

MAASTRICHT SCHOOL OF MANAGEMENT



MASTER OF BUSINESS ADMINISTRATION (MBA)

**THE ROLE OF PUBLIC PROCUREMENT  
LEGISLATION IN PROMOTING BUSINESS  
OPPORTUNITIES TO PRIVATE ORGANIZATIONS  
IN RWANDA**  
**“Case study of Kigali City”**

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”This paper was submitted in partial fulfillment of the requirements for the award of Masters of Business Administration (MBA) in Project Management at The Maastricht School of Management (MSM) Maastricht, The Netherlands. ”

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## **DEDICATION**

To you, Almighty God, for your wisdom during the whole process of my studies generally and particularly for writing this thesis;

To you, my beloved husband NGOGA Eugene and my kids Serge, Cedra, Sandra, Sonia and Cynthia for your patience while I was away for this research;

To you, all brothers for your lovely support throughout my studies.

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My sincerely grateful to my family members, staff colleagues, friends, neighbors and all persons who have contributed to the achievement of this work, for your kind attention, assistance, useful ideas provided to me during this research.

## DECLARATION

I, MWANANKUNDI Glorioso, student of Maastricht School of Management (MSM), hereby declare that the present thesis: the role of public procurement legislation in promoting business opportunities to private organization in Rwanda is my original work under the supervision of Dr. Charles NDANDIKO and it has never been presented or submitted anywhere at the universities or institutions of higher learning.

Signature: . . . . . 

Date: . . . 28/09/2012 . . .

## **CERTIFICATION**

I certify that the present thesis titled the role of public procurement legislation in promoting business opportunities to private organizations in Rwanda is submitted by Mrs. MWANANKUNDI Gloriose to the Maastricht School of Management (MSM). The content of this work, in full or in parts have not been submitted in any form to any other Institute or University for the award of degree or diploma and is under my supervision.

Supervisor: Dr. Charles NDANDIKO

Signature: .....

Date: .....

## **ABSTRACT**

Nowadays, many countries have reformed their procurement legal framework to make it more transparent, competitive, economic, accountable and efficient. This has been due to the desire to provide equal opportunities to all potential bidders which leads to efficient utilization of resources.

This research concerns the role of public procurement legislation in promoting business opportunities to private organizations in Rwanda. A case study was 243 private organizations in Kigali City. The study aims to assess the applicability of procurement legislation by private firms, their intentions and how they participated in public tenders. The questionnaire addressed to 48 respondents from 16 private firms was used to collect primary data. The interviews were conducted with one leader from the regulator management on public procurement (Rwanda Public Procurement Authority), one respondent from the facilitator management of private firms (Private Sector Federation) and one respondent from the National Independent Review Panel.

After the analysis of data from those respondents, the findings have shown that the implementation of public procurement legislation, especially in concerning of transparency, preference schemes and fighting corruption by private firms provided positive results in general. However, some challenges were raised by both parties' managements and private organizations and suggestions addressed to the government, to the private sector and to the future researchers have been formulated.

The value of this research is to analyze the role of public procurement legislation in promoting business opportunities to private organizations in Rwanda.

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## ABBREVIATIONS AND ACRONYMS

AFD	: Agence Française de Development
CPAR	: Country Procurement Assessment Review
CTB	: Central Tender Board
DTI	: Department of Trade and Industry
EAC	: Ease African Community
EU	: European Union
EWSA	: Energy Water and Sanitation Authority
GATT	: General Agreement on Tariffs and Trade
GCPC	: Government Central Purchasing Corporation
GDP	: Goss Domestic Product
HDI	: Historically Disadvantage Individuals
IFC	: International Finance Corporation
ITC	: International Trade Centre
MIGA	: Multinational Investment Guarantee Agency
MINECOFIN	: Ministry of Economic and Finance
MOFPED	: Ministry of Finance, Planning and Economic In Development
NERSA	: National Energy Regulator of South Africa
NPPU	: National Procurement Policy Unit
PALMA	: Procurement and Logistics Management Association
PRIU	: Procurement Reform Implementation Unit
RDP	: Reconstruction and Development Program
RPPA	: Rwanda Public Procurement Authority
RWF	: Rwandan Franc
SIDO	: Small Industrial and Development Organization
SME	: Small and Medium Enterprise
TACECA	: Tanzania Civil Contractors Association
WB	: World Bank
WTO	: World Trade Organization

## CHAPTER ONE: INTRODUCTION

### 1.1. Background

Many countries have reformed their procurement legal framework to make it more transparent, competitive, economic, accountable and efficient. This has been due to the desire to provide equal opportunities to all potential suppliers and help in stamping out corruption and lead to efficient utilization of resources. Equal opportunities created under various legal frameworks would imply that the private sector could quickly embrace these opportunities, improve their infrastructure and production methods in order to become competitive within the new developed Frame works. Extant literature has not directly linked improved legal framework to improvement in business activities in various countries.

In Rwanda, the public procurement started to be applied by the Decret Royal on 26 June 1956. Geographically it was covered Congo Belge and Ruanda Urundi in Belgium colonialism. The application of that law concerned public tenders of works, supplies and transport. Its implementation was handled by “Conseild’Adjudication” whose line Ministry was in the Ministry of Finance.

After the war of genocide against Tutsi in 1994, the government tried to rebuild the country in setting out procedures and their implementations for welfare of population and environment.

It is in that reason, specifically in regarding public tenders, the National Tender Board (NTB) was established and unlike the latter whose role was to award and monitor proceedings of public procurement. For today NTB became Rwanda Public Procurement Authority (RPPA) which mainly focuses on regulatory measures, monitoring and building capacity in public procuring entities.

In Uganda, while SMEs are responsible for three-quarters of their annual GDP, their share in public markets (procurement) is still limited and estimated to represent only 15% of all enterprises participating in public procurement schemes. Although this may be attributed to the small formal sector, the low level of participation is discouraging since public procurement represents an important and relatively stable market for such enterprises. (*Policy Advocacy Unit, 2006*).

As found on SEIFSA web site, in China the regulations of public procurement provides enhancement on their national businesses by procuring their government expenditures locally except when the goods, works or services needed are not available on their markets. (www.seifsa.co.za)

Following other countries reforms, in Rwanda, the Presidential law No 63/2007 dated on 30/12/2007 provides the creation of Rwanda Public Procurement Authority and determined its responsibilities and functionalities. The law aims at improving better management of public funds and promotion of private sector in Rwanda to improvements in competition, economic, accountability, transparent and efficient in public procurement.

The new law brought in new changes such as the creation of National Independent Review Panel (NIRP) as provided for by the said law in its articles 21, 68, 69 and 70. The law also provides for the procurement unit in its article 22 which has different functions to ensure that procuring entities performs their duties in a way that promotes efficiency and effectiveness is achieved.

According to article 43 of the same law, unsuccessful bidders have been given better ways of lodging a protest if any and this gives the private firms a better chance to challenge the procurement entity in case they are done things contrary to the law.

In order to promote private sector and be given the opportunity to participate in procuring activities there has been an establishment of the tender committees responsible for the opening and evaluation of bids as well as making the recommendations for the award of contracts.

The presidential and Ministerial orders have been established and these include:

Presidential Order N° 28/01 of 19/07/2004 establishing public procurement procedures, which made it clear especially for the procedures to be used in all public tenders.

Not only the Presidential order but also the different Ministerial Orders were put in place at different periods such as:

Again, the article N°2 paragraphs 2, of the Ministerial Order N° 003/09/10/RPPA provides the competence of RPPA which is to examine, approve and evaluate the tenders whose value is over two hundred million Rwanda francs (200,000,000 RWF). By the look at the above mentioned



article, the last Ministerial order gives more competence to the Public procurement Authority.

-Ministerial order N° 001/08/10/MIN of 15/01/2008, establishing regulations on public procurement and standard bidding documents. This Ministerial Order did not provide anything related to the competence of the RPPA but it provided for the tender committee. This replaced the other Ministerial orders N° 002/06/10MIN of 07 08/2006 fixing the threshold for public procurement entities.

All these reforms were aiming at proper management of public funds and private sector promotion. Currently, the law on public procurement N° 12/2007 of 29/03/2007 put in place fundamental principles that were not stipulated in the presidential order N° 28/01 of 19/07/2004 establishing public procurement procedures. These principles are: Transparency, competition, economy, efficiency, fairness and accountability.

Generally, in Rwanda, the law of public procurement N° 12/2007 of 27/03/2007 was developed in line with reforms that have taken place in other countries. The underlying argument to these provisions of the law reforms is that private sector would be enhanced to bid and win contracts within particular preference margins. This would definitely increase their business opportunities and lead to improvement in income. However, the story in many developing countries is different.

Therefore, the research considers the case of Rwanda in order of procurement law N° 12/2007 of 27/03/2007 and other regulations related to public procurement assesses its impact on private sector participation in public procurement in Rwanda.

## ***1.2. Statement of problem***

The private sector all over the world is recognized a key player in social & economic development. One of the fields they play their role in development is the public procurement, where they provide what the government needs and enables it to deliver to the public what it is supposed to deliver. The private sector does not only serve as a provider of services, goods and works that a government needs, but also advice and partner with the Government.

It definitely makes economic sense for government to boost the private sector. It is because of this that governments have tried to increase business opportunities of private sector through

public procurement legal reforms. However there is still lack of evidence that business opportunities to private sector have increased because of these reforms. The purpose of this research is to assess the situation in Rwanda as a result of the current law and other regulations of public procurement specifically whether the reforms procurement legal frame would have helped and promoted business opportunities to private sector by participating in public tenders.

### ***1.3. Objectives of the Research***

#### ***1.3.1. General Objective***

The general objective is to examine the extent to which the current public procurement legislation has helped in promoting equal opportunities to potential bidders in Rwanda.

#### ***1.3.2. Specific objectives***

This study aims at achieving the following specific objectives:

- i. To determine the role of public procurement legislation in creating equal opportunities in order to promote private sector in Rwanda;
- ii. To examine the challenges faced by the private sector organizations in participating in public procurement activities.
- iii. To put forward practical suggestions intended to increase private sector participation in public procurement activities.

### ***1.4. Research question***

- What is the role of public procurement legislation in creating equal opportunities for private sector promotion in Rwanda?
- What are the main challenges faced by companies in participating in the public procurement market?
- What are the practical suggestions intended to increase private sector participation in public procurement activities in Rwanda?

### ***1.5. Scope of the research***

The Conceptual scope of this research focuses on the role of current procurement legislations in promoting business opportunities to private organizations in Rwanda. There are many other factors that could affect business opportunity but due to some constraints (e.g time, financial accessibility etc.), this research was limited to the legislations. For the Geographical scope, this research is addressed to private organizations within Kigali City. The period of this study was 2005-2011.

### ***1.6. Motivation of the research***

#### *1.6.1. Personnel motivation*

Refer to the researcher experience in public procurement, in the case of knowing what public procurement legislation provides to the procuring entities as well as to the private organizations (bidders), the researcher believed and wanted to know what are the intentions from private organizations versus the procurement legislation provisions, to see why there are some companies which do not participate in public tenders, to check if the procurement legislation is applicable at the same level to all procuring entities.

#### *1.6.2. Social motivations*

To compare the procurement context for both parties procuring entities and bidders and check about the regulation and its practice then propose some corrections vis a vis to abuse for procuring entities and bidders.

#### *1.6.3. Academic motivation*

The first motivation for the researcher is to award the masters degree in project management, the second motivation is to produce scientific material and provide contribution in academic area through production of scientific tool which allows to adhere to the scientific corporation.

## ***1.7. Significance of the research***

- a) The findings shall be offered to government, Public Procuring Entities and Disposal Authority in general, more particularly policy makers for the future improvement of the laws governing procurement procedures in Rwanda.
- b) The recommendations and findings will be valuable input for Private sector organizations in Rwanda.
- c) This research will be also a use of source of knowledge for the students and scholars undertaking research and studies in procurement and supply chain management.

