



PUBLIC PROCUREMENT ARE THERE LESSONS TO BE LEARNT?

By Malakia Haimbodi

Introduction

Corruption may be defined as “the misuse of entrusted power for private gain”.¹ Usually, economic actors misuse their powers to ensure that they and/or their relatives, friends or associates benefit in a monetary, material or social manner. Public procurement has been identified as the government activity most vulnerable to corruption, according to Transparency International (TI)². This is the case because of the large amounts of money involved in procurement transactions and the fact that various officials and players in the process have the opportunity to misuse their entrusted power for their private gain.

Namibia’s public procurement system has been wracked by controversy in recent years with accusations of bias, favouritism, and bribery being made in newspaper articles and court cases. The overall significance of these cases has remained largely unexamined, especially when it comes to lessons that can be learnt for the reform of the tender system.

This paper discusses several recent controversies in public procurement in Namibia with a view to seeing if they represent systematic failures and therefore the need for specific reforms in laws, systems and practice.

The public procurement process

Public procurement provides multiple opportunities for both public and private actors to divert public funds for private gain. If a country does not have a national procurement framework or policy, then graft is inevitable as the system will be open to corruption. Despite Namibia having a Tender Board Act, passed in 1996, public procurement has been unable to shake off the clouds of suspicion.

The goal of the public procurement process is to satisfy the needs of people in a manner that is fair to business and saves and avoids waste of public funds in a manner that safeguards government’s legitimacy and credibility.³ In Namibia, the procurement of goods and services for the government is the mandate of the Tender Board as outlined in the Tender Board of Namibia Act (1996)⁴.

Procurement is a process with several stages, each of which presents an opportunity for corruption⁵. Some of these have been outlined as follows:

- Tailoring specifications to favour a certain company
- Restricting information to suppliers
- Using urgency as an excuse for bypassing regulations
- Breaching confidentiality of suppliers’ offers
- Improper prequalification processes
- Taking bribes

1 Kenneth Kostyo, *Handbook: Curbing Corruption in Public Procurement*, (Berlin), Transparency International (2006).

2 Kenneth Kostyo, *Handbook: Curbing Corruption in Public Procurement*, Transparency International (2006).

3 Windhoek Observer, 11 August 2011, *Tender Board Stinks*, <http://www.observer.com.na/component/content/article/3-editorials/433-tender-board-stinks>

4 No. 213 Promulgation of Tender Board of Namibia Act, 1996 (Act 16 of 1996), of the Parliament.

5 Kenneth Kostyo, *Handbook: Curbing Corruption in Public Procurement*, Transparency International (2006).

The third point is particularly relevant in Namibia. Public authorities often seek exemptions from competitive procedures, possibly because time is short or for another logistical reason. This represents a “grey area” that is vulnerable to mismanagement and corruption because competition for contracts is limited or non-existent. In Namibia in recent years tender exemptions have exceeded normal tenders in terms of monetary value. Between 2005 and 2008 tender exemptions amounted to about N\$5.1 billion, while only N\$2.1 billion worth of tenders were approved.

The Namprint tender

Namprint, a Swapo-owned company, obtained almost all ballot printing jobs from 1999 up until the 2009 elections when the Electoral Commission of Namibia (ECN), under pressure from various political parties, rescinded their decision. Namprint was favoured in the allocation of the print job despite questions about the quality of its work and controversies that arose during the 2004 election when opposition parties expressed fears that extra ballot papers could have been printed to allow ballot-box stuffing to take place. Taken at face value it seems almost inconceivable that the ECN would give the tender for the printing of ballots to a company owned by a political party taking part in the elections. And it was the ECN that granted the tender in 2009 rather than the Tender Board. Following renewed controversy, the then chairperson of the Tender Board, Calle Schlettwein issued a statement in which he made clear that “the Tender Board granted the ECN exemption from normal tender procedures”⁶. NamPrint’s virtual monopoly on ballot printing was also at variance with international practice, with “arms-length” companies preferred to ones owned by any of the parties contesting the elections⁷. What is most surprising in this case is that the ballot print job was the subject of a tender exemption. There seems to be no valid reason for this, although it may have been that the Tender Board was given no choice as the ECN approached it so late. It should be remembered that the 2009 election was not unscheduled (as for example a by-election following the death of a regional councillor would be) but had been expected for five years and was always due to be held towards the end of 2009.

