



United Nations
Economic Commission for Africa

Corruption in public procurement

the case of infrastructure in Africa

STUDY REPORT

Economic Commission for Africa
Macroeconomic Policy Division
Governance and Public Sector Management Section



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Contents

Acknowledgements iv

List of Abbreviations and Acronyms v

1. Introduction 1

2. Public procurement and compliance in Africa 2

2.1 Importance of infrastructure for Africa's structural transformation 2

2.2 Review of public procurement systems in Africa 5

3. Impact of corruption on public procurement in Africa 12

3.1 Dimensions of corruption in public procurement 12

3.2 Impact of corruption in public procurement 15

4. Public procurement reforms in Africa 17

4.1 General reforms to fight corruption in public procurement 17

5. Conclusion and policy recommendations 27

Conclusion and Recommendations 27

Selected References 30

List of Boxes

Box 1: Overview of new public management (NPM) 7

Box 2: Ghana's comprehensive approach to public procurement reforms 7

Box 3: Examples of non-compliance to procurement processes within
the infrastructure sector 11

Box 4: Institutional strengthening: exemplary public procurement reforms in Kenya 14

Box 5: Examples of Infrastructure procurement scandals & related reforms in advanced
economies 18

Box 6: Implementation of procurement integrity pacts worldwide 19

Box 7: Sustainable Procurement: the South African Example 22

Box 8: Effective law enforcement by Nigeria's EFCC 25

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List of Abbreviations and Acronyms

AfDB	African Development Bank
AGI	African Governance Indicator
AGR	African Governance Report (ECA publication)
APRM	African Peer Review Mechanism
AU	African Union
AUABC	African Union Advisory Board on Anti-Corruption
AUCPCC	African Union Convention on Preventing and Combating Corruption
CPAR	Country Policy and Institutional Assessment
ECA	Economic Commission for Africa (of the United Nations)
EGM	Expert Group Meeting
ERA	Economic Report on Africa (ECA publication)
GDP	Gross Domestic Product
GPSMS	Governance and Public Sector Management Section (ECA)
ICB	International Competitive Bidding
IFI	International Financial Institution
MCC	Millennium Challenge Corporation
MDG	Millennium Development Goals
MPD	Macroeconomic Policy Division (ECA)
MNCs	Multinational Corporations
NPM	New Public Management
NSA	Non-State Actor
OECD	Organization for Economic Co-operation and Development
O&M	Operations and Maintenance
PIDA	Program for Infrastructure Development in Africa
PFM	Public Financial Management
PPA	Public Procurement Act
PPAA	Public Procurement Appeal Authority
RACPA	Regional Anti-Corruption Program
SAP	Structural Adjustment Program
SME	Small and Medium Enterprise
SOE	State-Owned Enterprise
TI	Transparency International
UN	United Nations
UNCAC	United Nations Convention against Corruption
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Program
USD	United States Dollars
VfM	Value-for-Money

Africa's positive development prospects and the 'Africa rising' narrative continue to be tarnished by the perception of rampant corruption on the continent. Indeed, corruption affects socio-economic development, notably by discouraging foreign investments; creating distortions in resource allocation; reducing the global competitiveness of many African countries' and even diminishing the quality of service delivery and public infrastructure. Corruption is perceived as being one of the most serious national problems in many African countries, after poverty and unemployment. The United Nations Economic Commission for Africa (ECA), in its firm commitment to putting "Africa first", has elaborated the "Regional Anti-Corruption Programme for Africa" (RACPA) in 2011, jointly with the African Union (AU).

The 2003 United Nations Convention against Corruption (UNCAC) and the 2003 African Union Convention on Preventing and Combating Corruption (AUCPCC) constitute the main frameworks for the formulation of the RACPA. The Program adopts a multi-track strategic approach, which combines policy research, dialogue and analyses, with capacity development, including training, peer learning as well as information-sharing. It is within this context that the RACPA earmarked a research study on 'corruption in public procurement systems in Africa'. This study narrows down its focus to the infrastructure sector in Africa. The rationale for the choice of this sector is that infrastructure development comprises a critical requisite for structural transformation and is perceived to be highly afflicted by public procurement-related corruption.

The study's specific objective is to provide an investigative and updated assessment on the impact of corruption on public procurement in Africa. It also examines the negative domino effect that corruption in procurement has on infrastructure development. This paper also attempts to provide policy recommendations on public procurement reforms, which are needed to reduce corrupt practices in procurement. It is critical for African policy-makers to draw lessons on public procurement from within and outside the continent, although ultimately reforms targeted specifically at fighting corruption, should be country-owned and country-specific, for them to have the desired outcomes.

The study is organized as follows: Section 2 provides an overview of public procurement systems in Africa, within the framework of the infrastructure sector. The subsequent section examines the impact of corruption on infrastructure-related public procurement, using secondary evidence on Africa. Section 4 summarizes the plethora of public procurement reforms implemented in Africa, whilst identifying best practices. The study report concludes with proposed recommendations for African policy-makers as well as researchers.

2.1 Importance of infrastructure for Africa's structural transformation

Infrastructure development for structural transformation

The critical elements required to achieve structural transformation in Africa include political stability, good economic governance, financing capacity, and operational infrastructure. A well-developed and properly managed infrastructure is essential for Africa to transform its economy from an agriculture-based to an industrial-based one. In this regard, Marlier (2014) correctly highlights this fact when he notes that “boosting infrastructure requires that funds are... spent well. This means careful project selection, appropriate planning, effective procurement, and... maintenance”.¹ However, in over 40% of African countries, infrastructure bottlenecks are deemed to be a key reason for inadequate socio-economic development.² It is projected that Africa is losing at least 2% GDP growth due to inadequate infrastructure development.³

It is undeniable that the continent has an enormous infrastructure gap, as identified by the African Union's (AU) Program for Infrastructure Development in Africa (PIDA).⁴ The latter's priority action plan (PAP) estimates that USD 68 billion will be required to close the priority infrastructure deficit by 2020. The current infrastructure deficit continues to be a major obstacle to Africa's successful transformation, since this deficit also impedes private sector competitiveness. Indeed, most African countries are aware that infrastructure deficit remains one of the most significant barrier to development. Nigeria alone will need to spend USD 15 billion per year on infrastructure, while South Africa's infrastructure strategy is projected to cost USD 462 billion over fifteen years.

Financing infrastructure development is currently at the center of the discourse on development. For instance, in 2013, the African Development Bank (AfDB) proposed the use of African infrastructure project bonds as an alternative debt funding avenue to source financing for infrastructure projects.⁵ In addition, the ECA recommended that African countries should tap resources from pension funds, sovereign bonds, and private equity as new alternatives for financing development including infrastructure.⁶ Some economists are also entertaining the idea of utilizing the USD 450 billion in foreign reserves belonging to African countries earning low or

¹ Marlier, S., 2014. “Investing in African Infrastructure” in The Economist, retrieved from <http://www.economistinsights.com/infrastructure-cities/opinion/investing-african-infrastructure>.

² OECD, AfDB, ECA, 2013. African Economic Outlook 2013: Structural Transformation and Natural Resources.

³ World Economic Forum. 2013. Africa's Competitiveness Report.

⁴ ECA, AU, 2012. Financing the Programme for Infrastructure Development in Africa, Meeting of the Committee of Experts of the 5th Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development, Addis Ababa, Ethiopia, March 2012.

⁵ Achille M, and other, 2013: Structured Finance Conditions for Infrastructure Project Bonds in African Markets. ADB.

⁶ UNECA, 2014. Economic Report on Africa, p.22.

zero interest to finance infrastructure development in Africa.⁷ The challenge, here, is to obtain consensus on such a funding framework from heterogeneous African States and governments.

The focus on mobilizing resources to bridge the financing gap is increasingly diverting attention from other important issues in infrastructure development, such as procurement and operation and maintenance (O&M). Efficient public procurement determines the quality of available public infrastructure and services. It is precisely for this reason that there is strong demand for an efficient public procurement system. Given the significant contribution that the procurement function has for national economies, it is imperative to establish formal administrative and legal frameworks, which ensure due diligence in the execution and implementation of procurement practices.

Understanding public procurement

Public procurement is broadly defined as the purchasing, hiring or obtaining of goods, construction works and services by the public sector.⁸ The process of public procurement is initiated by a government entity. According to the WTO's Revised Agreement on Government Procurement, public procurement is essentially for governmental purposes⁹ with private sector as the main source or supplier of goods and services. The public procurement system comprises of three key phases: **planning**; **process**; and **contract management**. In a nutshell, the public procurement system consists of a set of rules that guides governments' purchase of goods, works and services however big or small. The overarching goal of the procurement system is to ensure value-for-money (VfM), which will contribute in improved development outcomes.

Public procurement also functions as a budgetary allocation mechanism for delivery of goods and services. Data provided by the AfDB indicates that the average annual value of public procurement in 49 out of 54 African countries amounts to about USD 107.4 billion.¹⁰ Public procurement averages about 10% of GDP and can account for close to 70% of public expenditure, as in the case of Tanzania.¹¹

It is also worth noting that public procurement relates to all economic sectors with a direct impact on development outcomes, including health, education, water and sanitation, electricity, communication and infrastructure. Procurement is also used as a policy tool in many parts of the continent. For instance, international manufacturers often operate under time pressure from countries to purchase domestic goods and to apply "buy local" policies.

Sustainable procurement is another aspect that has received international attention in light of increasing environmental and social challenges. Public entities in South Africa are required to use environmental criteria in procurement. Procurement is therefore seen as a tool for countries to minimize damages to the environment.¹²

⁷ Retrieved from http://siteresources.worldbank.org/INTAFRICA/Resources/AICD_exec_summ_9-30-08a.pdf.

