

**OPENING STATEMENT ON THE INAUGURATION OF THE BID CHALLENGE
INDEPENDENT APPEAL PANEL SEMINAR BY MR. RAMADHAN KHIJJAH
THE MCA-T CHAIRMAN**

**Mr. Bernard Mchomvu, - Chief Executive Officer, Millennium Challenge
Account Tanzania,**

Members of the Bid Challenge Independent Appeals Panel;

Invited MCAT senior staff;

Seminar Facilitators;

Ladies and Gentlemen,

First, let me take this opportunity to thank you for responding to our invitation to attend this inauguration and orientation seminar of the Bid Challenge Independent Appeal Panel. It is my great pleasure to note that the Panel is made up of nothing else but a rich mix of qualified professional specialists with the relevant academic background and with an extensive field expertise and experience.

Second, I wish to congratulate the Bid Challenge Independent Appeal Panel members for being selected to become our founder members of the MCA-T Appeal Panel Team. I also wish to thank all of you for your acceptance to carry out this noble and important assignment as part of the Compact implementation frame work with the view to make sure that we are open and fair to our clients. As briefly indicated in your appointment letters among other things your role will include that of receiving, reviewing, hearing and

ultimately to make decisions on procurement claims that will be final and binding to all parties.

Dear Participants

You will all appreciate that the Government of the United Republic of Tanzania (“**the Government**”) entered into an Agreement with the Government of the United States of America (the “**USA Government**”) through the Millennium Challenge Corporation (“**MCC**”) with a single purpose to address to poverty reduction issues through economic growth in Tanzania. Under the said Agreement which was signed on 17th February, 2008 (“**the Compact**”), the USA Government was to extend to Tanzania a grant of approximately **698 million USD** to finance the implementation of transport, energy and water infrastructure projects in the country.

Members of the panel need to know that in order to manage the funds and with the desire to effectively implement the Projects, on the 21st of September, 2007 under Article 36(1) of the Constitution of the United Republic of Tanzania of 1977 (as amended from time to time). the Government established an independent and an autonomous government entity known as Millennium Challenge Account Tanzania, (MCA-T). However, as per the agreed Compact terms, MCC Program Procurement Guidelines shall be applicable in all respects while undertaking the procurement function in the course of compact implementation, including restrictions on the use, and conditions to disbursement of the MCC Funding. This condition complies with Section 4(1) of the Public Procurement Act, 2004, which as you all know guides all public procurements in Tanzania.

Ladies and Gentlemen,

On the other hand, all of you will appreciate that under our conditions, both procurement and implementation legislations are guided by good practice key

principles. Likewise, procurement under the MCC funding is guided by principles which are designed to ensure value for money and the provision for equality of all opportunity to bidders. In this regard, bidders must therefore be given the chance to raise their claims or challenge any decision taken, but in their view the feeling is that they have not been treated fairly.

Dear Members of the Panel,

I am glad to inform you that we have already set up a mechanism of handling such concerns and claims now referred as the Bid Challenge System (BCS). We are not the first people to have such a system as it is the practice of MCC to establish a Bid Challenge System in every MCA-Country to provide bidders with a means to seek transparency in any procurement proceeding. In fact, your presence here is an outcome of the implementation of the established Bid Challenge System. It can therefore be said that the MCA-T Bid Challenge System is intended to ensure that if negligence or abuse in the procurement process occurs, then we have in place a suitable redress for the aggrieved parties and that proper corrections are made. I understand that you will be provided with a copy of the Bid Challenge System that will enable you to know your key roles and responsibilities as members of the Panel. This along with other operational guidelines which will be availed as per the needs will provide you with the required framework to facilitate your decisions during any appeal proceedings.

Dear Members of the Panel,

The BCS comprises, at the first level, a review by an MCA-T Internal Review Panel, to be followed, where necessary, by an appeal to a Review Board System. The Appeal Board is required to be impartial, independent, with no personal interest (through financial, family, business, beneficial ownership, or otherwise) in the outcome of the procurement, nor be involved in or related to the procurement process. The Appeal Board has the authority to require the

MCA-T to revise the procurement proceedings to conform to the applicable guidelines, suspend the procurement in order to preserve the commercial opportunity pending the outcome of the appeal, terminate the procurement, order a new procurement, or require the MCA-T to compensate a successful Challenger for loss or damage suffered to the extent of the cost of preparation of the bid challenge. I can only state that up to now we have not had a Bid Challenge, but we cannot be complacent. We have to be fully prepared for any possible challenge and hence our desire that you are in place in a timely manner.

Dear Members of the Panel,

You will note that this role requires an extensive knowledge, wide experience and a very high degree of integrity on the part of the Panel. Both the Governing Board of MCA-T and MCC are confident that you will all meet these qualities and therefore, I have all the good reason to look forward to your effective contribution towards the success of the compact implementation. We now have less than four years to implement the whole package.

Dear Members of the Panel,

For today, you have been requested to be with us so that you are made to get to know the MCA-T procurement process as well as being briefed on the details of your role as members of the Bid Challenge Independent Appeal Panel. It is my sincere hope that at the end of the day you will be different people compared to when you were coming into this room. I am sure the real test to you will at the time you will be asked to convene to discuss a bid challenge. At the same time the ultimate test of the integrity of our procurement processes will be on having none or very few baseless bid challenges. At the centre, our work as MCA-T is to ensure highest value for money obtained through unquestionable fairness.

Dear Members of the Panel,

Allow me to stop here today. I can only wish you a successful seminar but more importantly, successful review of bid challenge appeals in future. It is now my pleasure to declare the Bid Challenge Independent Appeal Panel seminar officially inaugurated.

I thank you all for your attention.

**Dar es Salaam
22nd October 2009**