity of all stakeholders;
- To achieve the objectives of the procurement system: VFM, Efficiency, Accountability, Integrity; and
- To contribute to achieve government's goals related to the Public Procurement Act, 2015

### **4. Target Group**

- All officers performing procurement and supply functions in public entities
- Technical staff involved in procurement proceedings
- Private sector (Bidders)
- Finance staff
- Auditors
- Chief Executives
- Administrative staff involved in procurement

#### **4.1 Capacity Level of the target group**

- Technical staff have at least a degree in a professional field (Engineering, QS etc)
- Public procurement staff have not followed a formal course in purchasing and supply management and most of them have as qualifications Grade 10 or 12.

#### **4.2 Capacity Gap**

There exists a large capacity gap among procurement practitioners. The new legislation requires a professional approach in public procurement proceedings. There is therefore a need for a new breed of procurement professionals.

### **5. Short Term Capacity Development Strategy**

A short term strategy was developed to fill the gap. Specific actions taken were as follows:

- Awareness sessions and Training workshops for procurement officials on the new system from 2014 to present date;
- An awareness session for permanent secretaries and chief executives in 2015;
- A proposal for certification programme in Public Procurement through local universities (to be re-initiated);
- Training sessions for public officials and bidders on the implementation of the Public Procurement Act, 2015 during 2017 (to be conducted by the Procurement Policy Unit when required); and
- Face-to-face consultations between the Public Entities and Procurement Policy Unit.

## **5.1 Certification Programme in Public Procurement**

Discussions will be re-initiated for the start of the Certification Programme in Public Procurement with local institutions and it is considered urgent to start it the soonest possible. Institutions such as the Namibian Institute of Public Administration and Management (NIPAM), University of Namibia (UNAM), International University of Management (IUM) and the Namibia's University of Technology and Science (NUST) will be contacted and it should be ensured that the resource persons for this programme are experienced procurement practitioners. Private training providers may be engaged after meeting the requirements set down by the Procurement Policy Unit to offer short-term training session to officials.

### **5.1.1 Objectives**

The key objective of the programme is to ensure that the officers have the required basic knowledge and skills to apply the provisions of the Public Procurement Act, 2015 and to ensure compliance. The Programme will enable officers to enhance their knowledge and skills and improve effectiveness and efficiency in public procurement spend and ultimately contribute towards the attainment of the vision of government.

### **5.1.2 Participants**

It is estimated that about 1000 officers of Offices, Ministries and Agencies (O/M/As), State Owned Enterprises (SOEs) and Local Authorities will be trained through the certification

programme. The officers will be trained in batches of 50 over a period of five years. Each year 200 participants will complete the course.

Procurement is an activity that involves many officers from different disciplines (Procurement and Supply, Finance, Management, Technical etc). Officers who are directly and fully involved in procurement will be identified to participate in the training programme.

### **5.1.3 Contents of the Course**

The programme is mostly work oriented. It comprises of four modules:

- (a) “Public Procurement Law” focuses on the Public Procurement Act and Regulations.
- (b) “Procurement Processes” focuses on the procedures that procurement practitioners should follow and adhere to.
- (c) “Managing Standard Bidding Documents” elaborates on the different Standard Bidding Documents that are in use by public bodies.
- (d) “Contract Administration” highlights the main elements in successful administration of public contracts

### **5.1.4 Cost of the Programme**

The public entities concerned will have to sponsor their nominees to participate in the programme. The cost is not known yet, but should be around N\$ 5000 per participant.

### **5.1.5 Measuring Effectiveness of the capacity development programme**

The measuring system is based on performance of the officers. These include the number of appeals to the Review Panel by dis-satisfied bidders/suppliers; degree of compliance to procurement rules, number of cases of corrupt practices reported to Anti-Corruption Commission, procurement lead time, improvement of contract prices and implementation of preferential procurement policies.

## **5.2 Private Sector**

No reforms initiative can be successfully implemented without the participation of all the key stakeholders. Therefore it is essential that the short term strategy also includes the participants from the private sector, specifically the bidders.

### 5.2.1 Recommendations

Their training should be through short programmes with focus on the following aspects:

- Essential features of the Public Procurement Act, Regulations and Guidelines
- Understanding the Bidding Documents
- Compliance requirements when submitting bids
- Procedures for seeking clarifications
- Review procedures
- Integrity aspects
- Preferential procurement policy

Pursuant to the start of implementation of the new Act, the Procurement Policy Unit is expected to conduct interactive sessions to highlight common mistakes by bidders and suppliers.