⁸ Public Policy and Administration Research ISSN 2225-0972 (Online), retrieved from www.iiste.org.

⁹ WTO Revised Agreement on Government Procurement.

¹⁰ ADB, 2014. "Comprehensive Review of the ADB's Procurement Policies and Procedures: Summary of Literature on Fraud and Corruption in Public Procurement".

¹¹ Mawuko D, and other. 2013. 'Procurement Reforms in Africa: The Strides, Challenges, and Improvement Opportunities.' Public Administration Research; Vol. 2, No. 2; 2013 retrieved from www.academia.edu/.../Procurement_Reforms_in_Africa_The_Strides_Ch.

¹² UK Department for Environment, Food and Rural Affairs, 2006. Procuring the future. Retrieved from <https://www.gov.uk/.../pb11710-procuring-the-future-060607.pdf>.

Public procurement relies on a well-established system, which is underpinned by processes; procedures and methods.¹³ Procurement processes should accordingly be underpinned by country-specific policies. The process of procurement consists of creating, managing and implementing contracts related to specific needs that cannot be covered internally. It commences once a need for goods, services, engineering and construction works or disposals has been identified. It ends when the goods are received, the services, engineering and/or construction works are completed or the asset is disposed of.

Procedures and methods, used in conjunction with policies guiding the selection of options and the application thereof, are required to implement procurement processes. Procedures consist of formal steps to be taken in the performance of a specific procurement task whereas methods comprise of a documented, systematically sequenced set of rules. In other words, procurement documents are needed to communicate to tenderers a procuring entity's procedures and requirements up to the award of a contract. Furthermore, these documents set the basis for the contract that is entered into with the successful tenderer i.e. the agreed terms and conditions; the prices as well as the nature and quality of goods, services and/or works required.

Procurement processes as well as procedures, and timeframe need to be managed and controlled. Accordingly, this study report proposes that adequate governance arrangements need to be linked to milestones in the procurement process. In parallel, policies are required to govern the usage and application of particular procurement procedures.

The goal of public procurement is to award timely contracts to qualified contractors, suppliers and service providers. This is done in accordance with principles and procedures established within public procurement rules. They also set the overarching framework for a code of conduct for public procurement practitioners and all other public officials, directly or indirectly associated with the procurement process. The most widely cited principles include: transparency; integrity; fairness, competitiveness; and accountability:¹⁴

- *Transparency*: This principle requires that there is sufficient publicity for contract opportunities to all those involved in the public procurement process. When a public procurement requirement is announced, electronically, through press release, the internet, and other avenues, this announcement have wide coverage and must include sufficient details for interested contractors, suppliers and service providers to determine if they are qualified to compete. The solicitation documents must be made available either at a reasonable price, but preferably free of charge. The public must also be aware of the rules governing each procedure, the decision-making method and the mechanism for verification.
- *Integrity of the public procurement process*: The integrity of the procurement process assures confidence and trust in the process. When solicitation documents are made publicly available, the information they contain must be dependable and free of ambiguities or bias. Bidders should have a clear understanding of the requirements, and know how they will be evaluated. Indeed, evaluation and selection criteria must be clearly stated in the solicitation documents. These criteria should remain unchanged throughout the process. However, if modification is required, the solicitation documents can be amended on an exceptional basis, but need to be published and made available to all prospective bidders.

¹³ Retrieved from <http://www.ssinc.co.za/Files/Doc/RBWPapers/T3-18.pdf>.

¹⁴ Retrieved from <https://leanpub.com/procurement-principles-categories-and-methods/read>.

- *Fairness*: The aim of this principle is to provide all bidders with fair access to bidding opportunities and similar treatment during and after award of the contract. Achieving fairness in public procurement entails that actions should be unbiased, and no preferential treatment should be extended to individuals or organizations nor should it be driven by vested interests. All proposals must be considered on the basis of their compliance with the solicitation documents and procurement rules - offers should not be rejected for other reasons. A contract should only be signed with a supplier, contractor or service provider whose offer is compliant and best responds to the specifications in terms of technical capacity and price. Suppliers, contractors or service providers should have the right to challenge the procurement process whenever they deem that they have been unfairly treated. Situations where interested bidders can also challenge the process are when they consider that the procuring entity has failed to implement the process in accordance with the procurement rules.
- *Competition*: The public procurement process should not be manipulated for the benefit of any individual or organization. Given that public procurement is funded primarily with tax payers' money, all eligible individuals and organizations should be allowed to participate by submitting offers in response to a specific requirement for which they are qualified. The use of non-competitive procurement methods, although justified under exceptional circumstances, should be kept to a minimum. Examples of non-competitive procurement methods are: off-the-shelf shopping and direct contracting (single sourcing).
- *Accountability*: Accountability in public procurement means that anyone involved in the process is responsible for their actions and decisions in accordance to the procurement rules. In practical terms, this implies that public officials, procurement practitioners, and others involved in the procurement process, are accountable and liable to sanctions. This is a remedial measure for any behavior that contravenes the public procurement rules. There is thus an obligation to report and/or be answerable to a designated oversight entity as well as the public on the consequences of actions.

Public procurement is used by African governments as an instrument to achieve country-specific socio-economic policies such as wealth distribution and rural development. In most countries, procurement rules permit preferential treatment in the procurement of public goods, works or services. Regulations contain preference and reservation schemes which target suppliers or bidders from particular groups or communities. However, these rules have not been utilized in some countries while in other countries they have created tension with other procurement objectives.

2.2 Review of public procurement systems in Africa

Public procurement has undergone various changes in Africa since independence. In the 1960s, the newly decolonized countries, for the most part, had centralized powers, which excluded participation by other stakeholders, including the civil society. In this context, the Government operated almost as a sole player in the economy. The lack of checks-and-balances and specific capacities resulted in a culture of indifference and tolerance towards corrupt practices.¹⁵ There are still remnants of this culture, which still influence much of government procurement practices

¹⁵ World Bank, 2009. Procurement systems in Sub-Saharan African countries: hindering or helping improve public spending?, lessons from the world bank's 2000 to 2008, country procurement assessment reports, retrieved from web.worldbank.org/.../web/.../wdr%20background%20paper_pfm.pdf.

today. The World Bank notes that procurement practices, which were characterized by most analysts as dysfunctional and bankrupt, has left a legacy of broken systems, which policy-makers are to this day struggling to fix. These dysfunctional practices include:

- Superficial political commitment to enforce the law;
- Weak managerial and technical capacity to implement the system strategically;
- False perception of the procurement function as an administrative task at all levels of the procurement function rather than a tool for attainment of developmental goals;
- Lack of integration of the function into other key systems in government, in particular budget and financial management;
- Lack of a culture of compliance and disregard for appropriate controls;
- Indifferent and disillusioned civil society in overseeing the integrity of operations or in demanding increased government accountability for results; and
- Resistance to change from stakeholders that benefit from the present status quo.

In response to the continued economic crisis in the 1980s and 1990s, African countries sought to introduce sweeping reforms to redress their financial management systems. They were aided in their efforts by international financial institutions (IFIs) and other multilateral institutions. As part of these reforms, many governments embraced a management system known as new public management (NPM). This approach actually registered considerable popularity amongst development institutions and policy-makers.

NPM refers to government policies aimed at modernizing and rendering the public sector more efficient (see Box 1). Most African governments had little choice, but to follow directives from IFIs. Obviously, the assumptions closely associated with NPM did not take into account the factors that distinguish the public sector from the private sector. As part of the reforms, privatization of State-owned enterprises (SOE) became widespread. Governments were also asked to out-source public services to privately owned, mostly international companies. This is because NPM is an approach built on the assumption that the private sector is more effective and efficient than the public sector in the way it purchases goods and services.

While NPM reforms in developed countries were primarily driven in response to economic crisis, in the case of African countries, public financial management (PFM) reforms have been mainly driven by external pressures and have taken place in the context of structural adjustment programs (SAP). The recommendations for African governments to adapt to the principles of NPM have not been anchored on robust analysis of the prevailing social and economic realities.

The adverse effects of SAPs on African States, as well as its damaging impact on Africa's socio-economic development, are largely documented in the literature. It is for this reason that it will not be the subject of discussion in this framework study, suffice to say, an ECA report has aptly described the results of two decades of SAP experiments in many African countries as "simple failure".¹⁶ In the 1990s, African States realized the importance of the role of the state in designing

¹⁶ ECA (2003) Public Sector Management Reforms in Africa: Lessons Learned, Economic commission for Africa (ECA), Addis Ababa.

Box 1**Overview of new public management (NPM)**

NPM theorizes that market management of the public sector will lead to greater cost-efficiency for governments. More broadly, NPM as an ideology which also reflects the neo-liberal thinking. In this context, the United States and several countries in Europe embraced the concept and integrated it into their public administration systems. Countries like Canada and New Zealand in particular have been praised for the positive results they have achieved as the result of applying NPM. Encouraged by these results and its appeal as a simpler and far easier approach to public sector reform, development experts jumped on the bandwagon to push for NPM reforms across Africa and the rest of the developing world.

Source: Stevens, Mike, 2005. "Effective States and Engaged Societies: Capacity Development for Growth, Service Delivery, Empowerment and security in Africa", Capacity Building for The Civil Service, June 2005.

and implementing policies, which focus on economic growth. In this regard, African governments became cognizant that procurement should go beyond being a mere administrative function to becoming a strategic responsibility of the State (see for example Box 2).

In many parts of the continent there has been significant progress in creating the legal and institutional framework for public procurement. However, these systems are underperforming because cultures and behaviors towards procurement have not yet changed significantly. Enforcement of the law continues to be lax and those responsible for managing and administering procurement lack accountability. A critical requisite for the system to function efficiently is the empowerment of civil society. Such empowerment should aim at obtaining appropriate accountability from public officials. Experience both from the developed and developing countries indicate that this is the most effective tool, which will make a difference on the current lack of compliance and poor performance culture. In order to engage in government oversight, civil society requires full access to information as well as protection from whistle-blowing.