## ***1.8. Research Methodology***

### ***1.8.1. Target population***

The research is addressed to private companies within Kigali City which participated in public tenders during the period of the study. The researcher consulted Private Sector Federation (PSF) for getting the register of private firms. In the whole country the registered private firms are 2 482 and those which operate in Kigali City are 243.

### ***1.8.2. Sampling method***

The researcher used the stratified and random sampling method. The structure on how the sample size was found is detailed in chapter of methodology.

### ***1.8.3. Data collection and analysis***

The data collection design is primary and secondary data collection. The questionnaires and interviews were used in order to arrive at some accurate results.

### ***1.9. Research limitations***

Though the research is successfully accomplished, several problems are expected to be encountered and they include:

- Time constraint:

Some respondents take long to respond to the questionnaire. However for meeting the deadline, the researcher found the solution on the challenge by hiring a person who helped him in distribution of questionnaires and collection of responses. Also the researcher used mobile phone for capturing the interviewee. This assignment for collecting data was closed successfully.

- Lack of enough literature:

The literature on the topic is not enough. Even if it was very hard to find relevant information regarding public procurement, the researcher tried to consult different leadings and internet.

- Financial constraint:

This research is costly (transport, internet, hiring people, stationary and printing, etc.).The researcher allocated a budget from her personal savings and predicted to approach banks when the budget may not be sufficient.

- Confidentiality:

The researcher got difficult for some information due to confidentiality reasons from some respondents but she tried to convince that there is no risk for them.

### ***1.10. Thesis structure***

This research is divided into five chapters as follow:

Chapter one covers the introduction which is mainly talking about the background of the study; statement of the problem; objectives of the research; research questions; scope of the research; significance of the research; research methodology; research limitations and research structure;

Chapter two is about literature review;

Chapter three covers the Research methodology which provides techniques, methods and the general approach used in data collection. It is in this chapter also where it includes the data analysis method.

Chapter four is about data analysis, findings and discussions. This Chapter explains how data have been collected, analyzed and interpreted.

Chapter five presents the conclusion, recommendations and future researches in relation to the objectives of the study.

## **CHAPTER TWO: LITERATURE REVIEW**

### ***2.1. Introduction***

This chapter presents the relevant literature by considering different sources of data like text books, articles, reports, publications and internet; concerning public procurement and business environment in different areas. It shows the background of public procurement, how to interest potential bidders in public tendering, the public procurement applications, the role of private organization in economic development, the private organization versus Government expenditure and the local case. This chapter ends by presenting the challenges faced by private organizations in public tenders and provides suggestions.

### ***2.2. Background on public procurement***

Public procurement can be defined as the whole life cycle process of acquisition of goods, services, and works from third parties beginning when a requirement is first defined and ending with the ultimate disposal of an assets or the end of a services contract. N. Dimitri, etal (EDS) (Cambridge: CUP 2006).

The public procurement refers to the acquisition by public bodies such as government departments and municipalities, of the various goods and services that they need for their activities. Given the variety of functions of a modern government, this covers a huge range of transactions, ranging from ; the purchase of stationery, office furniture and insurance services, through to the acquisition of complex satellites and missiles and the construction of hospitals, roads, power stations and airports. The enormous importance of this function, as well as its great complexity, and role in creating business opportunities for the business environment as briefly explained above will be revealed in greater detail in this chapter and the proceeding ones by the researcher in her study.

Procurement is a wider term than purchasing, which implies the acquisition of goods or services in return of a monetary or an equivalent payment. Procurement is the process of obtaining legally goods or services in any form including borrowing, leasing, hire purchase, rental etc. (KenethLysons and Brian Farrington 2006).

Globally public procurement plays a significant role in terms of delivery of goods and services to the end user organisation; groups and individuals. Public procurement involves a purchasing process through which contractual arrangements; goods; services; works and other supplies by government; regional and local public authorities that are governed by the public law. It is the role of the government to ensure that resource utilization through public procurement is efficient since the monetary values involved are usually high.

As governments seek to deliver services to their citizens, they endeavour to put in place administrative structures such as Authorities, Utility Corporations among other autonomous and semi-autonomous institutions. Many argue that to remain accountable to a wide pool of stakeholders with diverse interests, Public procurement is seen as one of such ways that governments can utilise to show case their accountability as public procurement constitutes over 70% of public expenditure (Agaba and Shipman, 2007).

As provided by the assessment from RPPA, a significant portion of public spending occurs through the public procurement process. For example in 2006, public procurement accounted for 52 % of the total public funds expenditure in Rwanda. As part of the drive to reform public procurement in making it more transparent, accountable and capable of delivering better value for money, Rwanda transitioned from the use of 1959 law in public procurement towards a national public procurement system which respects international standards. This led to the enactment of the Law n° 12/2007 of 29/03/2007 of Public Procurement. The Rwanda Public Procurement Authority (RPPA) was set up as the Principal regulatory body governing public procurement in Rwanda (Rwanda Procurement Assessment Report: 2011).

The relationship between Public Procurement and good governance is gaining increasing attention this is because effective Procurement Practices provide governments with the means of bringing about social, environmental, and economic reform. Conversely malpractice with in public procurement system demonstrates a failure of government and typically arises from corruption and fraud internationally, public procurement is steadily moving towards higher involvement in policy making, ensuring a tighter alignment of procurement policy with government policy in those jurisdictions where procurement is not substantially decentralized. Consequently, changes in modes of governance are often reflected with in procurement, notably



due to increased stakeholder participation and demands for greater participation and demands for greater transparency and accountability. Building upon the information contained in the above paragraph, this chapter considers the importance of carrying out the whole research study on this topic of the role of legislation in creating business opportunities for private business organizations in Rwanda. (Bylouse Knight, Christine Harland, Telgen, Khi v Thai, Guy Callender and Katy McKen)

### ***2.3. How to interest potential bidders in public tendering?***

In public procurement, there is a link between procuring entities and bidders. From the beginning of the procurement processes, that linkage can be explained as attractions to the potential bidders. Some of those attractions are the procurement plan and Invitation to bid.

Many countries including International Organization like World Bank, European Union, etc. have similar practice on interesting bidders.

#### ***2.3.1. Procurement plan***

The procurement planning is the process used by companies or institution to plan purchasing activity for specific period of time. It is commonly completed during the budgeting process. (<http://www.wisegeek.com/what-is-procurement-planning.htm>)

The publication on procurement plan lets bidders to know in advance, the potential tenders to be processed during a fixed period; it details all tenders and covers the whole year.

As provided by the Rwandan procurement law (2007), the annual publication of all procurement plans in the websites of procuring entities and in the local newspapers with the widest circulation in the country. This has helped the private firms to plan accordingly and if necessary to find other support requirement for preparing early the competitive offer.

#### ***2.3.2. Advertisement and invitation to tender***

The Rwandan procurement law (2007), in article 28, states that the procuring entity shall advertise bid opportunities with a newspaper of wide circulation and on its. This has permitted the private firms to be aware on the existing opportunities, provides them all important information and the sufficient time to prepare a good bid offer.

## ***2.4. Public procurement applications***

As stated in previous chapter, specifically in its introduction, the Rwanda public procurement is mainly lead by the law N° 12/2007 on public procurement. A part from this law, there are others regulations published in mission of enforcing, updating and enhancing the principles of public procurement.

The public procurement recognizes different principles depending on the mission of each user or each country but the objective remains the same for all of them.

For example for OECD (2011), the public procurement principles for enhancing the integrity in public procurement are transparency, good management, compliance and monitoring and accountability & control.

The European Union (2011) noted that the basic principles of public procurement are value for money and acting fairly. For the Value for money, “Contracting authorities have an obligation to get the best value for taxpayers’ money for everything they procure. Best value for money does not necessarily mean going only for the cheapest offer. It means finding a solution which meets the requirements you have identified – including environmental ones – in the most cost-effective way. Protection of the environment can be one of these factors and can therefore act as an equal consideration amongst others for the award of the contract.

In Uganda, the Public Procurement and Disposal of Public Assets Authority (PPDA) as regulatory, the one of its objectives is to ensure that the public procurement principles are respected. Those principles are non-discrimination; transparency, accountability and fairness; open competition and economy and efficiency.

## ***2.5. The role of private organization in economy development***

For increasing the economy opportunity in a country it happened when a firm has positive potential for sharing the value. This opportunity can increase the development of a country in different areas such as job creation, capacity building and technology transfer, development in public infrastructures, public or government revenue generations, and other business. (John F. Kennedy, 2007).

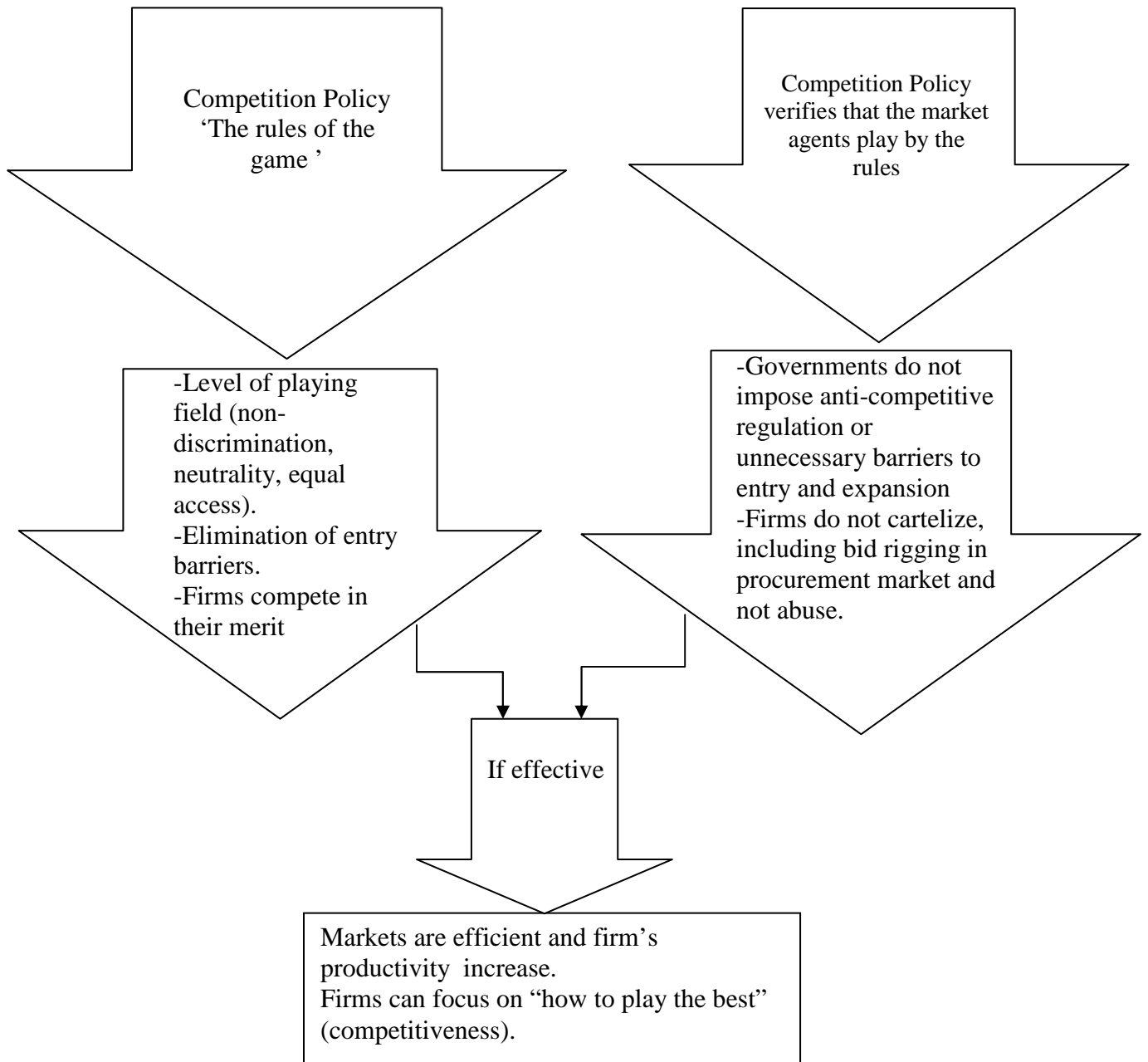
Most of the mentioned development points are generated thought business activities.