A report in *The Namibian* of October 21 2009⁸ indicated that bidders had barely two and half working days to come up with a tender bid. By failing to give sufficient time for the preparation of meaningful bids, the procurement body is creating the conditions for the possible corrupt allocation of a tender as any company that may have been given a preview of terms and conditions for the tender would have a strong advantage.

The involvement of a political party in the printing of ballot papers appears to be a plainly unacceptable conflict of interest that should have been against tender regulations and codes of conduct for procurement officials. Opposition parties pointed out in 2009 that it was not the job of the ECN to hand out tenders but rather the Tender Board itself. As such the whole procurement process appeared highly irregular.

According to the Electoral Act⁹ (Section 4), the electoral body is supposed “to direct, supervise and control in a fair and impartial manner any elections” in Namibia. As such the decision to appoint Namprint appeared to be in conflict with this commitment to fairness and impartiality.

Ultimately in 2009, the Namibian electoral body had to scrap the ballot tender given to Namprint. Opposition political parties met and threatened court action should the ECN not withdraw the tender. The tender was cancelled on 15 October 2009. The ECN then allocated the tender to Ren-form CC, a South African company. Other companies that were shortlisted for the tender included Solitaire Press, Universal Print Group Namibia (Pty) Limited, Lithotech from SA, and Smith and Ouzman from the United Kingdom¹⁰.

The decision to drop Namprint went down like a lead balloon with some Swapo politicians. “I will report the ECN decision to the party leadership,” said Elijah Ngurare, Secretary of the Swapo Party Youth League. “The ECN commissioners are behaving like cowards giving the tender to a foreign company. Namibia is a sovereign country and no self-respecting Namibian can smile when a tender is given to a foreign company,” Ngurare was quoted as saying by *The Namibian* at the time.

For the re-advertised tender, the ECN took only 24 hours to make a decision. Namprint tendered again, but was not shortlisted¹¹. The case raises several issues – not least the unnecessary and inappropriate granting of tender exemptions by the Tender Board which undermines the whole procurement process – based as it is on checks and controls aimed at ensuring fairness and the most efficient use of taxpayers’ money. In addition, the case flags the dangers of political interference in procurement procedures. Thirdly even if it could be proved that Namprint had always met specifications and been the best bid in terms of value for money, the Tender Board has the responsibility of ensuring that the procurement process is not brought into disrepute by the creation of an obvious conflict of interest. In this case, there was also the danger that such decisions would damage the credibility of Namibian elections. Although no corruption was proven in the case, it is clear that if the Tender Board had assumed its mantle as the guardian of integrity in public procurement, the damage

6 http://www.namibian.com.na/index.php?id=28&tx_ttnews%5btt_news%5d=60880&no_cache=1

7 www.hsf.org.na/download/TrackerMarch08.pdf

8 Brigitte Weidlich, 12 Firms Bid For New Ballot Printing Tender, *The Namibian* 21.10.2009 [http://www.namibian.com.na/index.php?id=28&tx_ttnews\[tt_news\]=60885&no_cache=1](http://www.namibian.com.na/index.php?id=28&tx_ttnews[tt_news]=60885&no_cache=1)

9 Act 24 of 1992.

10 ECN chairman Dr Victor Tonchi stated at a media conference.

11 B.Weidlich. *The Namibian. NamPrint Loses Ballot Tender*. 22 October 2009. [http://www.namibian.com.na/index.php?id=28&tx_ttnews\[tt_news\]=60933&no_cache=1](http://www.namibian.com.na/index.php?id=28&tx_ttnews[tt_news]=60933&no_cache=1)

to Namibia's reputation could have been avoided. Quite why the ECN, having been given the responsibility of deciding on the printing work, could not see the inherent problems in selecting a company owned by a political party is also deeply worrying although outside the scope of this paper. The criteria for the bid could have easily included a clause barring companies that were wholly or partly owned by parties or companies related to parties.

Erumbi Energy

A clear case of conflict of interest appeared when Attorney-General and Minister of Presidential Affairs Dr Albert Kawana delivered and promoted a proposal from a black economic empowerment group Erumbi Energy which is bidding to control half of Namibia's fuel supply. In mid-2011 it was revealed in the *Windhoek Observer* newspaper that Kawana personally delivered a proposal from Erumbi Energy dated 14 May 2010 to Sam Beukes, the now suspended Chief Executive Officer of State-owned firm Namcor, at a restaurant in Windhoek. He further drew a diagram to illustrate to Beukes how the consortium would operate and urged the CEO to consider the proposal. On the paper, the Minister listed Angola's state-owned petroleum company Sonangol (Sociedade Nacional de Combustiveis de Angola) and London-based multinational commodities trader Trafigura as strategic partners in the venture. According to Kawana, the Namibian consortium will also consist of the Swapo Party Youth League (SPYL), the National Union of Namibian Workers (NUNW), Swapo Women's Council and Kalahari Holdings.

