

Options for Reducing Corruption in Procurement: The Case of the Construction Sector in Zambia

POLICY BRIEF | MAY 2018

What Works in Reducing Corruption in Construction Procurement



Overview

Corruption disrupts governance systems, fuels poverty and contributes to inequitable access to national resources and services in various socio-economic sectors such as health, education, housing and infrastructure. When the President addressed the nation on Africa Freedom Day, May 25, 2015, he lamented that “corruption is among the key challenges that Zambia must confront with urgency.” Corruption as defined in the Anti-Corruption Act No. 3 of 2012 of Zambia is the “soliciting, accepting, obtaining, giving, promising or offering of gratification by way of a bribe or other personal temptation or inducement or the misuse or abuse of a public office or authority for private advantage or benefit through bribery, extortion, influence peddling, nepotism, fraud, rushed trials, and electoral malpractices”.

The construction sector is riddled with corrupt practices which include kickbacks, bribery, extortion, bid-rigging and collusion (Mukumbwa, 2014 and Muya et.al 2018). The 2008 Transparency International (TI) Report noted 880 corruption cases recorded by the Anti-Corruption Commission (ACC) in Zambia, out of which only 47% were investigated and the outcome for more than 90% of the cases is unknown. Driven by high levels of corruption observed world over, the British Academy (BA) initiated a new partnership with the United Kingdom (UK)’s Department for International Development (DFID) to support a programme of grants to fund world-leading multidisciplinary research to enhance the development of more

effective policies and interventions to reduce corruption in developing countries and address its negative impact on people’s lives. Under this umbrella, the Institute of Economic and Social Research (INESOR) and the Department of Civil and Environmental Engineering (CEE) at the University of Zambia (UNZA) undertook a two year (2016-2017) study whose main objective was to examine the extent and nature of corruption in the procurement cycle, to demonstrate what works in preventing and reducing corruption in the construction sector.

To identify *best practices or what works* in preventing and reducing corruption in construction procurement, the study examined eight (8) construction projects as case studies using a set of agreed criteria. Six of the eight projects were from Zambia and one (1) each from Rwanda and Tanzania. The projects from Zambia included: the construction of roads from Senanga to Maziba/Sioma in Western Province and from Kafulafuta to Luanshya in the Copperbelt Province; Mufuchani Bridge in Kitwe, Copperbelt Province; Robert Kapasa Makasa University in Muchinga Province; Magoye Boarding School in Southern Province; and Kabweza/Lishoko Electricity Grid extension in Lusaka Province. The projects from Tanzania and Rwanda involved the construction of Igumila Dam and Kitabi-Crete Congo/Nil Road, respectively. The objective of the cases studies was to investigate and understand the factors associated with corruption in the procurement cycle of construction projects in Zambia, Tanzania and Rwanda. An analysis of the projects was then carried out. Each project was assessed in relation to: the extent



Kitabi-Crete & Huye Urban Road in Rwanda where the contractor’s works met the client’s expectations

to which it adhered to procurement requirements; the degree to which it achieved project objectives; and stakeholder participation and satisfaction in the procurement cycle of the project.



Billboard showing supplier as a contractor;

Identified best practices of what works in reducing corruption

Four identified best practices that were noted to reduce corruption from the cases studied were: close supervision and time-tested good project management practices such as the employment of Clerks of Works on construction projects, and strong stakeholder involvement in construction procurement stages in Zambia; deployment of the Corruption Red Flag Checklist tool as noted in Tanzania; and adherence to transparent procurement processes as observed in Rwanda.

Strong stakeholder involvement on the Kabweza / Lishiko Rural Electricity Extension project in Kafue district, and adherence to time-tested good project management practices such as the deployment of Clerks of Works on the Senanga / Maziba road project were noted to reduce corruption in the procurement of the project in Zambia.



A cartoon by Chocklet

In Tanzania, the Corruption Red Flag Checklist, which was used in the audit of the procurement cycle of the Igumila Dam project, was established to minimise corruption. The Red Flag checklist is a monitoring and evaluation tool used to collect information about possible symptoms of corruption in the construction procurements. It helps in detecting early signs of corrupt practices at pre-bid; evaluation and award; and contract management. Results of the checklist are used in the prosecution of erring individuals or institutions.

Results from Rwanda show that transparency and strong political will are critical in reducing corruption in procurement of construction projects. Strong political will and good governance systems enhance the independence of public institutions that fight corruption and implementation of procurement requirements like the case in Rwanda, where video recording of project meetings and minutes could be availed to stakeholders on demand as noted in the Kitabi-Crete Congo/Nil Road project. Video recording of meetings could be replayed and minutes reviewed during the prosecution if corrupt individuals and institutions.

Recommendations

It is recommended that the Government of the Republic of Zambia pilot and scale up the identified best practices as it has been demonstrated from the study that these have a very high potential to reduce corruption.

References

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