## ***2.6. The private organization versus Government expenditure***

The analysis done in IFC, MIGA and World Bank, stated that when there is good practice in tender processes with respect of the rules and public procurement principles for one side, and the bidders apply them correctly in following the instructions provided by the law from the other side, then there an efficient and productivity increase. Here the competitiveness must play the role.

The following figure shows how the investors inject their businesses in public tenders in respect the law and arrive to the success.

**Figure 1: Analysis of the investment climate in light of public procurement**



**Source:** Giuliana Cane (2012).

The public procurement legislation plays a very big role in promoting business opportunities for the Rwandan private organizations. As part of the drive to reform public procurement in making it more transparent, accountable and capable of delivering better value for money, Rwanda transited from the use of the 1959 public procurement law towards a national public

procurement system which respects international standards. This led to the enactment of the Law N° 12/2007 of 29/03/2007 of Public Procurement. The Rwanda Public Procurement Authority (RPPA) was set up as the Principal regulatory body governing public procurement in Rwanda. (*Rwanda Procurement Assessment Report, 2007*)

## **2.7. Local case**

### **2.7.1. Provisions in the law to encourage private sector participation**

The Rwandan public procurement law has provisions to encourage local private sector participation and some of those provisions are cited and explained here below:

#### *2.7.1.1. Local Preference which gives advantage to local firms;*

Article 41 of the Rwandan Procurement law provides for 10% local preference to locally registered firms. This helps local firms by placing them at a better position of winning contracts if they followed the bidding procedures correctly and possess the technical capacity to execute the assignments/contracts that they bid for.

During the 4<sup>th</sup> East African Community workshop done in 2011, it was communicated that most of the tenders published do not consider this article. (<http://www.eappf.org>).

#### *2.7.1.2. Joint ventures:*

Article 11 of the Rwandan procurement law provides opportunity to the local firms which their capacity still very low to apply joint venture with competent and qualified companies in mission of increase their capacity and win the contracts. This has allowed Rwandan business firms to form joint ventures with big reputable international companies in areas like construction and this has enhanced their capacity and performance in executing big contracts.

#### *2.7.1.3. The exemption from liability in case of force majeure*

The section 7, in its articles 102-103 of Rwandan procurement law provides modalities under which contracting parties can avoid liability due to force majeure.

Between two parties (contractor and client), none can interpret and violate what is provided by the contract except when one of the parties declared (during a determined period) that it is due to force majeure.

### *2.7.2. Other provisions Rwandan private firms*

Apart from the above mentioned favor to private organizations, the public procurement through RPPA provided some instructions to procuring entities in regarding the reduction of severe or tough requirements such as exemption on request of experience as evaluation criteria for works with estimated value less than 50 million, consultancy: less than 10 million and supplies: below 5 million RWF; reduction of percentage of bid security from 2% and below according to the estimated value of tender up to 0.1% (for a big amount like 1 billion RWF) and to reduce the value of performance security from 10% up to 5% according to value of the contract.(<http://www.rppa.gov.rw>, 2011).

In additional of the above mentioned favors to private firms, The RPPA provided different training and workshops to them regarding public procurement procedures in mission of facilitation and enhancing their entrance to public tenders. (<http://www.eappf.org>)

## ***2.8. Challenges faced by private organizations in public tenders***

As stated by Mr. Emmanuel Hategeka (Permanent Secretary in Ministry of Trade and Industry in Rwanda), in his speech during the 4<sup>th</sup> East African workshop in public Procurement forum in 2011, the main universal challenges faced by private firms are the follows: (<http://www.eappf.org>).

- Negligence in bid offer preparations and thus not respect of procedures: Many bidders participate in public tenders without paying attention on what bidding documents require and forget that they are in competition. Some time they provide no compliant offers, very wrong financial offers, lack of timing, etc.
- Lack of information about potential public tenders: A big number of companies are addressed only on press (for local tenders). They are limited on the interested and big tenders for the regional. This is cause of lack of ability to consult international newspaper and web sites like dgmarket and other similar ways on internet.
- Unnecessary requirement in bidding document as evaluation criteria: according to the nature of the public tenders, sometimes there is exaggeration on some requirements conditions, which are not related to the output waited.

## ***2.9. Suggestions for increase private sector participation in Rwandan public procurement***

According also to Mr Emmanuel Hategeka's speech in his presentation during the 4<sup>th</sup> East African workshop in public Procurement forum(2011), In order to continue promoting local companies competitiveness to effectively participate in public procurement, the following are suggestions for doing more efforts like:

- Encouraging local companies to use joint venture for meeting the requirements in public tenders and win;
- To create partnerships with strong companies from outside of the country;
- The percentage of 10% for local preference can be increased and request the procuring entities to use it.
- The threshold allowed to local tenders should be increased
- Providing consistent trainings to local firms regarding application of public procurement laws

## **CHAPTER THREE: METHODOLOGY**

### ***3.0. Introduction***

This chapter details the methodological framework of the study. It explains the problem definition, research objective, questions of the study, research method and technics, Sampling method, data analysis and research limitations.

### ***3.1. Problem definition***

Private organizations involvement in public procurement is low despite recent legislation by various governments to encourage participation of private firms in tenders' opportunities. This raises a lot of questions in far as the cause could be. The researcher intends to investigate the role of public procurement legislation versus business for the Private organizations in Rwanda. For if this is not established, and then the government's efforts aimed at boosting participation of the Private organizations participation in procurement would not be realized.

### ***3.2. Research objective***

This study aimed at achieving the following objectives:

- To explore the role of the public procurement in promoting business opportunity to Private organizations as provided by the Rwandan law regarding procurement process;
- To examine the challenges faced by Private organizations organisations in participating in public procurement activities;
- To put forward practical suggestions intended to increase Private organizations participation in public procurement activities.

### ***3.3. Research questions of the study***

In this study the research questions settled were the follows:

- What is the role of the public procurement law in promoting Private organizations for the Private organizations in Rwanda?



- What are the challenges faced by companies in participating in public procurement activities?
- What are the practical suggestions intended to increase Private organizations participation in public procurement activities?

### ***3.4. Research methodology***

Firstly the intention of the researcher was to use quantitative and qualitative approaches in assessing the efficiency of application of the public procurement law and regulations.

The reason for using quantitative method on one hand is when study talks about how many people or responses and here we use tables, numbers, frequencies, and percentages to describe various quantities. In this study, the quantitative method helped the researcher to found out the number of respondents on different reasons and factors in public procurement participation by bidders and thus made analysis accordingly.

For another hand, the qualitative approach is used when this research talks about behaviors, changes and various understanding. For this case, the researcher addressed interviews for finding more clarity on how other relevant stakeholders in public tenders (RPPA, NIRP and PSF) think or observe the applicability of public procurement legislation and the participation by private organization in public tenders.

Secondly, the research processed with the development of survey instruments; here the questionnaire and interview guide were relevant. The following stages were processed: collection of data, data presentation and analysis, then development of conclusion and recommendation

As indicated in chapter one, the Government developed through legislation of public procurement established to increase private organizations participation in government tenders. This research considers particularly three factors that were included in that legislation. These are:

- **Transparency:**

In public procurement, the transparency is one of main principle which leads and guides the procurement processes. In the whole practical process of public tendering, from advertisement openly on the potential tenders in newspaper and website; opening session etc. this principle is manifesting and it is an obligation for all procuring entities. In this study, the researcher intends to

assess on how the implementation of transparency is positioned according to what the law provides.

- **Preference schemes:**

The Rwanda procurement legislation provides the local preference of 10% in favor of regional companies. The researcher went thought on this for describing the position on this opportunity to bidders. According to the topic, it is important to see if the private firms are pleased with local preference, to check if there is suggestion in term of increase the percentage or other alternative as preference scheme.

- **Corruption:**

Based on public procurement principles, and processes, the key factor for success the procurement processes is fighting corruption. The Rwandan procurement legislation law made the measurements in term of fighting corruptionsuch as prevention, repression and punishment to responsible implicated in procurement processes, involving internal of tender committee (composed by different people) in opening sessions and in evaluations of bidder's offers, periodic different audits in procurement entities by different intervenes etc. This work allowed a moment to private firms for getting information on behavior faces by responsible in public tenders.

### *3.4.1. Research design*

The research processes applied are quantitative and qualitative. The use of mixed methods helps the researcher to enhance the validity of the research findings (Matheson,1988).

For this study, regarding public procurement, it is known that the private firms participate in public tenders but the intention of the researcher was to go in depth and investigate if the role of public procurement legislation promotes private organizations in Rwanda. This was handled quantitatively and for getting the findings, the researcher used questionnaire.

According to Strauss and Glaser, B. (1967). The qualitative methods can be used to gain new perspectives on things about which much is already known, or to gain in depth information that may be difficult to convey quantitatively. Here the study adopted qualitative approach by using interviews to focused group and this helped the researcher to confirm the finding from questionnaire.

The research design describes how public legislation in procurement plays a role in increasing the growth of the private organizations by formulation of specific research questions in an attempt to capture relevant findings.

### *3.4.2. Selection of the study area and period*

According to Yin (2003), a case study was particularly appropriate to present investigation because it is a contemporary phenomenon. Most of the government budget is consumed in the way through private companies by bidding in public tenders. In this case the manner responsiveness is private organizations, specifically the companies or potential bidders who operating in Kigali City and participated in public tenders. The researcher chooses to conduct in the mentioned study area for the reason of getting easier for her the proper, true and consistent information related to the topic.

According to the nature of investigation, the researcher wanted also to preserve the integrity of the cases under inquiry for hallmark of the case study research. For that reason, the researcher approached the RPPA, NIRP and PSF. The case study findings are limited to the period from the year 2007 to 2011.

### *3.4.3. The target population of the study*

For the period of this study, the target population in general was 2482 private companies (for the whole country and for different domains of business such as agriculture, construction, manufacturing, wholesale and retail trade, transport, information and communication, assurance etc. (establishment Census, 2011) As this figure was large and covering geographically the entire territory of Rwanda, the researcher was not able to process the study to the whole country and to all private firms.

It is in that regards the researcher found a way for sorting out this issue and get a success output. She started first by taking the City of Kigali as a sample for area. The reason of taking the mentioned sample was that the Kigali City is main region which contains many companies for different activities (this secured her to found solid data) and it was also very easier for her to find information as she works and stays in that area.

After targeting the area which was Kigali City, the researcher managed the work the specific target population. It is known that the public procurement legislation in Rwanda recognizes the following four types of tenders: tenders for supplies, works, non-intellectual services and intellectual consultancy. The Kigali City comprises 243 private firms (establishment Census, 2011). This helped her to choose companies in Kigali City that their main activities are related to the mentioned type of tenders. However, the challenge raised for targeting the companies which participated in public tenders during the period of the study. As there was not anywhere to find an exhaustive list of bidders who participated in public tenders, the researcher approached RPPA for finding arbitrarily at least four companies for each type of tender, which tendered mostly. Based on the above mentioned procedures, finally the researcher found a number of 16 companies as target population for this study.

#### *3.4.4. Data collection instruments and sources*

In this particular research, the researcher dealt with two types of data which included data from primary and secondary sources.