Erumbi is vying to supply 50 percent of Namibia's fuel and replace Namcor's existing partner Glencore. State-owned petroleum firm Namcor and Glencore had an agreement to supply 50 percent of the country's fuel requirements which government terminated in 2010 – allegedly because the terms of the deal were onerous for Namcor – the parastatal that oversees fuel issues in Namibia. Glencore has made it clear it believes it is out of favour because some top government officials want local BEE consortium Erumbi Energy to take over the supply deal from Namcor. The example seems to be one of clear interference in a procurement matter that should be handled neutrally and professionally by a state agency such as Namcor. The same contract was a matter of controversy before when another BEE group, Namibia Liquid Fuel, won it in questionable circumstances. It seems Namcor's tender system is mired in controversy. The expectation that in the new tender legislation the Tender Board will also oversee procurement at state-owned enterprises is welcome. Only when state-owned companies start following exemplary procurement practices based on international standards will political interference be avoided and political favouritism ruled out. At the same time, Ministers must face sanction from their appointing authority, the President, if they are deemed to be undermining their constitutional obligation to avoid conflict of interest scenarios (Article 42 (1)). Namibia clearly needs new

regulations and guidelines on conflict of interest that would make clear such political interference in contracting is unacceptable. Kawana faced no publicly known sanction for his behaviour.

The social pension tender

A case that ended in the courts was the awarding of the tender for the distribution of state pensions and allowances on behalf of the government. The background to the controversy is that United Africa Group (UAG) had been handling the cash payments since 1999.¹² In 2009, a tender committee of the Ministry of Labour and Social Welfare evaluated tenders submitted by UAG and five other tenderers and recommended that the tender be awarded to UAG. The Tender Board considered the recommendation but decided to award the tender to Epupa Investment Technology on the basis that their tender price was the lowest.

In launching its challenge, UAG Chief Executive officer Brian Rubistein alleged that Epupa Investments had failed to meet one of the tender conditions which was to furnish a bank guarantee for 10% of the total monthly amount.

The court subsequently ruled that what Epupa Investments Technology provided was sufficient for the purposes of the tender. The High Court noted that "if the Tender Board had agreed with the recommendation from the Ministerial Tender Committee, it would have failed to save the government costs and would not have been in a position to offer adequate and cogent reasons to justify its decision"¹³.

The UAG case highlights several important points that are worth noting. First of all, it highlights the Tender Board of Namibia acting within its mandate which is to "save and avoid waste of public funds"¹⁴. As such, the UAG case points to the strength of the Namibian public procurement system.

The second point of interest is administrative. According to the Attorney General¹⁵, the Tender Board was created to handle the procurement of all goods and services for government and can only seek expert and technical advice if necessary. Therefore, in the case of UAG, again the Tender Board acted within its mandate by not following the recommendations of the Ministerial Tender Committee.

This case also highlights another important indicator of justice, that is, unsuccessful bidders can challenge procurement decisions in a court of law.¹⁶

12 Werner Menges, *State Pension Tender Challenge Thrown Out*, The Namibian 26.11.2010 [http://www.namibian.com.na/index.php?id=28&tx_ttnews\[tt_news\]=75299&no_cache=1](http://www.namibian.com.na/index.php?id=28&tx_ttnews[tt_news]=75299&no_cache=1)

13 Werner Menges, *United Africa loses State pension case*, The Namibian 20.06.2011. [http://www.namibian.com.na/index.php?id=28&tx_ttnews\[tt_news\]=83141&no_cache=1](http://www.namibian.com.na/index.php?id=28&tx_ttnews[tt_news]=83141&no_cache=1)

14 Windhoek Observer, 11 August 2011

15 Nico Smit, *Ministry Interfered In Oxygen Tender*, The Namibian 18.08.2011. [http://www.namibian.com.na/index.php?id=28&tx_ttnews\[tt_news\]=86051&no_cache=1](http://www.namibian.com.na/index.php?id=28&tx_ttnews[tt_news]=86051&no_cache=1)

16 Article 18 of the Constitution of the Republic of Namibia

The United Africa Group, which entered the second-lowest bid for the tender, submitted that it should receive the tender again after handling the process since 1999. Both the United Africa Group and Epupa Investment Technology qualified for the tender and were asked to make presentations. Requirements included a letter of good standing from a bank indicating the contractor's financial viability to deliver the services as well as a written guarantee, the value of which is 10% of the monthly aggregate (N\$55 million) of basic state grants and allowances handed into the contractor's custody from a financial institution. The guarantee was a prerequisite for the award of a tender.