Box 2**Ghana's comprehensive approach to public procurement reforms**

Legal and institutional framework reform: The Ghanaian government enacted its Public Procurement Act (PPA) in 2003, laying the foundation for a standardized procurement system, which takes into account the country's decentralization and local industry development policies. It established the Public Procurement Board as the central entity mandated with harmonizing policy and ensuring efficient and transparent procurement. In this context, procurement entities with tender committees carry out procurement for government bodies. Tender review boards provide concurrent approvals for contract recommendations made by the tender committees.

International and regional leadership: Ghana has been an active member of international procurement networks such as the Task Force on Procurement and the Marrakech Task Force on Sustainable Procurement. The Ghanaian government recently partnered with the Government of Switzerland to develop sustainable public procurement policies and practices. It also sits on the advisory committee to the World Bank on procurement reforms.

Professionalization & Capacity Development: Ghana has embarked on a new approach that mainstreams procurement training into the tertiary education system with new degrees at the Higher National Diploma (HND) and Bachelor's levels. These new curricula have been developed in collaboration with the PPA and supported by the Millennium Development Authority (MiDa) as well as the Millennium Challenge Corporation (MCC). They are now being delivered at the Ghana Institute of Management and Public Administration (GIMPA) and the Takoradi Polytechnic. GIMPA also offers short-term training sessions in procurement for internationally financed projects to government officials from across the region. Finally, PPA has proposed a scheme of service for procurement officers in efforts to modernize and professionalize their career paths.

Social accountability and civil society partners: Ghana's vibrant civil society provides essential inputs and oversight to national procurement functions. Key players include the Ghana Anti-Corruption Coalition (GACC), which is leading a regional initiative on monitoring of procurement contracts in Ghana, Sierra Leone, Liberia and Nigeria. Within Ghana itself, 'Revenue Watch Ghana' is a key partner in organizing activities to design and implement contract monitoring tools, as part of the social accountability approach by civil society.

Source: World Bank, 2013, Ghana's Comprehensive Approach to Public Procurement Reform, retrieved from <http://www.worldbank.org/en/news/feature/2013/02/04/Ghana-8217-s-Comprehensive-Approach-to-Public-Procurement-Reform>

Many African countries have introduced a series of reforms to modernize their public financial management (PFM) systems in general and public procurement systems in particular. In this regard, East African countries have registered significant improvements. Some good principles on procurement are currently reflected in these countries' national constitutions.¹⁷ Kenya enacted its public procurement law in 2007 and the government is currently in the process of revising this law to be in tandem with its new Constitution. Tanzania also enacted the Public Procurement Law in 2004 and it was revised in 2011. The drafting of Tanzania's procurement policy is underway. While Uganda enacted the Public Procurement Law in 2003, it was not until 2012 that major overhauling of the law was carried out. All three countries have similar historical backgrounds and institutional setups. The common reason for the delays is the lack of quick consensus across various governance institutions.

The national constitution of South Africa provides for the use of procurement principles, which are consistent with international frameworks.¹⁸ In North Africa, Tunisia drafted the first Public Procurement Code in 2002 which was subsequently amended in 2012.¹⁹ In West Africa, Ghana enacted its Public Procurement Act in 2003 while Nigeria witnessed the passing of the procurement law much later in 2007. Generally a number of Africa Countries relied on 1994 United Nations Commission on International Trade Law (UNCITRAL) Model Law to develop their national procurement laws and policies.

¹⁷ For instance the Kenya's 2010 constitution enunciates principles of fairness, equity, competition, transparency and cost-effectiveness in public procurement.

¹⁸ The principal piece of legislation that regulates public procurement is the Constitution of the Republic of South Africa 1996. Section 217 of the Constitution requires that when an organ of state contracts for goods and services, it must do so in accordance with principles of fairness, equitability, transparency, competitiveness and cost-effectiveness.

¹⁹ Final report on the assessment of the national public procurement system in Tunisia, June 2012.

Countries have gone beyond legal reforms to making significant improvements in procurement processes, methods as well as the procurement organizational structures.²⁰ New institutions, such as the public procurement authority and the appeals and complaints panel, have been set up to formalize and improve procurement performance.²¹ For instance in Ghana, the enactment of the national law on public procurement was subsequently followed by the establishment of the National Public Procurement Board and tender committees.

At the sub-regional level, the implementation of new standards and directives to improve procurement processes were driven by regional economic communities in the spirit of regional integration. The Common Market for Eastern and Southern Africa (COMESA) and the West African Economic and Monetary Union (WAEMU) adopted regional directives on public procurement. Notably, in 2002 COMESA developed the public procurement reform project (PPRP) which was aimed at improving and harmonizing procurement rules, regulations and procedures of member states. A key achievement of this project was the increased awareness of the need to improve governance in public procurement.²² The sub-region introduced a follow-up project, 'Enhancing procurement reforms and capacity Project' (EPRCP) to consolidate the gains made from the PPRP. The public procurement reform project of the West African Economic and Monetary Union (WAEMU) which started in 2007, aimed at developing and implementing a community procurement regulatory framework in the national laws of member states in order to harmonize and modernize national procurement systems.

Although national and sub-regional reforms have gone a long way in improving national procurement systems, certain challenges and shortfalls still exist. Inadequate education and training and endemic corruption are still the major challenges affecting Africa's procurement systems. The general features of the procurement function in Africa are structured in such a way that the responsibility for the management and regulation of the function is spread over five institutions. These are as follows:

- **Procurement entities** are responsible for conducting and managing the procurement process on a day-to-day basis.
- **Public procurement policy units** formulate procurement policies; recruit staff; and design capacity development strategies.
- **Public procurement regulatory authorities** provide implementation oversight, compliance and monitoring as well as enforcement of the procurement law.
- **Public procurement appeals boards** adjudicate on appeals not resolved by the regulatory authorities.
- **Procurement experts** are responsible for the career development and regulation of procurement and supplies' professionals in both the public and private sector.

²⁰ Mawuko D, and other. 2013. n.11.

²¹ Honkaniemi, N. (2010). 'Conditionality World Bank crisis-lending to Ghana.' Retrieved www.eurodad.org/.../under%20the%20influence%20of%20the%20world.

²² African Development Bank, 2006. Appraisal Report: Enhancing Procurement Reforms and Capacity Project, COMESA retrieved from http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Multinational_-COMESA_-Enhancing_Procurement_Reforms__Capacity_Project_-_Appraisal_Report.pdf.

If Africa is to benefit from the growing size of its public procurement, it needs to significantly improve the performance of its procurement systems. This study report recommends that policy-makers should focus on developing country-specific strategies, which could include: stakeholder analyses; development of performance indicators; realistic objectives; and incentives to encourage changes to behaviors and cultures (both rewards and sanctions).

The most critical steps governments should take include developing and building institutional, operational and human technical capacity. The first step in this regard is to attract and retain capable procurement managers and officers, while also improving procurement literacy at all levels. Furthermore, automation enhances overall operational efficiency, improves reporting and allows for structured records. While E-procurement is still in its infancy stage, it is expected to enhance transparency, minimize transaction costs and increase efficiency. Framework Agreements could be used in procuring popular items in order to eliminate duplication of efforts by central agencies. They would also reduce costs of goods through economies of scale as well as enhance overall operational efficiency.

Compliance to public procurement processes in Africa

Corruption is a phenomenon that is closely associated with public procurement systems around the world. Africa is by no means immune from this, which has actually taken hold of its PFM systems. The prevalence of corruption in procurement systems in Africa goes back several decades. It is generally demonstrated through non-compliance to procurement policies and procedures, resulting into grand corruption scandals (see Box 3). Such scandals serve to confirm that there are significant weaknesses not only in the legal system, but also procurement.

The infrastructure sector is even more vulnerable to corruption than other economic sectors, notably because of the large sums of public resources involved. According to Transparency International, specific features which are unique to infrastructure make the sector more susceptible to corruption.²³ These include the huge size of projects, direct control by government, complexity of projects, multiple contractual links, as well a deep seated culture of secrecy.²⁴ For instance construction projects involve various participants from separate commercial entities with competing objectives and no contractual responsibility to each other.²⁵ A scan of data on corruption reveals that indeed infrastructure related cases take a large share of the total cases.²⁶ Capacity gaps in Africa's procurement systems compounded by the multiplicity of processes and procedures especially in infrastructure create avenues for abuse and malpractices.

Compliance to standard public procurement process is essential to Africa's growth. The significance of compliance to procurement processes has both management and policy implications. First, the large size of public expenditure going to procurement makes it a critical component of the economy. Second, a well-managed public procurement can be used to achieve social goals such as income distribution and poverty alleviation. Third, complying with standards of procurement process makes countries and enterprises competitive in the global market. Realizing this fact African countries have made tremendous strides in building and strengthening institutions of compliance and putting in place more transparent and stricter

²³ Transparency International, 2005. Global Corruption Report.

²⁴ Stansbury, N. (2005). 'Exposing the Foundations of Corruption in Construction, in Chapter 2: Corruption in Practice,' Transparency International Global Corruption Report 2005.

²⁵ Hawkins J, 2013. 'How to Note: Reducing corruption in infrastructure sectors.' Evidence on Demand www.u4.no/note-reducing-corruption-in-infrastructure-sectors/.../3104.

²⁶ Stolen Assets Recovery Initiative, Corruption cases, World Bank and UNDOC.