##### *3.4.4.1. Primary data*

The primary data is defined as the type of data a researcher collects directly from the respondents in order to obtain a baseline for solving a particular problem. It may as well be used by the researchers to make proper judgment about the state of issues, and the extent to which they conducted research is relevant to solve the problem in question. Primary data are important mainly for the following different reasons: They help to formulate corrective measures of the problem analyzed. They allow the researcher to highlight the precision and the concise explanation of the problem under study. They enable the researcher to avoid prejudices and preconceived ideas (*James and George Benson, 2004*).

For the purposes of this research primary data was collected from primary sources and it was analyzed accordingly. The researcher collected primary data by using questionnaire. This instrument was carefully designed and administered by the researcher to select. In this study, the questionnaire was established and distributed to 48 respondents representing 16 companies. Each

company received three similar questionnaires lectured to managing director, responsible in charge of tender and a responsible in charge of contract management. The reason of addressing the questionnaire to three different people in the same companies was to get guarantee that there is no wrong information from one person.

The questionnaire was initially prepared in English and was closed ended as well as open ended questions.

For maximizing the needed information, the researcher interviews to the following relevant stakeholders:

- Rwanda public procurement Authority (RPPA), as a monitor of public tenders, the interview helped the researcher for finding comparison and confirmation on what the private firms provided in questionnaire responses.
- National Independent Panel Review, this is in charge of resolving appeals for Private organizations (Bidders). It permitted the researcher to verify the weaknesses as well as strength for bidders and compared to the information from respondents of questionnaire for making observation.
- Private organizations Federation (PSF), which is like parent of Private organizations in Rwanda and it has to know and collaborate with the private companies for accomplishing the mission for each other.

The following table summarizes the source of primary data collected and instrument used.

**Tableau1 :Source of primary data collected and instrument**

<b>Location</b>	<b>Respondent</b>	<b>Quantity</b>	<b>Instrument used</b>
Private companies (16 companies: 4 for supply, 4 for works, 4 for intellectual services and 4 for non-intellectual services)	<ul style="list-style-type: none"> <li>- Managing Director</li> <li>- Responsible in charge of tenders</li> <li>- Responsible in charge of contract management</li> </ul>	16* 3 = 48	Questionnaire
Director of RPPA	- Managing Director or	1	Interview

	Responsible in charge of Tenders monitoring		
National Independent Review Panel	- Chairman or Representative of Private sector	1	Interview
Director of Private Sector Federation	- Managing Director or Responsible in charge of private companies	1	Interview

#### *3.4.4.2. Secondary data*

Secondary data was collected from different secondary sources. A comprehensive analysis of available tools like books, internet, policy and legal frame works of RPPA and procurement regulations, articles, annual reports, thesis reports made by other researchers, Journal articles related to the topic, workshop presentations among others were used to gather secondary data.

### ***3.5. Sampling method***

The researcher used two methods for find the sample. The first one is stratified sampling, where she consulted the Private sector federation for getting the whole list of business companies in Kigali City. Based on that list of 243 companies from PSF, she brought it in RPPA which helped her from its archives to find the firms participated in public tenders during the period from the year 2007 to 2011. The number of bidders participated from RPPA was 156, then she created them into four groups composed by all types of tenders (supplies, works, intellectual services or consultancy and non-intellectual services). The figures of companies found from the groups according to the type of tenders are as follow: for supplies the companies found are 64, for consultancy the firms found are 22 companies, for works the companies found are 58 then for non consultancy services the companies found are 12.

The second method applied is simple random sampling. This method is used where each member of the population has an equal chance of being selected. In this case, after getting the above mentioned groups (by stratified sampling method), the researcher chosen randomly four companies for each group. The interval for each group was found according to the number of

companies composed a group: ( 64 companies for supplies, the interval is 16, for consultancy the interval is 5, for works the interval is 15 then for non consultant tenders the interval is 3) those were respondents to the questionnaire. The respondents for each company are: managing director, responsible in charge of tenders and responsible in charge of contract management. The researcher preferred to question those different people (involved in the whole process of tendering) in the same company for avoiding falsehoods and getting relevant information from different mindset.

### ***3.6. Data analysis***

The data collected from primary sources were analysed based on responses categorised into the following themes: transparency, preference schemes and corruption; upon which detailed explanation was focused. Firstly the field notes were taken from respondents and summarised into daily reports that helped to develop a summary sheets detailing data collected.

Secondly, a report was drawn from summary sheets and used for final report findings.

Third, systematic analysis was adopted to have in-depth insight into data collected and identify which required more information before producing the final report.

To ensure that all answers are coherently and logically recorded for providing consistent information in order to facilitate the understanding of phenomenon and cross check the data collected, the processes of editing and coding were considered.

Once data was edited and coded, the researcher analyzed by using tables, numbers, and figures, percentages, frequencies and averages for easy interpretation of the meaning of data collected and to produce results that will be further interpreted in chapter four.

Finally data was analyzed, conclusion reached, and the ending step is to make a report of findings.

### ***3.7. Research limitations***

Though the researcher successfully accomplished the Study, several problems were encountered in the process of executing/carrying out the activities of this research and they include the following:

### *3.7.1. Time constraint*

The Time period for getting responses from questionnaires took long time. This made the researcher waste several time in waiting for responses from the respondents. However, the researcher hired a young boy who followed the questionnaire and ensured that all questions are replied. This assignment was closed successfully. Concerning the interviews,

Concerning the interview, it was also very difficult to conduct face-to-face interviews because most of respondents were either busy chairing meetings or doing other things. For 3 managers planned to consult for the interview guide, 2 of them were found by appointment but the third one was very busy and this obliged the researcher to suggest him to use telephone and the interview was handled and finished well.

### *3.7.2. Lack of enough literature*

Literature on public procurement is not enough. The RPPA is new institution and has no more experience and data base. Also the issue with procurement is not included enough in academic programs and the topic is gene new. However, the researcher tried to maximize all ways for finding the literature, especially in consulting books and internet.

### *3.7.3. Financial constraint*

The researcher allocated a budget for the research from her personal savings. According to the surprised additional activities like hiring someone for data collection and more transportation, that budget was not sufficient. She had to look for more funds through a bank to enable her complete the research assignment as the allocated budget was only sustaining the activities to the middle of the assignment.

### *3.7.4. Confidentiality*

The researcher found some information difficultly due to confidentiality reasons.

Some respondents were reluctant to fill in the questionnaires for they feared to lose confidential information to the public. This was obliged the researcher to approach physically those few respondents for securing them that there is no inconvenient resulting.



## **CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS**

### ***4.1. Introduction***

This chapter comprises of a collection, presentation and analysis of data that was collected from respondents using the questionnaire in relation to the research questions and objectives. The researcher used descriptive statistics to present results showing frequencies and description of responses given by respondents to relate collected and available information in effort to give meaningful interpretation. In addition, correlation analysis has been done its interpretation showed the relationship between the study variables. Conclusions are drawn related with the study literature to concretize directions upon which, general conclusions and recommendations have been based on. Formally, this chapter's content passes through respondent's profiles, picture of public procurement legislation in creating equal opportunities for private organizations in Kigali City and conclusion.

### ***4.2. Respondent's profiles***

According to the Rwandan policy, gender balance, youth and sometimes people living with disabilities are crosscutting issues. In our research we judged important to integrate demographic details in order to discover and show how females and youths are adhering and participating in various developmental activities especially in procurement area. This section has been organized to flow from basic demographic characteristics of the respondents, through exploring respondents' knowledge on the role of public procurement legislation in promoting business opportunity to private organizations in Rwanda. It is widely accepted that a various demographic characteristics affect and in some instances determine how people view issues, events and trends. This research has explored the relationship between public procurement legislation in promoting business opportunity to private organizations especially in Kigali City. The researcher considered essential to explore a few respondents' attributes that would help in interpreting and applying the findings. The attributes of interest in this research were: respondents' sex, age, marital status, the duration in the company, the current position in the company and the educational -level. The table below shows the distribution of 48 respondents in terms of sex.

**Table 1: Description of respondents involved in the study**

<b>Sex</b>	<b>Frequence</b>	<b>Percentage</b>
<b>Female</b>	25	52.08
<b>Male</b>	23	47.2
<b>Total</b>	48	100

**Source:** primary data, 2012

#### *4.2.1. Sex of the Respondents*

According to the table above, 25 out of 48 of respondents ( 52,08%) were females and were many than males 23 out of 48, it means (47.2 %). This is due to the fact that in Kigali City, females are many than males referring to the population of study (Kigali City, 2010) and the researcher constituted the sample proportionally to the number of the population. Another reason is that nowadays, the Government of Rwanda encourages woman through gender balance in its policies and women have adhered massively to all activities including business and public tenders

#### *4.2.2. Age of respondents*

The present study also explored respondents' age in years that was divided into four strata for a better use: the first group was composed of respondents with less than 20 years, the second group comprised of respondents between 20 and 40 years, the third group was composed of respondents with age between 41 and 60 years, and the last group was that of respondents with above 60 years. For the purpose of data analysis, the researcher noted that the grouping in strata followed certain logic. Theoretically, it is assumed that the more a person gets old, the more he/she is experienced in life and therefore he/she has different and informed understanding and knowledge of life problems. Table 2 below shows the distribution of respondents vis a vis age strata.

**Table 2: Strata of respondents' age**

<b>Age group</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>25-35</b>	7	14.58
<b>36-45</b>	20	41.67
<b>46-55</b>	12	25
<b>Over 55 years</b>	9	18.75
<b>Total</b>	48	100

**Source:** primary data, 2012

The above table indicates that the majority 20 out of 48 respondents, (41.67%) were in the stratum of 36 to 45 years, but also the stratum of people with age between 46 and 55 years has a good number of respondents: 12 out of 48 (25%) of the sample. These two strata present a higher majority of respondents: they make both more than 66 %. The main reason is that for people who accepted to answer to the research questionnaire were situated in those strata but also it is the group which was flexible in answering easily the research questionnaire. For this group, it was easier to explain the importance of research. The researcher explained to a respondent the purpose of the study before he/she answered to the questionnaire. Some refused to answer to it because of their ignorance or requested money; what he could not find. For the stratum of age between 36 and 45 years, but the researcher realised an additional reason; the respondents of this stratum have enough business experience and they are many to postulate their businesses in public tenders. This category of people takes risks in investment, condition which is among the most important in doing businesses.

The rest of strata, that is, people between 25 and 35 years and above 55, have the minority of respondents: 7 and 9 out of 48 consecutively. For the first one is because it was not more targeted and the other is because they are not many in the area of study certainly because they have not yet engaged in business due to their youngest age and consequently no capital for investment. For the last stratum, people who have more than 55 years, they are not so many in the area because due to war and genocide of 1994, many aged people perished. So, the population statistics show that there are more youths in Kigali City than old people. Another

reason should be that they have already distributed their investment capitals to their children and they are not around the study zone at the moment of our survey.

#### 4.2.3. Family status of respondents

In this research, the researcher considered marital status as an indicator for household economy and thus a tool for data analysis and interpretation. Marital status refers to the act of being married, single, widowed, divorced, separated or living with a person in a conjugal relationship outside marriage. The zone in which the survey was made, there were five types of people: single, married, divorced, widowed and separated people, it means those who are no longer living together but who have not gone to the court/tribunal for divorce. All these categories were concerned by the survey. The table following table shows the distribution of respondents according to their marital status.

**Table 3: Respondents marital status**

<b>Marital status</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>Single</b>	15	31.25
<b>Married</b>	20	41.67
<b>Widow</b>	1	0.48
<b>Divorced</b>	2	0.96
<b>Separated</b>	10	20.84
<b>Total</b>	48	100

**Source:** primary data, 2012

Marital status is positively related to the social and familiar responsibilities, including taking care of parents, of children, and family feeding. This helps in the context of our study, to understand why from the table above 20 out of 48 respondents are married, 15 out of 48 of respondents are single, but some of them with children, 10 respondents are separated while we have 1 widow and 2 respondents are divorced.