The Ministry of Labour made the recommendation to the Tender Board and the committee confirmed that only the applicant and Epupa Investment Technology met the requirements. The United Africa Group's offer was the second lowest while Epupa Investment Technology was the lowest and their prices were fair and reasonable.

The applicants said the Ministry of Labour verified their submissions of guarantee, but did not receive confirmation from Epupa Investment Technology's bank. The committee then recommended the awarding of the tender to United Africa Group as from 1 December 2010 to 30 November 2015. Their bid submission met all the specifications and conditions of the tender and their prices were fair and reasonable.

According to the minutes of the Tender Board's meeting on 29 October 2010 and despite a recommendation and the rationale underlying it, the Board decided to award the tender to Epupa Investment Technology. Both Epupa Investment Technology and the United Africa Group adhered to specifications and were in possession of a letter of intent from First National Bank. The Board said that the letter of intent was sufficient proof that the bank would provide the guarantee once the tender was awarded to Epupa Investment Technology.

In this case the Tender Board can be commended for seeking to save the government money by choosing the cheapest tender against the advice of the Ministry. However, the problem with the social pension tender is that the matter is handled with such opaqueness that it might suggest something untoward is going on. Transparency through the publication of basic details of bids and reasons for decisions could go a long way to lifting such clouds of suspicion. There is no need for such important national issues to be cloaked in secrecy. In addition, the creation of an independent appeals panel could help to avoid such costly and time-consuming legal actions.

Intaka

In the Intaka case, the Tender Board abdicated its responsibility to the Ministry of Health¹⁷. The Minister of Health was

heavily involved in the tender process itself. This has the potential to impact on the fairness of the decisions made.

The second area of concern in the Intaka Technology saga is that the Tender Board approved the pricing structure proposed by Intaka and did away with those set in the specifications. Ignoring your own specifications and going by the specifications submitted by one bidder grossly disadvantages the competition. In this case, bidders would have to be evaluated against their competitor's criteria and it would be a miracle if they managed to win the tender.

Thirdly, the Tender Board abdicated its responsibility when, instead of entering into an agreement with a successful tenderer, the Board subjected the acceptance notice to an agreement to be concluded between the tenderer and the Ministry of Health.

In what is considered by many to be a controversial move, the Ministry of Health and Social Services re-awarded a five-year contract for the supply and delivery of medical oxygen and air to 32 State hospitals across the country to Intaka Technology Namibia.¹⁸

Intaka has been embroiled in controversy in recent years and stands accused by some doctors and hospital administrators of failing to deliver quality medical gasses and of providing shoddy maintenance. There has also been a raft of allegations, which include so far unsubstantiated claims that the failure of oxygen delivery could have been partially responsible for the deaths of some patients in intensive care¹⁹.

Mounting criticism covered in several newspapers, including the *Namibian Sun*, eventually led to an investigation by the World Health Organisation (WHO). The UN organisation issued a highly critical report and suggested a number of remedies. Intaka was found to be supplying sub-standard oxygen and failing to properly maintain the infrastructure at State hospitals by the WHO.

The WHO report last year identified a number of issues concerning the medical gas supply infrastructure and made recommendations on how these issues should be addressed. Remedies included the improvement and in some cases replacement of the pipeline infrastructure for the gas supplies and the installation of automatic change-over manifolds to ensure an uninterrupted supply when one source of supply becomes unavailable. The Intaka saga indicates that the Tender Board did not exercise its duties and responsibilities properly and as a result lost control of the tender process, resulting in a situation that was potentially dangerous for patients at hospitals.