Box 3**Examples of non-compliance to procurement processes within the infrastructure sector**

Kenya (1986): The construction of the Turkwell Gorge Dam, which was built in 1991, was plagued with allegations of bribery by several dam-building companies to senior-ranking government officials. Indeed, it was reported that the tender was awarded to Spie Batignolles, without a competitive tendering process. To this date, the Kenyan media refer to this project as "*the whitest of white elephants*".

Lesotho (1980s): There were alleged claims of bribes to senior officials of over USD 2 million by companies seeking to be awarded the Lesotho Highlands Water Project (LWHP). At the time, this was Africa's largest infrastructure project, comprising the construction of five dams through the country's mountainous terrain.

Guinea (1990s): The Simandou iron-ore mining project is the largest of its kind in Africa. It includes the construction of a railway and the exploration of four mining blocks in the region of Simandou in Guinea. The contract for the four blocks was initially awarded to Rio Tinto and thereafter two blocks were taken away from the firm. These were awarded, with no tender process and through an alleged verbal contract, to the firm BSG Resources. Allegations continue to be made that substantial bribes were given in order to ensure that the blocks were split-up between two firms. This scandal continues (date?) to be subject of an inquiry by the Federal Bureau of Investigation (FBI).

Kenya (2007): A government audit revealed that oil stocks amounting to 126.4 million liters were illegally granted to Triton Petroleum Ltd. The latter was not entitled to the stocks, nor did financiers authorize the release as required under contractual arrangements. This became known as the Triton Oil Scam.

Uganda (2010): The Karuma dam project was initiated in 1995, but did not take-off at that time due to a corruption scandal with the dam contractor. The project was fully revived in 2010, but the procurement process was marred with corruption controversies relating notably to the bidding processes and project design. In 2012, several government officials were under police investigation for supposedly accepting bribes to pre-qualify contractors for the project.

Zimbabwe (2014): ZTE Corporation, was supposedly awarded a USD 100 million contract to supply mechanization and irrigation equipment, without going through a tender process. This goes against the country's procurement laws, which stipulates that any contract worth USD 300,000 or above, entered into by any government-linked entity, should be authorized by the State Procurement Board.

Sources: Transparency International, 2012. U4 Expert Answer – Kenya: overview of corruption and anti-corruption; Africog, 2009. Analysis of the Triton Oil Scam; Michael Musanzikwa, 2013. Public Procurement System Challenges in Developing Countries: the Case of Zimbabwe, International Journal of Economics, Finance and Management Sciences. Vol. 1, No. 2, 2013, pp. 119-127; The Economist, 2014. Mining and corruption – crying foul in Guinea retrieved from <http://www.economist.com/news/business/21635522-africas-largest-iron-ore-mining-project-has-been-bedevelled-dust-ups-and-delays-crying-foul>; and Recent case of corruption involving UK companies and UK-backed International Financial Institutions, Appendix 1 retrieved from

<http://www.publications.parliament.uk/pa/cm200001/cmselect/cmintdev/39/39ap06.htm#note128>

compliance mechanisms. However, as it has been demonstrated in the previous sub-section a lot more needs to be done for procurement to be an effective instrument for the continent's economic development.

Impact of corruption on public procurement in Africa

3.1 Dimensions of corruption in public procurement

Understanding corruption in infrastructure sector

Both the 2003 United Nations Convention against Corruption (UNCAC) and the 2003 African Union Convention on Preventing and Combating Corruption (AUCPCC) include provisions on corruption in public procurement. Article 9 of the UNCAC, dedicated exclusively to procurement, stipulates that:

*“Each State Party shall, in accordance with the fundamental principles of its legal system take the necessary steps to establish appropriate systems of procurement, based on transparency, competition and objective criteria in decision-making, that are effective, inter alia, in preventing corruption”.*²⁷

It should be noted that while the AUCPCC is less explicit on procurement, Article 5 specifies that: *“[State Parties undertake to] adopt legislative and other measures to create, maintain and strengthen internal accounting, auditing and follow-up systems, in particular, in...procurement and management of public goods and services”.*²⁸

Corruption in the infrastructure sector through various stages of the procurement process can be categorized as either grand or petty. The former entails the exchange of large sums of money (kickbacks/bribes) so that one bidding firm is deliberately awarded the contract irrespective of the quality of the other bidding firms. Many rapidly growing African countries are highly vulnerable to these types of corruption (see Box 3, above). The main actors are senior government officials as well as private companies, including multinational corporations (MNCs).²⁹

Petty corruption constitutes bribes received by public officials, generally within the public procurement system in order to deviate against procurement rules.³⁰ Bribery remains the most common form of petty corruption in infrastructure procurement. The UNDP (1997) concludes that *“bribes transfer monopoly rents to private investors with a share going to corrupted officials... through procurement contracts...”*.³¹ The act is practiced by middle-and low level public officials and involves relatively small amounts of money. Arguably, both petty and grand corruption distort the provision of public services as they unfairly favor one group over others in the distribution of services and resources.

²⁷ United Nations, 2003. United Nations Convention Against Corruption, Article 9, p. 7.

²⁸ African Union, 2003. African Union Convention on Preventing and Combating Corruption, Article 5, p.9.

²⁹ Soreide, Tina, 2002. *Corruption in public procurement: causes, consequences and cures*. Chr. Michelson Institute, Development Studies and Human Rights. P. 2.

³⁰ Sohail, M. and S. Cavilla. 2007. *Partnering to Combat Corruption in Infrastructure Services: A toolkit*. UK: Loughborough University. P.12.

³¹ UNDP, 1997. *Corruption and good governance – Discussion Paper 3*. Bureau for Policy and Program Support.

Causes of corruption in infrastructure public procurement

Given the highly secretive nature of the practice, it is difficult to pinpoint the exact determinants of corruption in public procurement within Africa, as well as elsewhere in the world. This notwithstanding, some researchers have attempted to do so, going as far as modeling possible factors. For instance, using a sensitivity analysis on 16 variables, Serra (2006)³² finds that the determinants of corruption can be associated with economic (4 variables), political (7 variables) and socio-economic (5 variables) reasons. In this regard, corruption in infrastructure public procurement serves to confirm ongoing weaknesses in accountability and transparency as well, in the dysfunction of economic governance institutions.

There is consensus in the literature that corruption is the result of serious failures in economic and/or political governance. Indeed, corruption in public procurement within the infrastructure sector is a result of weak governance manifested at a political, policy, legal, and institutional level. In terms of political governance, political interference or pressure is often more prominent in infrastructure-related contracts given the large sums of money involved and the significance of the projects to populations.³³ It is important to note that many of the grand corruption procurement scandals in Africa arise due to deficiencies in political governance.³⁴ Institutional weaknesses are compounded by the lack of capacity of procurement officers to interpret and follow rules, and their own individual interest in personal enrichment. These serious shortfalls result in high levels of corruption and losses in budgetary resources that eventually reduce government legitimacy, which may in turn lead to social unrest and ultimately regime change. Indeed, corruption in public procurement is the second source of political destabilization of African countries.³⁵

In terms of economic governance, corruption in infrastructure procurement arises when corrupt officials by-pass public procurement processes, especially in instances where institutions and enforcement mechanisms are not sufficiently robust.

Weak procurement systems incentivize corrupt practices in infrastructure

The public sector is usually the actor that carries out and/or oversees the procurement of infrastructure projects. At the planning and designing stage, public officials are certainly able to influence infrastructure projects exclusively for personal gain. The impact of such corrupt practices is felt at the country-level, where inferior quality infrastructure contracts are awarded, most of the time.³⁶ Corruption may also affect the short-listing and tendering process of a given infrastructure project, when the contract selection procedure lacks transparency, when information asymmetry exists amongst bidders, and/or when decisions to award contracts are undisclosed. This is also the stage when bribes are paid by private companies, who may not wish to lose on bids.³⁷

³² Cited in Apolloni A. and Nshombo J.M, 2013. Public Procurement and Corruption in Africa: A literature review. *Rivista di Politica Economica*, April/June 2013.

³³ Søreide, T. 2006. Procurement procedures and the size of firms in infrastructure contracts. Paper prepared for the World Bank Annual Conference on Development Economics, Tokyo, 29-30 May 2006.

³⁴ Apolloni A. and Nshombo J.M, 2013. Public Procurement and Corruption in Africa: A literature review. *Rivista di Politica Economica*, April/June 2013.

³⁵ OECD and MENA Governance Programme, 2012. "MENA-OECD Network on Public Procurement" P. 4.

³⁶ Osei-Tutu, E., E. Badu and D.Owusu-Manu, 2009. "Exploring corruption practices in public procurement of infrastructural projects in Ghana", *International Journal of Managing Projects in Business*. Vol.3, No.2 P. 248-49.

³⁷ Søreide, T., 2002. *Corruption in public procurement: causes, consequences and cures*. Chr. Michelson Institute, Development Studies and Human Rights. P. 2.

Infrastructure projects are also vulnerable to corruption during the project implementation stage. Project costs are based on prices and quantities of materials, inclusive of contractor profit, equipment and labor. However, if there is a lack of transparency in prices, and inadequacy in market assessment on infrastructure projects, there is susceptibility to corruption. Corruption may occur at this stage, notably due to weak enforcement of standards, and exaggerated claims by contractors.³⁸ Such risks may eventually lead to collusion between the supervisor and the contractor, who may increase the contract price or reduce the scope of the infrastructure project. This is generally done through lobbying for the acceptance of lower quality materials; overlooking of substandard work, and receipt of false documentation. For instance, in Nigeria, 50% of building failures are due to design faults caused by contractor negligence; 40% are as a result of construction faults and fraudulent practices, and 10% are due to product failure.³⁹

The above analysis confirms that there are various factors that increase the vulnerability of the procurement process in infrastructure to corruption. Corrupt practices are even more prominent when an infrastructure project has a high number of project phases, and is complex in its execution. Indeed, large and complex projects such as hydroelectric dams and port facilities are prone to corrupt acts.⁴⁰ Drawing lessons in managing procurement in infrastructure projects, from best performing countries in Africa as well as other countries, remains pertinent (see Box 4); reason for which this is examined in greater depth in Section 4.