Here the general idea from this statically number, the big number of respondents is married, and then the benefits of being entrepreneur through the business in public tenders are share in whole

family. This shows also how families do their best to look after their families members, especially children and many people have chose business as a way of acheiving this objective.

#### 4.2.4 Respondents' educational level

Another factor of data analysis in this survey was education level. As it is commonly said 'education is the key of life.' Once people are educated, they can easily try to solve their life problems in one way or another. The following table shows the classification of the respondents according to their educational level.

**Table 4: Educational level of respondents**

<b>Level of education</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>Primary</b>	5	10.41
<b>Secondary</b>	15	31.25
<b>Vocation training</b>	10	20.84
<b>University</b>	18	37.5
<b>Total</b>	48	100

**Source:** Primary data, 2012

Being entrepreneurs, it requires certain knowledge gained either from different school levels or in some other life experiences.

The majority of our respondents in this study were in the category of those who did university, 18 out of 48 respondents. This does not mean that they have finished studies, but we considered at least those who entered this category of schools for studies even if they have done one year. The second category is composed by those classified in secondary school level, 15 out of 48 respondents; the next class is composed by those who did vocational training, 10 respondents and lastly 5 respondents who stopped their studies at primary level. As it is mentioned above, the key to their lives depends on the opened mind their gain from schools and they are informed more about opportunities of doing businesses and they have chosen better the adherence to public procurement. This means that they are aware about public procurement legislation, various procedures to pass through and they gain their life easily in this domain.

The researcher wanted also to have the idea about the experience in the area of business and about the positions held by the concerned respondents. The following table gives the idea about the experience.

**Table 5: Experience of respondents in business in Public procurement**

<b>Experience</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>Less than 1year</b>	15	31.25
<b>1 to 5 years</b>	22	45.83
<b>More than 5 years</b>	11	22.92
<b>Total</b>	48	100

Source: primary data, 2012

Table no 5 shows us that the great number of respondents have been involved in business in more than 1 year and less than 5 years. This frequency which is 22 out of 48 respondents means that since the legislation about public procurement has been reviewed, people have been engaged massively in this type of business. The fact that the second frequency is composed by those who are experienced in the area less than 1 years (15 out of 48 respondents) means that people are progressively increasing their adhesion to the public procurement system. Those who are experienced with more than five years with the effective of 11 respondents out of 48 means that before the legislation was reviewed people did not adhere to this type of business. With this regard, if the number of bidders is increasing today more than those who subscribed in this area before the legislation review, this legislation has brought a significant support to those private businesses holders.

**Table 6: Respondents Post in the business organization**

<b>Position</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>Manager</b>	28	58.32
<b>In charge of tenders</b>	10	20.84
<b>Contracts managers</b>	10	20.84
<b>Total</b>	48	100

Source: primary data, 2012

The table no 6 shows that when we met to collect data, we met really responsible of businesses and this significantly means that they are themselves involved in their daily and own business. We met 28 managers out of 48 respondents, 10 persons in charge of tenders and 10 in charge of contract management. Another interpretation we can observe behind is that almost always these people are available because they do not know when and how the procurement should come. Then, when they are not personally around, there is at least one among higher responsible of their organization to be around for any emergency issue which can occur.

### ***4.3 Picture of public procurement legislation in creating equal opportunities for private organizations in Kigali City***

Beginning this section, the researcher reminds that this research is a survey based on both quantitative and qualitative data analysis with reference to statistical inferences. According to (Mann, P.S. and Lacke, C.J., 1995), descriptive statistics describes the features of a collection of data. The researcher used scales of analysis shown in methodology for data analysis and interpretation.

The researcher describes the main factors that have been crucial in increasing bidders' participation in public procurement contract. For analytical reasons, she went one by one by showing what respondents think and have expressed about those features. The researcher reminds that the questionnaire is coded from 1 to 5 (strongly agree, Agree, uncertain, disagree and strongly disagree) and according to the answers given by respondents the researcher grouped together those who said strongly agree and agree together, and those who expressed disagree and strongly disagree together. The points of view of respondents about the factors are following:

#### ***4.3.1: Transparency***

When we observe the table no 7 about transparency as factor which should influence the bidders participation, we find that the big number of respondents agree on that statement. In fact, all reasons evocated in this table have received the agreement of the respondent at the high level.

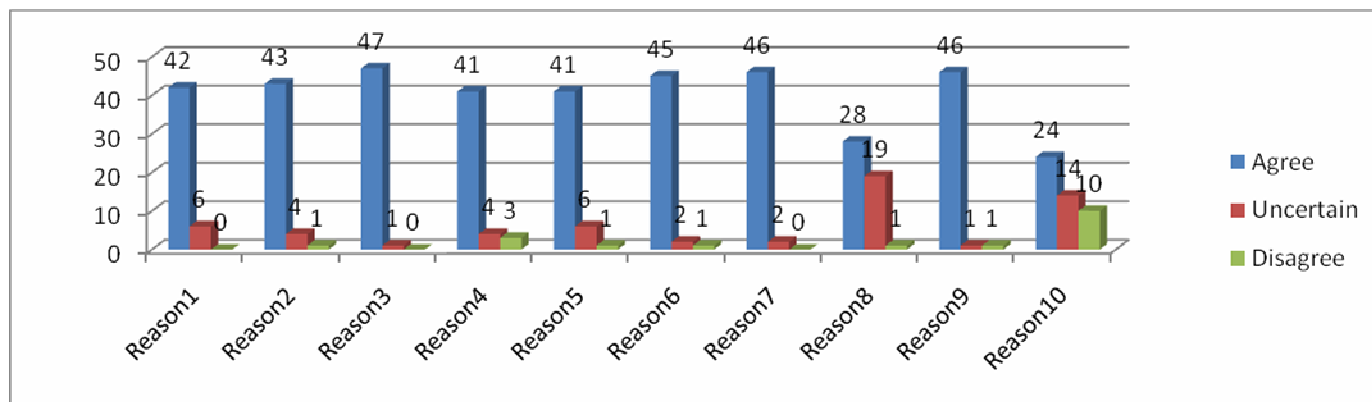
This situation can be more summarized in the following table:

**Table 7: Factors of increasing bidder’s participation in public procurement contracts**

Reasons	Agree	%	Uncertain	%	Disagree	%	Total	%
<b>Reason 1</b> The annual publication of the procurement plan advertised by the various procuring entities	42	87.50	6	12.50	0	0.00	48	100
<b>Reason 2</b> Annual publication of the procurement plan is quite information and prepares suppliers to participate in public tenders	43	89.58	4	8.33	1	2.08	48	100
<b>Reason 3</b> The public advertisement of tenders has led to increased participation of bidders	47	97.92	1	2.08	0	0.00	48	100
<b>Reason 4</b> Include of terms of reference and other requirements in bid document led being on equal opportunity to all bidders	41	85.42	4	8.33	3	6.25	48	100
<b>Reason 5</b> To provide clarifications and addendums to all bidders allows them compete at the same level (with equal opportunity)	41	85.42	6	12.50	1	2.08	48	100
<b>Reason 6</b> Bid opening session ensures fair play and builds suppliers confidence	45	93.75	2	4.17	1	2.08	48	100
<b>Reason 7</b> The including of evaluation criteria in bid document creates confidence and ensures bidders participation	46	95.83	2	4.17	0	0.00	48	100
<b>Reason 8</b> The timely response to the suppliers queries ensures that they are able to prepare accepted bids	28	58.33	19	39.58	1	2.08	48	100
<b>Reason 9</b> Allowing 7 days in provisional notification permit bidders to right complain and builds them confidence	46	95.83	1	2.08	1	2.08	48	100
<b>Reason 10</b> NIRP secures bidders for right to review and this encouraged them to participate in public tenders	24	50.00	14	29.17	10	20.83	48	100

Source: primary data, 2012

**Graph 1: Presentation on reasons of increase of bidder’s participation in public tenders**



Source: primary data, 2012



Through a simple and analytical observation of the respondents' reactions about various factors increasing the bidders' participation of private organizations in public procurement, especially talks which concern transparency, the big number of respondents agreed on the mentioned factors. Eight reasons out of ten have been validated by more than 40 respondents out of 48 to be the promoters of their participation in public procurement but the most agreed is the reason number 3 which was formulated as follow that the public advertisement of tenders has been led to increased participation of bidders. This has had the agreement of 47 out of 48 respondents followed by reasons number 7 and 9 with the effective of 46 respondents each, while the reason number 6 has been expressed so by 45 respondents. The highest number of respondents who disagree on this on this aspect of transparency in 10 respondents out of 48 on reason no10 which says that NIRP secures bidders for right to review and this encouraged them to participate in public tenders. We can be allowed, through this previous observation, confirm that transparency is one factor guaranteed by the new legislation on public procurement which motivate bidders to adhere massively to public tenders comparing with the last conditions of this kid of businesses.

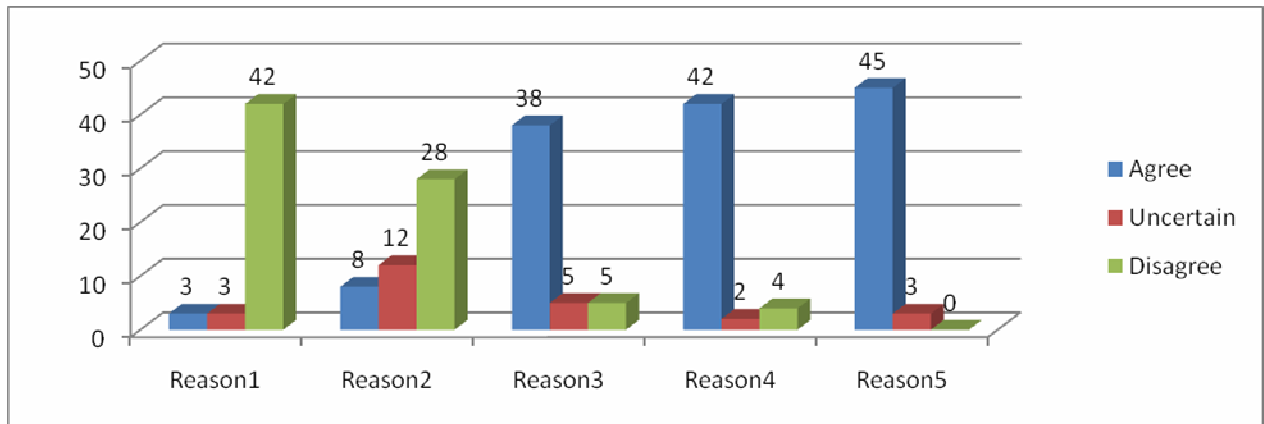
#### 4.3.2. Preference schemes

**Table 8: Factors for preference schemes for increase bidder's participation in public procurement contracts**

Reasons	Agree	%	Uncertain	%	Disagree	%	Total	%
<b>Reason 1</b> The article 41 of procurement law provides application of local preference of 10%. This permits increase of bidder's participation in public tenders	3	6.25	3	6.25	42	87.50	48	100
<b>Reason 2</b> The thresholds allowed to national tenders are right and attract bidders to participate in public tenders	8	16.67	12	25.00	28	58.33	48	100
<b>Reason 3</b> In international open tenders, some taxes for goods manufactured in the regional (EAC) are exempted	38	79.17	5	10.42	5	10.42	48	100
<b>Reason 4</b> Preference at short listing stage	42	87.50	2	4.17	4	8.33	48	100
<b>Reason 5</b> A margin of preference for eligible bidders through joint venture	45	93.75	3	6.25	0	0.00	48	100

**Source:** primary data

**Graph 2: Presentation of preference schemes in increase bidder’s participation in public tenders**



**Source:** primary data

About the preference schemes, a significant number of respondents disagreed on the fact that the article 41 of procurement laws provides application of local preference of 10% which permits of bidders participation in public tenders. The fact that 42 out of 48 respondents disagreed with this statement means that they refuse that this increase participation of private organizations in public procurement. Here the researcher appointed her attention and the comments for this point are found in chapter five. Another point of disagreement at a medium level that for the thresholds allowed to national tenders are right and attract bidders to participate in public tenders. For this point, 28 out of 48 respondents have expressed their disagreement while all other points included in preference schemes have been approved by respondents to the some among reasons which increase the private participation in public tenders.