The performance review may include an increase in the number of responsive bids as a key indicator.

Separate sessions must be organized to address issues faced by potential beneficiaries of empowerment measures.

## 6. Medium Term Plan

While the Certification Programme addresses the short-term requirements to ensure a smooth take-off for the implementation of procurement reforms undertaken by the Government, the professionalization of the procurement and supply functions requires that officers should receive training on the professional aspects at a tertiary level.

### 6.1 Recommendations

- **Diploma in Procurement and Supply Management**
- **Top-up Bachelor of Science in Procurement and Supply Management**

This course will start on the completion of the first batch.

The course contents proposed are as per **Annexes A and B**.

- **MSc in Public Procurement Management for Sustainable Development**

It is recommended that 20 officers who already hold a Bachelor Degree be identified and sponsored to follow a Master Degree programme as above. This course is being run at the International Training Centre of the ILO in collaboration with the University of Turin (Italy) and also in Rwanda by the University of Rwanda.

The advantage is that it is a distance learning programme with face to face and exams. The whole duration is for 1 year, out of which 4 months are devoted to face to face and exam sessions.

A similar programme is being run by the University of Technology, Mauritius on a part time basis, in the evening which lasts for 18 months.

Given the constraints that the release of the officers may pose, the distance learning programmes from Turin and Rwanda seem most appropriate. Other Universities may be identified and recommended by the Procurement Policy Unit.

## **7. Long Term Plan**

The local universities which will start the Diploma and BSc courses in Procurement and Supply Management may start a Master Degree programme in Procurement and Supply Management with focus on strategy, policy, leadership and managerial skills, Innovative practices.

## **8. Conclusion**

The implementation of this plan will pave the way to professionalize the procurement and supply function. It is expected that within two years, there will be a remarkable change in the ways public procurement and supply functions are managed. However the full benefits can only be visible in about 10 years.

A much realistic approach is necessary and it has to be conceded that it may not be possible to achieve professionalism among all the existing procurement staff. Therefore a targeted approach is preferred.

With a view to achieve the Government's vision, a reorganization of the procurement activities will become necessary. The efficiency and value for money concepts also require that repetitive common usage items of goods and services be centralized to enable procurement staff at the

level of public entities to concentrate on their core activities. These will require high caliber staff with high professional skills. Appropriate selection of the staff for training is therefore vital.

**9. Recommendations**

It is hereby recommended that the Minister approves;

- a) The implementation of the Capacity Development Strategy as outlined above or as recommended by the Procurement Policy Unit in terms of Section 7(1)(g);
- b) That the Capacity Development Programme prioritizes the training needs of the Procurement Policy Unit as an advisory and monitoring body; and
- c) To authorize the Procurement Policy Unit to continue with training as and when required in line with Section 7(1)(f) of the Public Procurement Act, 2015.

**APPROVED / NOT APPROVED / AS AMENDED**

.....  
**CALLE SCHLETTWEIN, MP**  
**MINISTER**

.....  
**DATE**

## Annex A

### Diploma in Procurement and Supply Management

#### Proposed Course Contents

<b>Course</b>
<b>Year 1 Semester 1</b>
English for General Communications
Procurement Principles
Inventory Management
Computer Literacy
<b>Year 1 Semester 2</b>
Quantitative Techniques and Statistics
Public Procurement Law
Accounting for Decision Making
Business Environment for Procurement & Supply
<b>Year 2 Semester 1</b>
Managing Bidding Documents
Cost & Management Accounting
Quantitative Techniques and Statistics
Procurement Processes

<b>Year 2 Semester 2</b>
Productivity and Quality Management
Storage and Warehouse Management
E-Procurement
Performance Management in Procurement & Supply
<b>Year 3 Semester 1</b>
Sustainable Public Procurement
Effective Communications in Procurement and Supply
Strategic Management
Contract Management
<b>Year 3 Semester 2</b>
Negotiations in Procurement and Supply
Information Systems in Organisations
Integrity in Procurement and Supply
International Procurement

## **Annex B**

### **Bachelor of Science in Procurement and Supply Management (Top Up)**

#### **Proposed Course Contents**

<b>Year 1 Semester 1</b>
Strategic Supply Chain Management
Governance and Ethics
Finance for Procurers
Research Methods
<b>Year 1 Semester 2</b>
Leadership and Management
Government Procurement
Logistics Management
Dissertation
<b>Year 2 Semester 1</b>
Risk Management for Procurement and Supply
Contract Negotiations
Dissertation