Box 4

Institutional strengthening: exemplary public procurement reforms in Kenya

Kenya offers examples of reforms in the area of public sector procurement, which if effectively implemented will help the country overhaul the system, helping to reduce corruption. A 1999 review of the country's public procurement systems had shown many weaknesses including: a lack of uniformity in the public sector procurement system; absence of sanctions or penalties against offenders; inaccurate, incomplete or absent records of procurement transactions, among others.

Accordingly, a law the--Public Procurement and Disposal Act, 2005--was enacted, becoming operational in 2007. The Act created necessary institutions to enforce it, including the Public Procurement Oversight Authority (PPOA), the Public Procurement Advisory Board (PPAB) and the continuance of the Public Procurement Complaints, Review and Appeals Board as the Public Procurement Administrative Review Board (PPARB). These mechanisms intend to uphold the principles of an open tender system in the public sector, including of transparency and accountability.

Source: Public Procurement and Oversight Authority (PPOA) Kenya. Available at: http://www.ppoa.go.ke/index.php?option=com_content&view=article&id=97&Itemid=137

³⁸ O'Leary, D., 2006. "The Role of Transparency International in Fighting Corruption in Infrastructure", Prepared for Annual Bank Conference on Development Economics, May 29-30.

³⁹ Ameya, C. and Sarfo M. 2013. "Curbing Corruption in the Public Procurement Process in Ghana", In *Public Policy and Administration Research*. Vol. 3, No.5 P. 52.

⁴⁰ Hawkins, J., 2013. How to note: Reducing corruption in infrastructure sectors. John Hawkins of Engineers Against Poverty for Evidence on Demand.

3.2 Impact of corruption in public procurement

Since infrastructure is essential for a country's structural transformation and inclusive development, it is important for African policy-makers to be sensitized to the impact of corruption to the sector and ultimately to the overall economy. While procurement in infrastructure projects is highly exposed to corruption, it remains difficult to quantify. Some estimates indicate that the cost of bribery in infrastructure worldwide is around USD 400 billion, while others say that it is closer to USD 1 trillion, implying an equivalent of 10% to 30% of investments in public infrastructure worldwide.⁴¹

Misallocation of resources due to corruption in infrastructure procurement

Corruption in infrastructure public procurement negatively impacts on objectives for structural transformation for African countries. Large construction projects including dams are usually prioritized over health and education projects as decisions are influenced by the opportunity to obtain bribes. Apolloni and Nshombo (2013) highlight that "bribery often results in the selection and execution of [infrastructure] projects that are uneconomic or unnecessary, thereby preventing investments...that economically....would be much more desirable."⁴²

Corrupt practices in public procurement affect the Operations and Maintenance (O&M) of infrastructure in Africa. Misallocation of budgetary resources implies that O&M is under-prioritized by corrupted officials. This mindset very often leads to the rapid deterioration of public services' infrastructure including roads, schools, and hospital among others. Corruption also increases public spending as a result of inflated prices for goods and services. As an example, some contractors to infrastructure projects usually factor into the total cost, extra payments to public officials, as part of their project cost. The AfDB (2014) indicates that hidden corruption costs in government procurement can result in poor quality infrastructure, while unnecessary purchases can add at least 25% to the total cost of public procurement.⁴³ Currently, although Africa is spending USD 45 billion a year to address its infrastructure needs, it is also losing an estimated USD 17 billion per year to various inefficiencies, including corruption.⁴⁴

Africa's competitiveness weakened by corruption in infrastructure public procurement

As mentioned in section 2, African countries are directing large amount of funds towards procurement for infrastructure projects. AfDB (2014) highlights that "*the high values of projects and large flows of money involved make the [infrastructure] sector prone to corruption*".⁴⁵

Corruption is estimated to affect around 70% of public procurement contracts in Africa and inflates contract costs by about 20% to 30%.⁴⁶ At the same time, African countries have lost

⁴¹ Osei-Tutu, E., E. Badu and D.Owusu-Manu, 2009. "Exploring corruption practices in public procurement of infrastructural projects in Ghana", *International Journal of Managing Projects in Business*. Vol.3, No.2 P. 237; John Hawkins 2013: How to note: Reducing Corruption in infrastructure Sectors.

⁴² Apolloni A. and Nshombo J.M, 2013. Public Procurement and Corruption in Africa: A literature review. *Rivista di Politica Economica*, April/June 2013, P. 10.

⁴³ AfDB, 2014. "Comprehensive Review of the AfDB's Procurement Policies and Procedures: Summary of Literature on Fraud and Corruption in Public Procurement" P. 9-10.

⁴⁴ World Bank, 2010. *Africa's Infrastructure: A Time for Transformation*. USA: Washington DC P. 67.

⁴⁵ Cited in Foster, V., Briceño-Garmendia, C., World Bank & Africa Infrastructure Country Diagnostic. (2010). *Africa's infrastructure: A time for transformation*. Washington, DC: Agence Française de Développement. P.1

⁴⁶ Mawenya, A.S. (2008), "*Preventing corruption in Africa*", occasional paper, SAIIA, Johannesburg.

an estimated USD 20 to USD 30 billion to bribes in public procurement.⁴⁷ Illegal payments are often made to expedite the infrastructure works' validation process, creating a "catch-22" situation, when expected infrastructure services are not being implemented as delays are caused by officials, who may expect pay-offs to falsify the certification of the works. Even when infrastructure projects are implemented, they can be of poor quality, which then leads to higher maintenance costs and a shorter life expectancy of the physical infrastructure, and thereby seriously undermining competitiveness.

⁴⁷ Ameya, Collins and Sarfo Mensah. 2013. "Curbing Corruption in the Public Procurement Process in Ghana", In *Public Policy and Administration Research*. Vol. 3, No.5; and OECD and MENA Governance Programme, 2012. "MENA-OECD Network on Public Procurement" P. 3.

4.1 General reforms to fight corruption in public procurement

Importance of public procurement reforms

The overarching goal of reforms in public procurement in any country is to strengthen the efficiency and effectiveness of the procurement transaction, in order to attain better delivery of public goods and services. Public sector reforms can extend as far as: (a) adjustments to public financial management (PFM) systems; (b) legal and judiciary changes; and (c) institutional-building. Indeed, in recent years, public procurement reforms have even included “*fostering dynamic partnerships with the civil society and the private sector, to improve the quality of service delivery, enhance social responsibilities and ensure the broad participation of citizens in decision-making and feedback on public service performance.*”⁴⁸ Some scholars characterize public procurement reforms as dynamic, in other words a “living organism”, which means they need to be adjusted according to “time and events”. From the experience of developed countries, such as the United Kingdom (UK) and the United States (US), it is confirmed that it does take time to achieve fundamental procurement reforms.⁴⁹

Public procurement reforms, especially in Africa’s infrastructure sector, are critical since such reforms can facilitate substantial budgetary savings, better project design and implementation. In fact, adequately-managed public procurement systems can reduce infrastructure costs from 20% to 40%.⁵⁰ It is thus evident that public procurement does have an indirect impact on the pace at which African countries can structurally transform their economies.

Public procurement reforms in advanced economies

African countries could learn from the procurement reform experiences of development countries. Public procurement constitutes around 16% of GDP in the European Union (EU). Furthermore, corruption in public procurement is widespread across advanced economies (see Box 5). A public procurement study on eight selected European Union (EU) Member States concludes that corruption in the overall value of procurement in five sectors, constituted between 2.9% to 4.4 %. This is equivalent to between Euro 1.5 million and Euro 2.2 million.⁵¹ In this regard, in 2011, the EU defined two approaches to addressing corruption, with special

⁴⁸ World Bank Independent Evaluation Group, 2008. Public Sector Reform: What Works and Why? An IEG Evaluation of World Bank Support. Washington, D.C.: World Bank P. xi, 4.

⁴⁹ Kuye, J.O, 2006. “Public sector reforms: The Case for South Africa – 1994 – 2005”, In *Journal of Public Administration*, 41(2). P. 291.

⁵⁰ De Mariz L., Menard, C., Abeillé B., 2014. Public Procurement Reforms in Africa: *Challenges in Institutions and Governance*. Oxford: Oxford University P. 59.

⁵¹ European Union, 2013. Identifying and Reducing Corruption in Public Procurement in the EU: Development of a Methodology to Estimate the Direct Costs of Corruption and Other Elements for an EU-Evaluation Mechanism in the Area of Anti-corruption. PWC, EU Services.

emphasis on fraud. The first approach is a reporting mechanism, which enables a periodic assessment of Member States. The second is the anti-fraud strategy, which helps to identify fraud affecting the EU's financial interests. EU Member States have also substantially modified their public procurement systems. In other words, public procurement has very specific cost-savings and efficiency-oriented objectives such as value-for-money (vfm); supporting small and medium enterprises (sme), and achieving other responsibilities with respect to social and environmental policies.