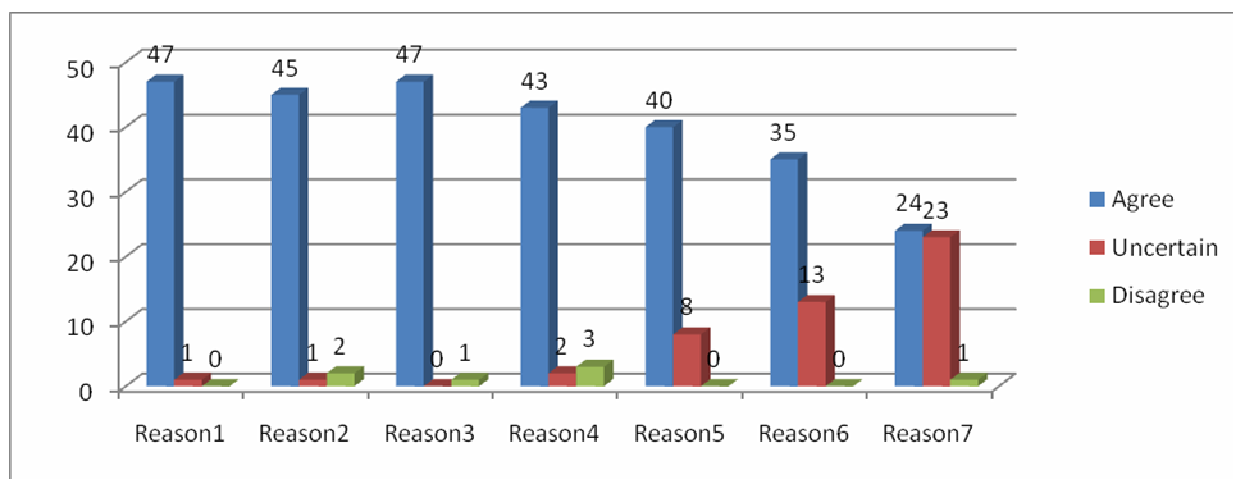
### 4.3.3. Corruption

**Table 9: Factors provisions for fighting corruption in public tenders**

Reasons	Agree	%	Uncertain	%	Disagree	%	Total	%
<b>Reason 1</b> Pre-setting the evaluation criteria	47	97.92	1	2.083	0	0.00	48	100
<b>Reason 2</b> Timelines in the whole procurement process	45	93.75	1	2.083	2	4.17	48	100
<b>Reason 3</b> Involvement of internal tender committee in opening session and its members make initials to all original bids (offers)	47	97.92	0	0.000	1	2.08	48	100
<b>Reason 4</b> Evaluation of bid done by Internal tender committee (composed by different people). This guaranties that there is no individual deal by procurement responsible and bidders	43	89.58	2	4.167	3	6.25	48	100
<b>Reason 5</b> Periodic audit in procurement entities by different intervenes such RPPA, General auditor, Internal and external auditors, Ombudsman, etc.	40	83.33	8	16.667	0	0.00	48	100
<b>Reason 6</b> Critical measures to guard against single source	35	72.92	13	27.083	0	0.00	48	100
<b>Reason 7</b> Measures of prevention, repression and punishment to responsible involved in procurement	24	50.00	23	47.917	1	2.08	48	100

Source: primary data, 2012

**Graph 3: Presentation of fighting corruption factors in public tenders**



Source: primary data, 2012.

The analysis of this table N°9 and graph N°3 summarize and talk about the taken measures to fight corruption in the context of public procurement, almost all respondents have agreed on the mentioned measures as factors which encourage private organizations in public tenders with the high rate. Five factors among 7 have been agreed by respondents at the level of more than 40 respondents out of 48 but there are two factors on which respondents showed that they are not certain that those factors influence positively or negatively the public organizations to adhere to the public tenders. Those factors are those which stipulate that measures of prevention, repression and punishment to responsible involved in procurement should motivate private organizations to increase their participation (23 out of 48 respondents showed that they are not certain), and the one which talks about critical measures to guard against single source with an uncertain situation shown by 13 out of 48 respondents.

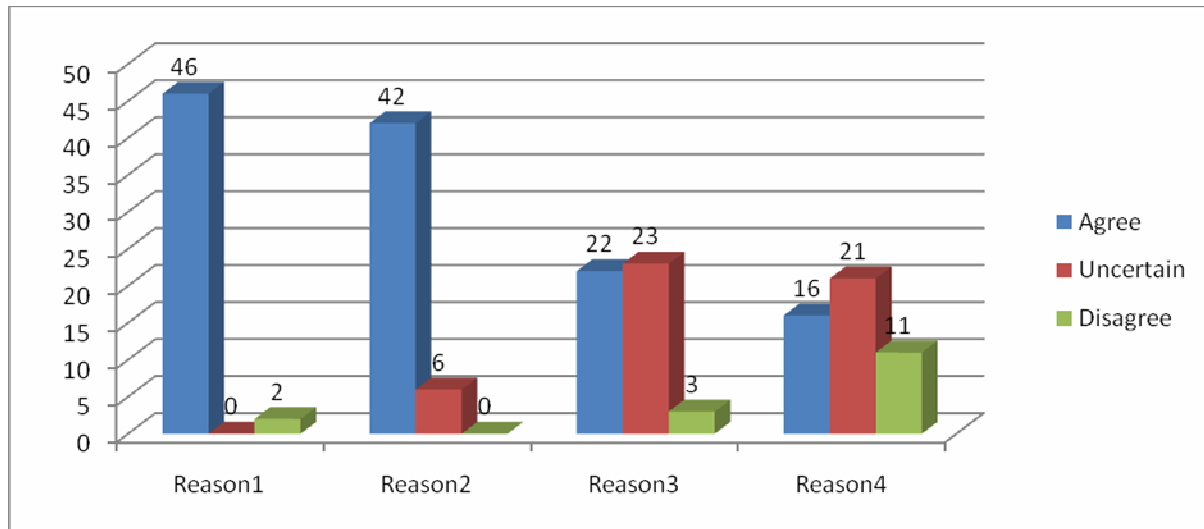
#### 4.3.4. Other factors encouraging private firms to participate in public tenders

**Table 10: Other encouraging factors**

Reasons	Agree	%	Uncertain	%	Disagree	%	Total	%
<b>Reason 1</b> Tender divided into different lots according to the specificity of it allowed bidders to win	46	95.83	0	0.00	2	4.17	48	100
<b>Reason 2</b> Decentralization and allowing full power and decision making to procuring entities facilitate private firms	42	87.50	6	12.50	0	0.00	48	100
<b>Reason 3</b> Exemption from liability in cases of force majeure secured bidders when it can happen	22	45.83	23	47.92	3	6.25	48	100
<b>Reason 4</b> In contract management, the contract provides the limited period with the contractors must be paid and if not the delay penalties for payment can happen	16	33.33	21	43.75	11	22.92	48	100

**Source:** primary data, 2012

**Graph 4: Presentation of other factors encouraging private firms to participate in public tenders**



**Source:** primary data, 2012

The significant rates on other factors that encourage private organizations to participate in public tenders are those through which the respondents agreed on as motivators. Consecutively, 46 and 42 out of 48 respondents confirmed that when tenders are divided into different lots according to the specificity of it, this allowed bidders to win and that decentralization and allowing full power and decision making to procuring entities facilitates private firms. However, 23 and 21 out of 48 respondents consecutively said that they are not certain that exemption from liability in cases of force majeure secured bidders when it can happen and that in contract management; the contract provides the limited period with the contractors must be paid and if not the delay penalties for payment can happen. Consequently, as a great majority of respondents agree on these factors they can be observed as factors which motivate private organizations to participate in public tenders.

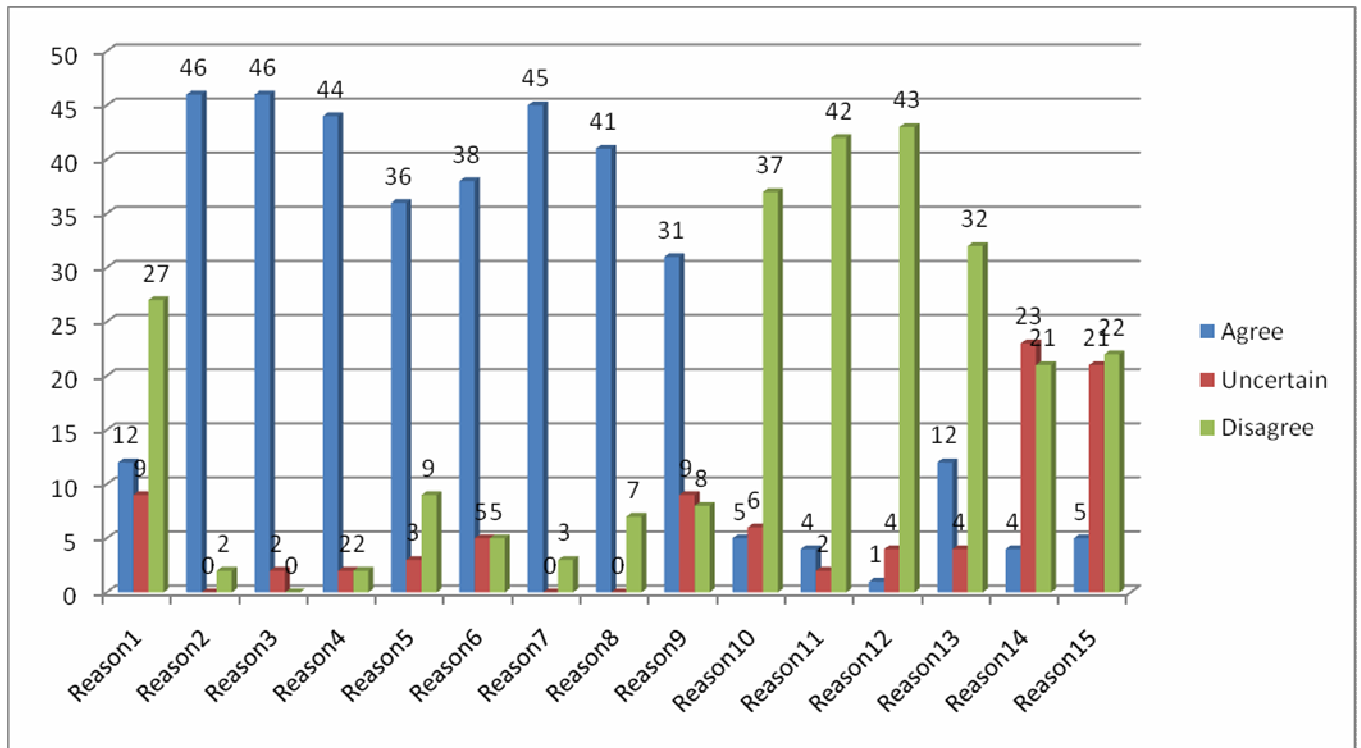
4.3.5. Challenges faced by private organizations in participating in public procurement activities

**Table 11: list of challenges faced by private firms in public tenders**

Reasons	Agree	%	Uncertain	%	Disagree	%	Total	%
<b>Reason 1</b> Lack of administrative requirements	12	25.00	9	18.75	27	56.25	48	100
<b>Reason 2</b> Lack of experience of firms	46	95.83	0	0.00	2	4.17	48	100
<b>Reason 3</b> Lack of similar supplies or references	46	95.83	2	4.17	0	0.00	48	100
<b>Reason 4</b> Lack of financial capacity of firms	44	91.67	2	4.17	2	4.17	48	100
<b>Reason 5</b> Problem of language	36	75.00	3	6.25	9	18.75	48	100
<b>Reason 6</b> Lack of knowledge in public procurement processes	38	79.17	5	10.42	5	10.42	48	100
<b>Reason 7</b> Negligence in bidding document preparation	45	93.75	0	0.00	3	6.25	48	100
<b>Reason 8</b> The highest financial offer compared to competitors	41	85.42	0	0.00	7	14.58	48	100
<b>Reason 9</b> Lack of technical requirements in bidding document	31	64.58	9	18.75	8	16.67	48	100
<b>Reason 10</b> Insufficient time for bedding preparation	5	10.42	6	12.50	37	77.08	48	100
<b>Reason 11</b> Delay on getting administrative documents required by bidders	4	8.33	2	4.17	42	87.50	48	100
<b>Reason 12</b> High cost of bidding document	1	2.08	4	8.33	43	89.58	48	100
<b>Reason 13</b> Highly bureacratc processes	12	25.00	4	8.33	32	66.67	48	100
<b>Reason 14</b> Corrupt tendencies of procurement staff	4	8.33	23	47.92	21	43.75	48	100
<b>Reason 15</b> Delay feedback on clarifications	5	10.42	21	43.75	22	45.83	48	100

Source: primary data, 2012

**Graph 5: Presentation of challenges faced by private firms in public tenders participation**



**Source:** primary data, 2012

Among various challenges proposed by the researcher to verify the hypothesis, there are those which constituted significantly the points of agreement between respondents, others have been disagreed with a high rate and some others seem not to be mastered by respondents.