17 Selma Ikela, *Controversial Intaka Tech Scores Oxygen Tender Again*, [www.namibiasun.com. http://www.namibiasun.com/content/local-news/controversial-intaka-tech-scores-oxygen-tender-again](http://www.namibiasun.com/content/local-news/controversial-intaka-tech-scores-oxygen-tender-again)

18 Selma Ikela, *Controversial Intaka Tech Scores Oxygen Tender Again*, [www.namibiasun.com. http://www.namibiasun.com/content/local-news/controversial-intaka-tech-scores-oxygen-tender-again](http://www.namibiasun.com/content/local-news/controversial-intaka-tech-scores-oxygen-tender-again)

19 Selma Ikela, *Controversial Intaka Tech Scores Oxygen Tender Again*, [www.namibiasun.com. http://www.namibiasun.com/content/local-news/controversial-intaka-tech-scores-oxygen-tender-again](http://www.namibiasun.com/content/local-news/controversial-intaka-tech-scores-oxygen-tender-again)

The pinch of 'bad' procurement practice

The perception of corruption in the public procurement process is very significant. Firstly, corrupt public procurement will increase poverty and inequality by diverting funds away from social welfare spending.²⁰

Secondly, bad procurement will engender bad choices, encouraging competition in bribery rather than in quality or price. For companies, corrupt procurement will provide an unfair, unstable and risky competitive advantage and will create a sort of market-entry cost or non-tariff barrier, at least for those companies who do not wish or cannot afford to bribe their way in. The impact of corrupt procurement can be identified as follows:²¹

Financial Impact

- Unnecessarily high cost of purchases, investments, services, or unnecessarily low income from licences, permits, concessions etc.;
- Sub-specification quality of supplies or works, not justifying the price actually paid;
- Burdening a government with financial obligations for purchases or investments that are not needed or are not economically justified at all or are oversized
- Burdening a government with early repair costs to repair and maintain investments, which are too recent to justify or explain such maintenance costs.

Economic Impact

Economic impact can consist in burdening a government with operational, maintenance and debt servicing liability for investments/purchases, which do not contribute positively to the economy of the country. Further economic impact can happen when capital investment levels decrease because of corruption costs and threats to business operators, thus affecting economic growth and employment. Again, the Epupa case is a living testimony to this of how this can happen as discussed in earlier chapters.

Environmental Impact

Corruption in procurement can engender bad choices, among them projects that have adverse environmental impact. In implementing an investment project which does not comply with the country's (or international) environmental standards, the damage may consist in unnecessary or increased environmental or health risks or actual damage, financial liabilities, or long-term adverse impact on the environment.

Impact on Health and Human Safety

Human health and safety risks can occur due to quality defects, environmentally unacceptable investments or non-compliance with environmental or health standards. Corruption induced sub-standard construction can lead to building failure and consequent human losses.

Impact on Innovation

Corruption-induced lack of competition leads to the neglect of innovation. Companies relying on corruption will not spend resources on innovation, and even non-corrupt companies will feel less inclined to make the necessary investments in innovation if they cannot access markets due to corruption.

Erosion of Values

When people observe lack of concern for integrity and the common good among senior officials and private sector economic operators, and reckless and corrupt behaviour is not being sanctioned, they easily reduce their own integrity standards, out of need and often out of greed. This applies also to other economic operators who realise that offering a competitive price and quality are not adequate requirements for obtaining contracts.

Erosion of Trust in Government

When people observe that reckless corrupt behaviour among government representatives is not being sanctioned, they conclude quickly that government in general is not to be trusted and that cheating government is morally acceptable and not against common values.

Damage to Honest Competitors

Corruption procurement can damage honest companies and lead to job losses. The honest competitor may be better and more innovative than the corrupt bidder who is not willing to rely on quality and price of his product but resorts to corruption to obtain contracts.

Serious Danger to Economic Development

If a government commonly allows corruption in the context of purchases and investments, and often selects investment projects not on the basis of their contribution to economic development of the country but on their ability to generate bribe payments, a country may soon end up squandering investment opportunities and external development assistance and thus seriously retard the country's economic development. The ultimate victims are the poor.

20 Kenneth Kostyo, *Handbook: Curbing Corruption in Public Procurement*, (Berlin), Transparency International (2006).

21 Kenneth Kostyo, *Handbook: Curbing Corruption in Public Procurement*, (Berlin), Transparency International (2006).

What lessons can be learnt?

There are several lessons that can be learnt from the case studies that have been considered in this paper. The cross-cutting theme in all case studies is that transparency and accountability are key for enhancing integrity throughout the whole procurement cycle, including in needs assessment and contract management.