Following the 2008 global financial crisis, EU Member States are increasingly focusing on using procurement to drive innovation, in order to enhance efficiency and cost-savings. In this regard, the European Commission introduced the Lead Market Initiative, which is a relatively new public procurement approach that supports thematic networks. These networks help public and private sector procurers to be more innovative in their purchasing. For instance, the UK has been able to introduce innovation in health sector procurement in three stages. From 2000 to 2006, the UK government recognized the role of innovation in driving wealth-generation and environmental sustainability. The second and main stage was from 2006 to 2009, where innovation-related procurement policies were designed. The final stage, which begun in 2010 and is ongoing, consists of policy-changes. At this stage, a national framework on telecare was developed within the public procurement system to enhance health delivery to the physically less able and the elderly. Literature indicates that the UK achieved significant gains after its phased health sector public procurement reforms.⁵²

Box 5

Examples of Infrastructure procurement scandals & related reforms in advanced economies

Japan (2000s): Government bid-rigging in public projects, known as *kansei dango* in Japanese, has been prohibited by law since 2000. This notwithstanding, in 2005, 2006, 2010 and 2012, there was a series of bid-rigging scandals by public officials. For instance in 2012, it was reported that Ground Self-Defenses employees had provided misleading information to a bidding firm relating to a helicopter contract.

Germany (2006): Berlin was supposed to have an international aviation hub since 2011. However, to date the project remains unfinished and has received extensive international media coverage, notably due to a tender process procurement scandal. As at September 2014, it is reported that, this project is costing the Government about Euros 20 million each month.

Italy (2012): The Salerno-Reggio Calabria roads project has been tarnished with corruption allegations for a long time. Indeed, following an investigation by the European Union, it has been reported that Italy has had to repay the EU over USD 500 million. This is because it was proven that the project was ridden with procurement-related kick-backs.

Source: Italy repays £307 million to EU after road project 'mafia corruption' exposed Retrieved from <http://www.telegraph.co.uk/news/worldnews/europe/italy/9376202/Italy-repays-307-million-to-EU-after-road-project-mafia-corruption-exposed.html>; Berlin's airport fiasco: the eternal building site Retrieved from <http://www.economist.com/news/europe/21569065-so-much-industrious-germans-doing-things-time-eternal-building-site>; Latham and Watkins "Bribery and Corruption – Japan", retrieved from www.globallegalinsights.com

⁵² AfDB, 2014. "Comprehensive Review of the AfDB's Procurement Policies and Procedures: Summary of Literature on Innovations in Public Procurement" P. 9-22.

OECD countries have also focused on public procurement reforms, by introducing principles for enhancing integrity in the public procurement. The principles are designed to prevent various forms of corruption at each stage of the public procurement cycle. The principles reflect that good governance is essential throughout each public procurement process. The OECD principles are anchored on four pillars, which focus on transparency, good management, prevention of misconduct, compliance and monitoring, accountability and control.⁵³ It has also introduced specific guidelines for fighting bid-rigging in public procurement with the intention to identify corruption in the bidding process and help governments to obtain best VFM.⁵⁴

There are also good practices in combating corruption in public procurement in Asian countries that could be replicated in Africa's infrastructure sector. For instance, in South Korea there is an integrity pact' for suppliers, introduced since 2000. This integrity pact is "*a multilateral and mutual pact against corruption amongst government organizations and bidders to prevent corruption in public procurement, which establishes mutual rights and obligations*".⁵⁵ In case of proven corruption, the Pact enables a procurement contract to be cancelled as well as debarment of fraudulent suppliers. For monitoring and full implementation of the integrity pact, an Ombudsmen System has been set up. The System organizes public hearings at key stages of major construction contracts. Transparency International surveys indicate that satisfactory results have been achieved in the fight against corruption in infrastructure.⁵⁶ Integrity Pacts were developed by Transparency International (TI) in the 1990s and have been progressively used worldwide (see Box 6).

Box 6

Implementation of procurement integrity pacts worldwide

Argentina: Integrity Pacts allow municipalities to organize public hearings to increase credibility and prevent corruption in public procurement. Such hearings allow all stakeholders, including civil society, to question the public procurement if needed as well as make suggestions on the way forward.

Colombia: The Pact stipulates that public officials must discuss, in advance, the risks of corruption that could arise during the procurement process with interested bidders. In this regard, preventive actions are then formally agreed on. The integrity pacts in Colombia are now industry specific.

India: Implementation of Integrity Pacts is 'standard operating procedure' in procurement contracts of major public works departments. In fact, over 35 State-Owned Enterprises have signed a relevant memorandum of understanding with Transparency International India.

Indonesia: The Pact has been pilot-tested in 20 districts. The civil society is the one that monitors and ensures that the Pact is implemented correctly.

Italy: The Pact has been introduced within municipalities. In order for procurement officials to understand the Pact, they receive training beforehand on best public procurement practices to combat corruption.

Source: Retrieved from http://archive.transparency.org/global_priorities/public_contracting/integrity_pacts

⁵³ OECD, 2009. OECD Principles for Integrity in Public procurement. Paris, France.

⁵⁴ OECD, n.d. Guidelines for Fighting Bid Rigging in Public Procurement: Helping Governments to Obtain Best Value for Money. Paris, France.

⁵⁵ OECD, 2007. Integrity in Public Procurement: Good Practice from A to Z. OECD Publishing p. 119-120.

⁵⁶ OECD, 2007. Integrity in Public Procurement: Good Practice from A to Z. OECD Publishing. P.120.

Public procurement reforms in Africa

Procurement reforms in Africa can be classified into three phases. The first generation of procurement reforms was driven by the Bretton Woods Institutions, in the framework of structural adjustment loans (SALs). These procurement reforms included fiscal discipline, which implied reducing the wage bill. However, overall, such reforms did not facilitate the qualitative efficiency of the public sector and it actually pushed skilled labor out of public procurement.

The urgency to undertake more comprehensive public procurement reforms in Africa occurred with the 1998 *'International Conference on Public Procurement Reform in Africa'*, held in Abidjan. Over thirty African governments and many international development partners⁵⁷ attended this Conference where they acknowledged the importance of sound public procurement systems and its positive reciprocal relationship with good governance. In addition, the Conference helped to shed light on the challenges in the modernization of procurement sectors in the continent and the need for common strategic frameworks in improving accountability, efficiency and transparency. It is in this context that the second generation of reforms was undertaken by most African countries, although capacity-building measures, in many instances, were slow and uneven.⁵⁸ Discipline in public procurement remained low resulting in increasing levels of corruption. Against this backdrop, service delivery continued to deteriorate in many African countries.

The third generation of reforms has focused on how to improve public service delivery, by streamlining the procurement process. The reforms focused on public administration, by addressing issues such as: planning, budgeting, performance improvement and human resources management. This generation of reforms, as elaborated in Section 2, is underpinned by the new public management (NPM) approach. These reforms also include efforts to depoliticize public sectors, and strengthen the capacity of anti-corruption measures and auditing procedures.⁵⁹

The High Level Forum on Public Procurement reform in Africa, held in Tunis in November 2009, recognized the progress over the decade and reaffirmed the commitments of the 1998 Abidjan conference. African Governments also renewed their commitment to consolidate reforms and promote a multi-sector and participatory approach, mainstreaming public procurement into all state reforms in order to improve their economic impact, particularly in innovative sectors".⁶⁰ The 'Tunis Declaration' also called for non-government entities to play a greater role in assisting in procurement reforms. It urged the private sector to mobilize and 'help build their capacity for improved competitiveness and more effective participation in public procurement", which would in turn foster job creation.⁶¹ The Declaration also called for African countries and their respective civil societies, to maintain 'civic vigilance and help promote anti-fraud and anti-corruption reforms".⁶²

⁵⁷ Arrowsmith, S. and Quinot, G. 2013. Public procurement regulation in Africa. Cambridge, UK: Cambridge University Press. P. 2.

⁵⁸ Mutahaba, G. & Kiragu, K, 2002. Lessons of International and African Perspective on Public Service Reform: Example from Five African Countries. African Development Bank, 27 (3&4), p. 48-75.

⁵⁹ UNECA, 2003. Public Sector Management Reforms in Africa: Lessons Learned, Addis Ababa. P. 8.

⁶⁰ Tunis Declaration on Public Procurement Reform in African Sustaining Economic Development and Poverty Reduction (17 November, 2009).

⁶¹ Ibid.

⁶² Ibid.

Emerging public sector reforms in Africa

The nature of public procurement is changing both in advanced economies as well as developing African economies. This is driven by the need for domestic savings as well as efficient and effective public service delivery. In this context, there are relatively new procurement reforms such as VfM, merit points, principle-based approach, e-procurement, and green procurement.

The essence of VfM approach is that price alone should not be the only condition for making a procurement decision. Instead the important aspect is the optimum combination of whole-life quantified costs and benefits. The 'whole-life-costs' comprise maintenance, management, operating costs and the implications of risks and flexibility, throughout the project cycle. This approach is currently used mainly for energy, water supply and sanitation related procurements⁶³ and arguably should be rolled out to other infrastructure sectors.

Merit points is "a system under which additional points are awarded to bids based on qualitative dimensions such as quality, past performance, and technical aspects."⁶⁴ Both VfM and merit points include indirect costs and benefits as well as externalities including social and environmental impacts. On the other hand, the 'principle-based' approach has been mainly used by the World Bank, since 2008. Its focus is on risk management; reinforcing ethical behavior through training; working directly with suppliers; and assessing success of the procurement on the basis of development outcomes.

E-procurement has become another important feature of making procurement more transparent and less expensive. The benefits of e-procurement are much more than improved efficiency through computerization of processes. This approach has helped countries to lower their transaction costs, increase competition as well as promote integrity.⁶⁵

Another emerging area of procurement is green procurement. This approach, unlike conventional procurement, takes into account "the triple bottom line" i.e. environmental, economic and social factors. It is mainly implemented in developed countries, such as the US and Canada. However it is emerging as a preferred practice in Africa. Indeed, South Africa currently implements some good practices on green procurement (see Box 7).

⁶³ AfDB, 2014. "Comprehensive Review of the AfDB's Procurement Policies and Procedures: Summary of Literature on Innovations in Public Procurement" P. 4-5.

⁶⁴ AfDB, 2014. "Comprehensive Review of the AfDB's Procurement Policies and Procedures: Summary of Literature on Innovations in Public Procurement" P. 5.