In the first category, lack of experience of firms, lack of similar supplies and lack of financial capacity of firms constitute the considerable barriers for the private organizations to participate in public tenders, and this has been expressed by 46 respondents to each among two first challenges and 44 to the third one out of 48 respondents.

On the other side, respondents do not agree with some statements which formulated for example as follow: high cost of bidding documents, 43 respondents out of 48 disagree with this and consequently, it cannot be a challenge to the private organization to participate in public tenders. 42 respondents disagreed also that the delay on getting administrative documents required by bidders should block private organizations to participate in public procurement, 37 said that insufficient time for bedding preparation should not constitute a barrier to the private organization to participate and also 32 out of 48 disagree with the statement which says that

highly bureaucratic process can disturb private organizations in their process of participating in public tenders. In factors, most of respondents show that this second category of elements cannot be observed as challenges to the participation of private organizations in participating in public tenders.

There is however, another category of respondents who said that they are not certain that some following points can constitute barriers to private organizations' participation in public tenders. Those are for example those which argue that the corrupt tendencies of procurement staff and the delay feedback on clarifications discourage private investors in this area. This has been consecutively expressed by 23 and 21 respondents out of 48 and means that they do not know if this happen or no and consequently they do not know if these elements are challenges to some private investors in public tenders.

Some others challenges have been pointed out by respondents among others: the delay of payments , the disequilibrium between power of contractors (winners) and clients (procuring entities), the lack of source of funds, the lack of credibility of the organization and high taxes.

In general, some challenges disturb private organizations in public procurement process and those organizations do not participate as expected but some others are have not been validated by respondents.



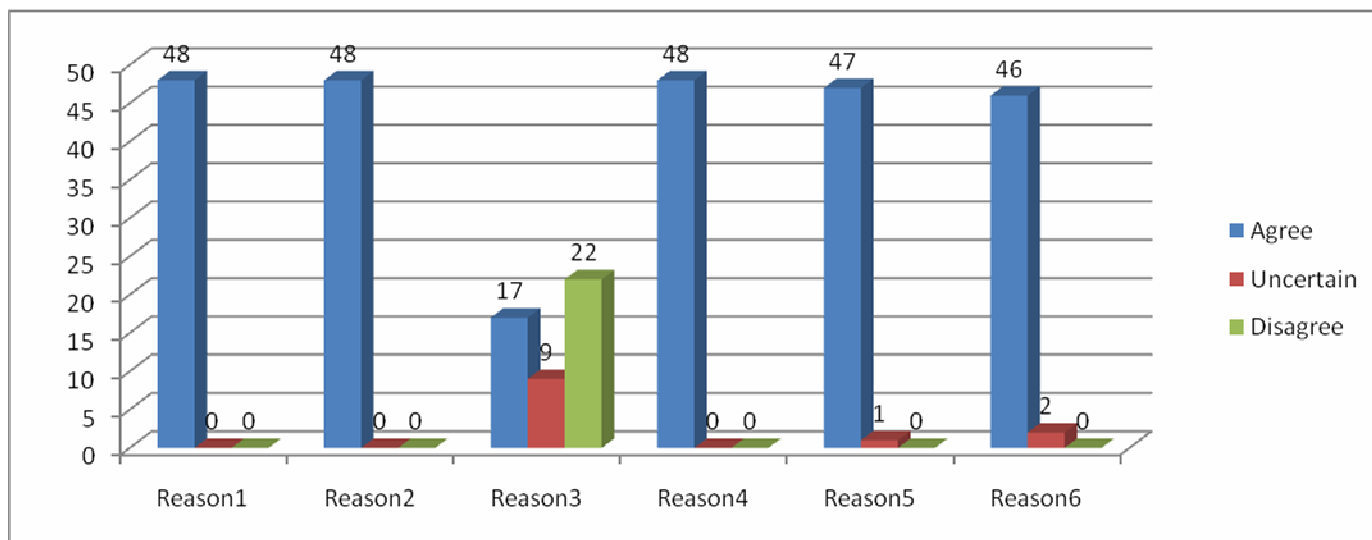
4.3.6. *Practical suggestions to increase private organizations participation in public procurement activities*

**Table 12: Suggestions for increase private organizations in public tenders**

Reasons	Agree	%	Uncertain	%	Disagree	%	Total	%
<b>Reason 1</b> Enhancing the capacity building in private firms on public procurement law	48	100.00	0	0.00	0	0.00	48	100
<b>Reason 2</b> Workshops and sensitization by private sector about importance of public tenders participation	48	100.00	0	0.00	0	0.00	48	100
<b>Reason 3</b> To maximize all ways for tender advertising	17	35.42	9	18.75	22	45.83	48	100
<b>Reason 4</b> To increase practices of preference schemes to local firms	48	100.00	0	0.00	0	0.00	48	100
<b>Reason 5</b> To reduce unnecessary requirements in bedding documents	47	97.92	1	2.08	0	0.00	48	100
<b>Reason 6</b> To facilitate the local firms in getting loans	46	95.83	2	4.17	0	0.00	48	100

Source: primary data, 2012

**Graph 6: Presentation of suggestions for increase private organizations in public tenders**



Source: primary data, 2012

This table N°12 and graph N°6 summarize what respondents think about some points which can encourage more private organization to participate effectively and in a big number in public tenders. These suggestions should be new in taking some measures or they can be observed as those which stop observed challenges in this area. All respondents agree on the suggestion that enhancing capacity building in private firms, promote workshops and sensitizations by private sectors about importance of public tenders participation and to increase practices of preference schemes to local firms will increase positively the private organizations participation in public tenders.

Among respondents, however, 23 out of 48 disagree on the fact that to maximize all ways for tender advertising should increase the mentioned participation, while 9 respondents out of 48 say that they are not certain if this measure should be valid.

The results figure out that there is a positive linear relationship between the update legislation about public procurement and the creation of equal business opportunities in private organizations in Kigali City.

The general impression of the above results is that there is positive and balanced linear relationship between sub-variables of the study

#### ***4.4 Conclusion***

This chapter has highlighted the main results from the survey, that is, the exploration of the relationship between current legislation on public procurement and creating business opportunity. The researcher first presented the respondents' profile composed of six elements (sex, age, and marital status, the position of respondents in the firm and the experience then the educational level). In addition, a detailed description of sub-variables and variables of the study has been elucidated. Finally, the relationship between current legislation on public procurement and creating business opportunity has been shown through correlation analysis. The findings gave the image of the relationship between study variables in Kigali City.

## CHAPTER FIVE: CONCLUSIONS ON FINDING AND COMMENDATIONS

### *5.1. Introduction*

This chapter deals with the conclusions findings and recommendations. In other words, the current study was stimulated by the general objective to examine the role of public procurement legislation in promoting business opportunities for the private organizations in Rwanda.

However, the study also highlighted on specific objectives such as:

- To explore the role of the public procurement in promoting business opportunity to Private organizations as provided by the Rwandan law regarding procurement process;
- To examine the challenges faced by Private organizations organisations in participating in public procurement activities;
- To put forward practical suggestions intended to increase Private organizations participation in public procurement activities.

The study used questionnaires, interviews to get primary data from respondents while books, internet and reports were used for secondary data collection.

### *5.2. Conclusion on main findings*

Since 2007, Rwanda has tried to make reforms in public procurement; it was evident that the public procurement system has some weaknesses which obliged to enhance the public procurement legislation.

Conclusively, after a careful analysis of questionnaires addressed to private firms and interview responses from RPPA, PSF, and NIRP, the following findings were highlighted:

#### **Transparency:**

In the data analysis above, we notice that the respondents are satisfied by the transparency in the procurement process. Nevertheless, the percentage of reason 10 (if NIRP secure bidders for right to review decisions) is low (50%). Some respondents think that the NIRP's committee would

have not experience or required skills to settle or solve suitably their submitted claims against procuring entity, reason why this organ prefer to maintain the decision of the procuring entity.

### **Preference Scheme**

The article 41 of procurement law provides application of local preference of 10%:

The researcher wanted to know why of this very low percentage about the point of this advantage granted to the local bidders by the law. It was noticed that even if the law provides the local preference the procuring entities are not forcing to use this clause in the Tender Document as criterion of evaluation. What makes that they do not almost use it.

The thresholds allowed to national tenders:

The threshold provided by the law might not attract local bidders to participate in the public tenders. Indeed, the only one financial capacity would not be a factor for introducing international firms in the competitions. To date, for this criteria of financial capacity, the awarded bidders are involving banks and others financial institutions in the execution of the tenders. It seems the article which provides the threshold of national competitive bidding to the international competitive bidding is outdate or obsolete

### **Corruption**

Factors provided to fight corruption in public tenders:

Measures of prevention, repression and punishment to responsible involved in procurement:

Rwanda is wealthy country in the laws and regulations against corruption and others related crimes. We noticed that those measures of prevention, repression and punishment to responsible involved in procurement are concerning both bidders and public officer as actors of corruption. What is strange is that one of actors of corruption (Respondent or bidder), a good percentage of them (50 per cent) does agree for that reality. The analysis allows assuming that there would be another practice behind the scenes.

### **Other provisions to participate in public tenders**

Exemption from liability in cases of force majeure secured bidders when it can happen:

Analysing the article 102 of Law No 12/2007 on public procurement law, we found that the force majeure has been defined and given a wide interpretation. The clause of force majeure is also

appearing in the all contract model in the tender document. Our findings are that the law and practices are sometime different. If in the contract signed between both parties the latters would be equal during implementation of that contract. However, sometimes one of them takes the control of this contract and other one follows. It's what may happen to bidders or respondents who are not agree with this statement. Actually, the procuring entity as a public institution could take an advantage and impose the other part to accept their position (sometimes which is not or against the contract)

### **Challenges faced by private organization**

The procurement is a scientific discipline which requires certainly experience, financial capacity, etc. The data collected shown that in the procurement operations, we have in one hand inexperienced operators, sometime unskilled in business who is supposed to deal or facing on the other hand the experienced, skilled organ which causes unbalanced situation. It noticed that in the business normally the principle of win-win situation would be preserved between both parties.

### ***5.3. Recommendations***

Basing on the research objectives and findings, the researcher highlights the following recommendations:

#### ***5.3.1. To the Government***

- The Government of Rwanda should put more emphasis on trainings and workshops to private organizations on public procurement legislation in order to ensure:
  - The better use of factor resources, the better increase production and productivity;
  - The exposure of private organizations to marketing challenges including the challenges of competition;
  - Capacity building facilities to private firms;
- Strengthening human resources and institutional systems of procurement officers;

- To emphasize the application of local preference and increase the rate provided by the law (10% of local preference): It was found that even if the public procurement provides the preference but it was not used.
- Avoiding the delay payments by clients to contractors: It was observed from respondents that there are some contracts where the procurement entities delay to pay the contractors and most of them the reasons are of problem of budget. This should be handled.
- To remove the administrative requirements in bidding documents and ask them to the winner at the stage of awarding the contract.
- To provide an automatic system for registering all tenders awarded and a list of bidders participated in public tenders during a fixed period.
- To create a school/university for procurement in general and specifically public procurement

### *5.3.2. To PSF and private organizations*

- Enforcement participation in public tenders;
- In collaboration with RPPA, to provide several trainings to private organizations in regarding the implementation of public procurement legislation;
- To sensitize private firms to apply the law of procurement in their business (for purchases) in respect of its fundamental principles and ensuring that the value for money is obtained.
- To request facilities in banks in case of loans needs

### *5.3.3. To the Researchers*

Research on public procurement legislation in promoting business opportunities for the private firms in Rwanda should motivate the companies who do not like to participate in public tenders instead publish the findings to reach a good number of people as it can make people become aware of opportunities available in the country and motivate them to make their investments decisions and this will help to improve on the speed at which the Rwandan economic development and growth is.

This work has been illustrated as it was the main aim of the research. However the research

cannot claim to have fully analyzed the role of the public procurement legislation in creating business opportunities for the private sector in Rwanda as constraints still exist. Therefore there is need for further research to focus on this topic in enhancing Rwandan and regional business as they can provide further insights in economic development and growth.

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# APPENDICES

**APPENDIX I: A QUESTIONNAIRE ON THE ROLE OF PUBLIC PROCUREMENT  
LEGISLATION IN PROMOTING BUSINESS OPPORTUNITY TO  
PRIVATE ORGANIZATIONS IN RWANDA**

Dear participant,

This is a research Paper leading to the award of Masters Degree in Business Administration of Maastricht School of Management. The purpose of this study is to establish the role of public procurement legislation in promoting business opportunities to private organizations in Rwanda. As a key stakeholder in Public Procurement, and given your unique knowledge, experience and skills about the area of study; you have been selected as a respondent for the study. The information you will provide will be treated with utmost confidentiality and under no circumstances will it be personalized.

Kindly provide your opinion on each of these issues as objectively as possible. In each sections of the questionnaire please follow the given guidelines.

Yours sincerely

**Gloriose MWANAKUNDI (an MBA Student at Maastricht School of management).**

**SECTION A: SOCIAL DEMOGRAPHIC CHARACTERISTICS**

In this part of the questionnaire, please tick (√) the response you feel is most appropriate

1. Name (facultative): .....

2. What is your gender?

Female  Male

3. Which age bracket do you belong?

Below 25  26-35  35-45  45-55  Above 55

4. Marital status

Married  Single  Divorced  Separated  Separated

5. How long have you been staff in this company?

Less than 1 year  from 1 to 5 years  More than 5 years

6. Position currently held

Manager  In charge of public tenders  In charge of contract management

7. Highest level of Education

Secondary  Masters  University  Post graduate

**SECTION B: SCOPE OF PUBLIC PROCUREMENT**

Below is a list of aspects concerning scope of public procurement

Please evaluate each statement using the following scale (*Tick appropriate response*)

**1: Strongly Agree, 2: Agree, 3: Uncertain, 4: Disagree, 5: Strongly Disagree**

**I. To explore the role of public procurement legislation in creating equal opportunities for private organization in Rwanda**

II.

**A. Transparency:**

**The following factors have been crucial in increasing bidder’s participation in public procurement contracts:**

<b>N°</b>	<b>Reasons</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	The annual publication of the procurement plan advertised by the various procuring entities					
2.	Annual publication of the procurement plan is quite information and prepares suppliers to participate in public tenders					
3.	The public advertisement of tenders has led to increased participation of bidders					
4.	Include of terms of reference and other requirements in bid document led being on equal opportunity to all bidders					
5.	To provide clarifications and addendums to all bidders allows them compete at the same level (with equal opportunity)					
6.	Bid opening session ensures fair play and builds suppliers confidence					
7.	The including of evaluation criteria in bid document creates confidence and ensures bidders participation					
8.	The timely response to the suppliers queries ensures that they are able to prepare accepted bids					
9.	Allowing 7 days in provisional notification permit bidders to right complain and builds them confidence					
10.	NIRP secures bidders for right to review and this encouraged them to participate in public tenders					

## B. Preference schemes:

The following factors for preference schemes have been considered and increased bidder's participation in public procurement contracts:

N°	Reasons	1	2	3	4	5
1.	The article 41 of procurement law provides application of local preference of 10%. This permits increase of bidder's participation in public tenders.					
2.	The thresholds allowed to national tenders are right and attract bidders to participate in public tenders					
3.	In international open tenders, some taxes for goods manufactured in the regional (EAC) are exempted.					
4.	Preference at short listing stage					
5.	A margin of preference for eligible bidders through joint venture					

## C. Corruption

The following factors provided by the Rwandan legislation for fighting corruption have been increasing bidder's involvement in public procurement tenders:

N°	Reasons	1	2	3	4	5
1.	Pre-setting the evaluation criteria					
2.	Timelines in the whole procurement process					
3.	Involvement of internal tender committee in opening session and its members make initials to all original bids (offers)					
4.	Evaluation of bid done by Internal tender committee (composed by different people). This guaranties that there is no individual deal by procurement responsible and bidders					
5.	Periodic audit in procurement entities by different intervenes such RPPA, General auditor, Internal and external auditors, Ombudsman, etc.					
6.	Critical measures to guard against single source					
7.	Measures of prevention, repression and punishment to responsible involved in procurement					

**Other factors provided by the Rwandan procurement law which encourage bidders to participate in public tenders:**

N°	Reasons	1	2	3	4	5
1.	Tender divided into different lots according to the specificity of it allowed bidders to win					
2.	Decentralization and allowing full power and decision making to procuring entities facilitate private firms					
3.	Exemption from liability in cases of force majeure secured bidders when it can happen					
4.	In contract management, the contract provides the limited period with the contractors must be paid and if not the delay penalties for payment can happen					

**III. To examine the challenges faced by the private sector organisations in participating in public procurement activities.**

**D.** The following were the reasons that inhibited firms to participate and win the public tenders:

	Reasons	1	2	3	4	5
1.	Lack of administrative requirements					
2.	Lack of experience of firms					
3.	Lack of similar supplies or references					
4.	Lack of financial capacity of firms					
5.	Problem of language					
6.	Lack of knowledge in public procurement processes					
7.	Negligence in bidding document preparation					
8.	The highest financial offer compared to competitors					
9.	Lack of technical requirements in bidding document					
10.	Insufficient time for bedding preparation					
11.	Delay on getting administrative documents required by bidders					
12.	High cost of bidding document					
13.	Highly bureacratic processes					
14.	Corrupt tendencies of procurement staff					
15.	Delay feedback on clarifications					



**E. Other challenges:**

- a. ....
- b. ....
- c. ....
- d. ....
- e. ....

**IV. To put forward practical suggestions intended to increase private sector participation in public procurement activities.**

**F. The suggestions and recommendations that can increase firms to participate in public procurement**

N°	Reasons	1	2	3	4	5
1	Enhancing the capacity building in private firms on public procurement law					
2	Workshops and sensitization by private sector about importance of public tenders participation					
3	To maximize all ways for tender advertising					
4	To increase practices of preference schemes to local firms					
5	To reduce unnecessary requirements in bedding documents					
6	To facilitate the local firms in getting loans					

**G. From your view, what are the additional Suggestions to local firms in bidding or winning public contracts?**

- a. ....
- b. ....
- c. ....
- d. ....

**APPENDIX II: INTERVIEW GUIDE DERECTED TO PSF IN ORDER TO ASSESS THE  
PRIVATE FIRM CHALLENGES AS WELL AS SUGGESTION IN  
PUBLIC TENDER PARTICIPATIONS**

At the starting of interview, a short introduction of the topic of the research, the reason of choosing that particular person was introduced:

- This is a research Paper leading to the award of Master’s Degree in Business Administration of Maastricht School of Management. The interview aims to establish the role of public procurement legislation in promoting business opportunities for the private organizations in Rwanda.
- As a key stakeholder in Public Procurement, you have been selected as a respondent for the study and your contribution to this research is very important to the kind of information I’m looking for. The information provided will be kept confidential and will be only used for the purpose of this academic study.

**PERSONAL INFORMATION**

Gender: .....  
Job title: .....  
Education: .....  
Experience in work (Years): .....

**QUESTIONS**

As a facilitator to private companies;

1. To provide supports, facilitation or interventions done by the PSF to private firms in term of encouragement to participate in public tenders and win the contracts
2. The major challenges faced by private firms in their public tenders participations
3. The suggestions which can make to overcome the mentioned challenges to private firms in terms of increase their participation in public tenders

**THANKS A LOT FOR YOUR CONTRIBUTION**

**APPENDIX III: INTERVIEW GUIDE DERECTED TO NIRP IN ORDER TO ASSESS  
THE PRIVATE FIRM CHALLENGES AS WELL AS SUGGESTIONS  
IN PUBLIC TENDER PARTICIPATIONS**

At the starting of interview, a short introduction of the topic of the research, the reason of choosing that particular person was introduced:

- This is a research Paper leading to the award of Master’s Degree in Business Administration of Maastricht School of Management. The interview aims to establish the role of public procurement legislation in promoting business opportunities for the private organizations in Rwanda.
- As a key stakeholder in Public Procurement, you have been selected as a respondent for the study and your contribution to this research is very important to the kind of information I’m looking for. The information provided will be kept confidential and will be only used for the purpose of this academic study.

**PERSONAL INFORMATION**

Gender: .....  
Job title: .....  
Education: .....  
Experience in work (Years): .....

**QUESTIONS**

As member of NIRP which represent the private sector in public tenders complains,

4. The major cases of complain from bidders, approximately figure of complains per year, those which right (figure in %)
5. What are the challenges faced in their public tenders participations?
6. The suggestions to be made for overcome the mentioned challenges to private firms in terms of increase their participation in public tenders?

**THANKS A LOT FOR YOUR CONTRIBUTION**

**APPENDIX IV: INTERVIEW GUIDE DERECTED TO RPPA IN ORDER TO ASSESS  
THE PRIVATE FIRM CHALLENGES AS WELL AS SUGGESTIONS  
IN PUBLIC TENDER PARTICIPATIONS**

At the starting of interview, a short introduction of the topic of the research, the reason of choosing that particular person was introduced:

- This is a research Paper leading to the award of Master’s Degree in Business Administration of Maastricht School of Management. The interview aims to establish the role of public procurement legislation in promoting business opportunities for the private organizations in Rwanda.
- As a key stakeholder in Public Procurement, you have been selected as a respondent for the study and your contribution to this research is very important to the kind of information I’m looking for. The information provided will be kept confidential and will be only used for the purpose of this academic study.

**PERSONAL INFORMATION**

Gender: .....  
Job title: .....  
Education: .....  
Experience in work (Years): .....

1. Comment on implementation of public procurement legislation, its applicability by procuring entities and private organizations
2. According to the audits reports in procuring entities by RPPA, to provide the major weaknesses found done by procurement officers in favour or disadvantage to private companies.
3. To provide (if any) points in public procurement legislation which need to be improved in favour to private sector
4. The challenges faced by private organization in their public procurement participations
5. The suggestions to overcome the mentioned challenges to private firms in terms of increase their participation in public tenders

**THANKS A LOT FOR YOUR CONTRIBUTION**