⁶⁵ OECD, 2007. *Integrity in Public Procurement: Good Practice from A to Z*. OECD Publishing, and AfDB, 2014. "Comprehensive Review of the AfDB's Procurement Policies and Procedures: Summary of Literature on Innovations in Public Procurement" P. 6-7.

Box 7 **Sustainable Procurement: the South African Example**

South Africa has made progress in implementing policies on sustainable public procurement. Sustainable public procurement relates to procurement policies that take into consideration the economic, social and environmental concerns. Green procurement, is one major component of sustainable procurement. In South Africa green procurement has been embraced by legislation through the incorporation and implementation of green procurement principles. Government authorities consider environmental criteria through environmental impact assessments that are required by national law. Beyond this, some provinces and municipalities are already implementing green procurement policies and practices in their procurement systems mainly the Province of Western Cape and municipalities such as Tshwane (Pretoria) and Nelson Mandela Metro (Port Elizabeth). The Western Cape provincial government has a draft white paper on green procurement while some municipalities have developed green building guidelines for their municipal housing initiatives. Although other provinces and municipalities including Cape Town, eThekweni Municipality, and Ekurhuleni committed themselves some form of green procurement in 2002, they still face implementation challenges. The lack technical expertise especially at local government level, limited green verification specialists are some of the challenges that have stalled green public procurement.

Hanks. J et al 2008, Sustainable Public Procurement in South Africa, International Institute for Sustainable Development (IISD), 2008 https://www.iisd.org/pdf/2008/spp_south_africa.pdf

Green procurement: a guide for local government, Urban Seed, Vol 2 October 2012 www.sustainable.org.za/uploads/files/file73.pdf

4.2 Best practices on public procurement reforms from Africa

There is no “one-size-fits-all” approach when addressing corruption within infrastructure public procurement. In fact it is imperative to contextualize the problem for each African country and within the public procurement system that each country has put in place. Furthermore, proposed solutions should not be based exclusively on best practices from advanced economies, since the level of public procurement expertise, available budgetary resources and technological advances are not necessarily comparable.

This study report proposes key procurement practices that could be replicated in the procurement systems of all African countries, on the basis of success stories that have been recorded from African countries themselves. The proposals are based exclusively from desk-based research. From the onset, it should also be noted that these procurement areas are not exclusive to the infrastructure sector and is applicable to all economic sectors. In addition, given that infrastructure projects can be unbundled, it is to be recalled that different procurement approaches may be desirable at different project stages.

Usefulness of decentralizing procurement

There are several advantages for decentralized procurement, which includes: a closer monitoring of goods and services delivered to the requirements of end-users and reducing the incentives for corruption. It also implies less bureaucracy, as a result of shorter timeframes.

Decentralization can also allow for greater representation of various political, religious and ethnic groups in public decision-making.⁶⁶ The decentralization of procurement has proven to be successful for certain African countries such as Rwanda. Indeed, in Rwanda's case, initially the authority on procurement processes was exclusively with the National Tender Board. However, the Rwanda Public Procurement Authority has gradually increased procurement threshold capacity of government agencies.⁶⁷ This measure has been credited as an *"approach, which has underpinned much of the success in Rwanda"*.⁶⁸

Encouraging healthy competition through out-sourcing

Out-sourcing of infrastructure projects encourages competition between service organizations, which in turn promote efficiency, flexibility and cost-savings. This is a more cost-effective alternative to in-house projects done exclusively by public sector organizations. Out-sourcing has a stronger emphasis on service delivery, as private contractors will be held liable for poor quality and delays.⁶⁹ Many African governments are increasingly using the out-sourcing procurement approach in infrastructure projects. In the nineties, 10 African States, which used out-sourcing enjoyed efficient, impartial and transparent procurement, unobstructed by political pressures.⁷⁰ Such autonomy and efficiency can actually significantly reduce the corruption risk. Indeed, this approach implies cost-savings, as the 10 African governments got unit prices of 5% to 40% lower than through official bidding.⁷¹ Within the water and sanitation sector across African countries, there has been a favored shift to the use of such types of contracts.⁷²

Optimizing on technology to address corruption in infrastructure procurement

As part of the overall objective of modernizing the administrative capacities of African countries, information technology (IT), computer software and electronic tools are progressively being used to address corruption within public procurement. Specific computer softwares have helped to improve procurement planning, processing and tracking of each consignment. Success has been recorded in Cameroon where the customs administration was allegedly plagued by corruption. As part of its efforts to reduce corruption and raise revenue collection, the country installed the ASYCUDA++, a computerized customs clearance system designed by the United Nations Conference on Trade and Development (UNCTAD), which tracks the processing of each consignment. Thus far, the system has been used in 80 countries of which 40 are African.

The dissemination of procurement information and tender awards via web-based IT has given rise to the new concept of 'e-procurement'. The AfDB (2014) has noted that e-procurement does not merely result in *"improved efficiency through computerization"*, it also *"underpins the strengthening of public procurement systems that can transform the provision of public services"*.⁷³ According to the International Growth Centre, "e-procurement can reduce collusion amongst

⁶⁶ SIGMA (Programme). 2000. *Centralised and decentralised public procurement*. Paris: OCDE. P. 5.

⁶⁷ Strengthening Country Systems: Results and Opportunities. (2011). P. 65.

⁶⁸ Ibid, P. 65.

⁶⁹ Engida, Getacher. 2013. "Reforms of the public sector in the light of the new public management: A cases of Sub-Saharan Africa". *Journal of Public Administration and Policy Research*. 5 (1): 1-7. P. 3.

⁷⁰ World Development Report 1994: Infrastructure for Development, Oxford University Press, New York.

⁷¹ Larbi AG (1999). "The New Public Management Approach and Crisis States", United Nations Research Institute for Social Development. UNRISD Discussion Paper P. 112.

⁷² Foster, V., Briceño-Garmendia, C., World Bank., & Africa Infrastructure Country Diagnostic. (2010). *Africa's infrastructure: A time for transformation*. Washington, DC: Agence Française de Développement. P. 120.

⁷³ Cited in Foster, V., Briceño-Garmendia, C., World Bank., & Africa Infrastructure Country Diagnostic. (2010). *Africa's infrastructure: A time for transformation*. Washington, DC: Agence Française de Développement. P. 120.

bidders by providing information about tenders to a wide range of interested firms, allowing more firms to participate and breaking up local bidding cartels”.⁷⁴

Ghana applied a software package to improve its procurement planning. Under the Public Procurement Oversight Advisory Board in Kenya, a website was launched in June 2008, which posts up-to-date information regarding public procurement, including opportunities and contract awards for procuring entities.⁷⁵ The Public Procurement Regulatory Authority in Tanzania introduced the Procurement Journal Supplement with its own website, which includes publications of procurement documents and information on an e-library. The number of tender awards soared from 312 in 2007/08 to 2,823 in 2009/10.⁷⁶ The use of e-procurement and publishing of procurement information on the Internet have helped in improving the level of transparency by making procurement procedures and contract awards more easily available to the general public.

Competitive bidding

The common means of political corruption, associated with pre-bidding and bidding, are undertaken through unnecessary investments or purchases made to profit a particular company, but that has little or no value to society. Such corrupt practices occur as a result of weak integrity at the needs’ assessment stage, which can mean requirements that are not sufficiently or impartially met or a short timeframe for bids that are not consistently applied for all bidders.

In terms of the bidding stage, corruption risks arise from poor access for bidders in the invitation to bid; conflicts-of-interest and bias in the evaluation and approval process; as well as lack of access to procedure records.⁷⁷ In order to address corruption and improve the integrity within the bidding and pre-bidding stages, it is essential that countries prepare; update and issue standardized bidding documents, which include standard templates.⁷⁸ Rwanda introduced standardized bidding documents, based on the international financial institutions (IFI) model.⁷⁹

Investigative and punitive measures

Prevalence of corruption is compounded by the “*low likelihood of punishment and high likelihood of evasion of punishment*”.⁸⁰ An important element of preventing corruption is by allowing for review of complaints and taking punitive actions against those engaging in procurement-related corruption. This acts as a strong signal in deterring others seeking to engage in corrupt practices. If complaints are not heard and sanctions not issued accordingly, this discourages potential investors and creates the stigma of a negative business and investment environment. It is essential that there are procedures and regulatory bodies in place to allow for companies that have been wronged to have their grievances addressed.

⁷⁴ Theigc.org, (2014). *The impact of electronic procurement of public works contracts in Indonesia and India*|IGC. [online] Available at: <http://www.theigc.org/project/the-impact-of-electronic-procurement-of-public-works-contracts-in-indonesia-and-india/> [Accessed 15 Dec. 2014].

⁷⁵ ‘Strengthening Country Procurement Systems: Results and Opportunities’. (2011). P.40.

⁷⁶ Ibid, P.70.

⁷⁷ Report on Benchmarking Anti-Corruption Initiatives in Africa. (2014). Johannesburg: Business Action Against Corruption & African Institute Corporate Citizenship. P.11.

⁷⁸ ‘Strengthening Country Procurement Systems: Results and Opportunities’. (2011). P.65.

⁷⁹ Ibid, P.65.

⁸⁰ E, O.-T., E, B., & D, O.-M. (January 01, 2010). Exploring corruption practices in public procurement of infrastructural projects in Ghana. *International Journal of Managing Projects in Business*, 3, 2, P.249.

Box 8**Effective law enforcement by Nigeria's EFCC**

The Economic and Financial Crimes Commission (EFCC) was established in 2003 in response to the serious levels of corruption within Nigeria's financial sector. It was also created in partial response to the Financial Action Task Force on Money Laundering (FATF), which listed Nigeria as non-cooperative in global efforts to combat money laundering. The EFCC investigates and prosecutes against corrupt practices, as well as economic and financial crimes within the public and private sectors, *including within procurement institutions*. EFCC has seen notable successes by securing convictions against top government officials, including: a President of the Senate, a governor, an inspector-general of the Police, ministers, parliamentarians and bank executives. The EFCC has thus far secured 56 convictions and has frozen and seized assets worth over USD 5 billion.

In Rwanda, the Office of the Ombudsman publishes a list of public officials charged and sentenced over corruption including procurement related offences. Since 2010, the list was only comprised of low ranking officials, however in 2014 for the first time the list featured some top government officials, including a former permanent secretary for soliciting money from a businessman for tenders.

Source: Business Action against Corruption & African Institute of Corporate Citizenship, Report on Benchmarking Anti-Corruption Initiatives in Africa (2007)

Rwanda: Officials Convicted of Misuse of Funds to Be Named, <http://allafrica.com/stories/201410020363.html>
<http://www.newtimes.co.rw/section/article/2014-08-27/240/>

It is to be noted that several African countries have established investigative bodies for complaints and to enforce punitive measures. Some of these were established as part of comprehensive legislation on procurement. For instance, Ghana's Public Procurement Act (2003) created an appeals and complaints panel for the fast-track review of public procurement decisions.⁸¹ Tanzania established an administrative review for procurement processes, which allows bidders to submit complaints and appeal decisions to the Public Procurement Appeal Authority (PPAA). In several cases, the PPAA has ordered the procurement process to start anew and has instructed for bidders to be compensated.⁸²

Ensuring capacity development

Capacity development is a best practice observed in combating corruption in public procurement, which seeks to strengthen procurement institutions and address areas of weaknesses. Furthermore it encompasses other facets of reforms, such as human resources and institutional development. Several African countries have incorporated capacity development as part of their overall strategies to reform their public procurement, but it remains for the most part, insufficient. The initiatives taken by African countries for capacity development, include defining training systems; human resources development; policy and systems development; operational and organizational development and sensitization.

Capacity development strategies have yielded positive results in various African countries. It has been successful in bringing out the importance of stronger, more secure and efficient public procurement systems. For instance, development capacity strategies, conducted by Sierra

⁸¹ Strengthening Country Systems: Results and Opportunities. (2011). P.65.

⁸² Ibid, P. 70.

Leone's National Procurement Public Authority, included extensive sensitization campaigns, via media outlets on general procurement information as well as corruption within procurement.⁸³

The training of staff within public institutions is a practice adopted by many African countries to improve their public procurement capacity to fight against corruption. African countries are mindful of the need to bridge the knowledge and skills gap of public officials on public procurement. In addition, countries are acknowledging that the adoption of code of ethics against corruption is critical. In Kenya, the functions of the Directorate of Public Procurement has been to promote training and professional development of technical officials engaged in public procurement, so as to ensure that they adhere to ethical standards.⁸⁴ Ghana's strategic plan 2009-2011, implemented a comprehensive and short-term training program, which targeted approximately 9,000 people. In addition, training on the use of newly developed web-based procurement-planning tools, was given to 400 staff in procurement entities.⁸⁵

⁸³ World Bank. 2013. Sierra Leone, Country Procurement Assessment Report, World Bank: Washington D.C. P. 13.

⁸⁴ Odhiambo, Walter, and Paul Kamau. 2003. "Public Procurement Lessons from Kenya, Tanzania and Uganda". P. 27.

⁸⁵ Strengthening Country Systems: Results and Opportunities. (2011). p.30.

Conclusion and Recommendations

This study report has shown that there has been a plethora of procurement reforms in African countries, notably to address corruption risks. However, thus far, only a few countries have enjoyed success in terms of development outcomes, as a result of these reforms. In this regard, it is essential for African countries to focus on home-grown reforms, which also take into consideration country-specific context. Policy-makers should also look at what has and has not worked, before investing resources into procurement reforms, since what has worked in one may not automatically work in another country.

Public procurement challenges have serious consequences on the economy as well as the integrity of the procurement process in Africa. It is in this context that section 3 assesses the impact of procurement-related corruption in the African infrastructure sector. Moreover, in order to address the evils of corruption, concerted efforts are required from all stakeholders, which was analyzed in section 4.

There is need to sensitize policy-makers to the fact that good practices in public procurement will promote Value-for-Money (VfM) as well as better service delivery in health, education, power distribution, water and sanitation. It is important to note that a transparent and efficient public procurement system in the infrastructure sector helps to generate savings and sustain growth momentum that can facilitate the implementation of the structural transformation agenda. A recent study by the OECD (2012) indicates that African countries would at least catch-up by two decades of delay in their transformation with an optimal rate of 80% of successful public procurement implementation.

It is important to note that in spite of the African success stories cited above, overall results achieved in public procurement reforms remain limited. This section has highlighted the main reasons for these limitations, which include the fact that there has been a serious lack of African-ownership of these reforms. This notwithstanding, there is scope for policy-makers to address corruption risks in infrastructure public procurement, by drawing lessons from other African countries, whilst ensuring that procurement reforms are considered within the broader PFM systems.

International assistance in enhancing Africa's procurement remains critical. However, this should not imply that procurement reforms are imposed on countries since this will not serve any purpose. In this context, procurement-related reforms should not be part of aid conditionality frameworks since this generally implies that the reforms will be implemented superficially, and often times, local capacity will be inadequate to sustain their implementation.

Policy-makers should also seriously reflect on adopting emerging procurement practices, in particular **Value-for-Money (VfM) and green procurement**. It should be taken into account by all policy-makers that no procurement best practice will provide a quick fix in addressing corruption risks, but without implementing newer procurement practices, corrupted officials and/or firms will keep using increasingly sophisticated approaches to illegally obtain budgetary resources, needed for development purposes.

As shown in this study report, the problem in most African countries is not the lack regulatory frameworks but the poor implementation and non-compliance with procurement laws and regulations. Governments need to devote more efforts and resources towards the implementation and **enforcement of laws and regulations**. This can best be achieved by strengthening the internal compliance and accountability mechanisms on one part and promoting independence and respect for decisions of the judiciary on the other part. Governments need to engage the judiciary in fighting procurement crimes for instance by setting up specialized procurement crimes units in the judiciary. Sanctions and penalties issued by the courts for non-compliance with procurement requirements should be strictly enforced to deter further malpractices.

In addition, **increased transparency** of public procurement processes such as bidding, and award processes, clear and fair complaint and review mechanisms will go a long way in improving compliance among services providers or private contractors. Procurement information should be publicly available and accessible. Advertising of government contracts should be made using most available and accessible channels of communication including print and electronic media. Complaints review process should not be unnecessarily long and therefore it is recommended that countries should revise their regulations to decrease the period. Transparent processes turn will enable oversight institutions such as parliament, auditor general and the office of the ombudsman to effectively review and scrutinize decisions of procurement bodies, and provide the necessary checks and balances.

In order to address corruption in public procurement, it is inevitable that the **legal framework** be continuously revised or amended to deal with emerging and sophisticated forms of abuse on the one hand, and evolving and complex projects cycles. In this context, the introduction of strong punitive measures is necessary to combat corruption.

There is need to create and strengthen **anti-corruption platforms at the sub-regional and continental level** to promote the exchange of ideas, experience sharing and lesson learning opportunities among anti-corruption agencies in Africa. This platform may be created through joint initiatives by the ECA, the AfDB, and the AUC in partnership with governments. Platforms can be used as opportunities for countries to share and draw best practices in fighting corruption generally. Conversely, similar platforms can be created for public procurement bodies in Africa mainly to share and encourage the implementation of best practices, which would also speed up the process of regional integration. Currently East Africa Public Procurement Forum brings together policy makers, regulators, and implementers from both the public and private sectors of the public procurement systems of East Africa annually, to promote harmonization of public procurement systems among the five East African countries.⁸⁶ It also serves as platform for learning and sharing experiences with respect sustainable procurement policies, enforcement measures and operations but also informs members about emerging issues and international best practices. Since its establishment in 2008, the forum has also attracted attention from

⁸⁶ Burundi, Rwanda, Uganda, Tanzania and Kenya.

other countries such as South Sudan, South Africa, Botswana, Zambia, Ethiopia and West African Countries such as Nigeria among others.

Technical skills and **capacities of procurement entities** should be strengthened by training staff in specialized project processes especially in the infrastructure sector to enable them detect irregularities in the system. With regard to the technical and knowledge gaps, it is recommended that procurement institutions should conduct regular and specialized training of staff in the different aspects of procurement system and process including planning, development of requests for proposals, and bid evaluation in various fields with increased focus on the dynamics in infrastructure sector. Composition of technical staff should reflect broad spectrum of skills that are relevant for the life cycle of various infrastructure projects, including engineering, accounting, social, legal, management and planning, among other. Equally important, institutions should be well equipped with modern IT infrastructure as a complementary measure to promote efficiency of the system as well as to boost monitoring and detection mechanisms to control abuse and sophisticated fraud. Governments are encouraged to set aside sufficient resources for capacity building activities.

So as to promote transparency and fairness in the procurement system, government should develop or improve mechanisms for a **multi-stakeholder participation**. Relevant ministries, private sector and CSOs and the media should be involved at key stages of the procurement process. The case of Ghana using the CSOs in the oil and gas through the Ghana Civil Society Platform on Oil and Gas is a good example. Media, civil society and general public should be involved in monitoring the procurement process through direct participation of representatives at key procurement processes such as bidding, evaluation, award and review processes. This should be well articulated in the laws.

There is need to undertake further **research work** on developing a model legislation on public procurement in Africa. Key institutions such as the African Union Commission and the ECA should take leadership on this initiative.

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