A key challenge in Namibia is the need to define an adequate level of transparency to ensure fair and equal treatment of providers and integrity in public procurement given that transparency in public procurement bears an immediate cost both for government and bidders. However, it is a key element to support fundamental principles of the public procurement system, especially competition and integrity. Namibia needs to find an **adequate balance** between the objectives of ensuring transparency, providing equal opportunities for bidders, and other concerns, in particular efficiency. If the level of transparency is adequately defined, the benefits will outweigh the cost, especially when comparing the initial cost of transparency with the potential negative consequences of corruption on the use of public funds related to procurement and possibly on public trust.

The second lesson is that there are “**grey areas**” in the public procurement process. Exceptions to competitive procedures represent a “grey area” that is vulnerable to mismanagement and potentially corruption because of limited competition. The ECN case study immediately comes to mind and the controversy generated thereafter.

The third lesson is that if information is not disclosed in a consistent or **timely manner** (e.g. disclosure of information on other bids in the award in a context of limited competition), it may increase the opportunity for collusion between bidders who can identify their competitors early in the process and contact them. In the case of the ECN tender, some bidders completely failed to submit their bids in time due to an unreasonable deadline.

The fourth vital lesson to be learnt from the case studies is that building professionalism among procurement officials with a common set of professional and ethical standards is equally important. Procurement officials need to be equipped with **adequate tools** for improving planning and management and that their decisions need to be well informed.

Recommendations

The recommendations are benchmarked on some of the practices in countries that are highly ranked on Transparency International’s Corruption Perceptions Index. The recommendations also recognise that Namibia is a developing country and resources are a constraint.

1. The Tender Board must ensure it is ‘not forced into a corner’ regarding **tender exemption requests**. These can easily be manipulated by unscrupulous ministry officials so as to give the Tender Board no option but to allow an exemption ‘in the national interest’. However, exemptions are gateways to corruption since few checking procedures are required when a ministry handles a tender itself and there is virtually no transparency. New guidelines for the Tender Board are required which make it clear that exemptions can only be granted in highly exceptional circumstances and not simply when a ministry is late with a request (which may be orchestrated to allow for minimal oversight).
2. Government should invest in appropriate **information and communication technology** (e.g. through databases on goods’ prices) to support procurement officials in their daily work and decisions. The buzz phrase these days is e-governance and the Tender Board is advised to explore how this can be exploited to improve transparency and fairness.
3. Namibia should adopt a more **decentralised** approach towards procurement. But regional tender boards should follow clear parameters and guidelines set down by the national Tender Board, which must play an oversight role – monitoring that decisions taken in the regions are fair, transparent and in the best interests of local communities. This will inevitably have capacity implications for the Tender Board secretariat.
4. **Training** should be focussed on providing procurement officials with skills to enable them to reduce risks to the integrity of the public procurement process.
5. Procurement officials also need ethical guidance clarifying restrictions and prohibitions to prevent conflict-of-interest situations developing and corruption taking place. Officials’ duties need to be separated to avoid **conflict-of-interest** situations while ensuring that these “firewalls” do not result in a lack of co-ordination between management, budget and procurement officials.
6. Because of the important financial interests at stake and their potential impact on taxpayers and citizens, public procurement should be regarded as a core element of **accountability** of the government to the public on how public funds are managed.
7. **Resolution systems** should be adopted that allow for appeals against decisions without a judicial process. These should promote the effective and timely resolution of bid complaints

and avoid the high costs of litigation. The credibility of any commission or committee that is set up will be dependent on its independence. The Tender Board itself cannot act as a player and as a referee in the process of considering appeals.

8. **Whistle-blowing** should be encouraged for raising concerns about public officials' misconduct, including in public procurement. The Tender Board should explore incentive systems for whistle-blowers to encourage the practice. Whistle-blowing must also be perceived by the public as a safe and honourable means of exposing corruption.
9. Government should consider introduction of direct **social control mechanisms** by involving stakeholders – not only private sector representatives but also end-users, civil society, the media or the public at large – in scrutinising the integrity of the public procurement process.
10. **Registration**: To be a supplier for the government, registration should be required and based upon identified factors, including proven expertise in providing the goods or services, financial stability and capacity to undertake the particular project. The periodic review of vendor status will help track whether circumstances have changed after the registration.
11. The bidder should be obliged to **co-operate** with any investigation undertaken by the Tender Board or the Anti-Corruption Commission or risk being suspended as a supplier.
12. A **performance bond** should be considered whereby a deposit for major works contracts would be forfeited to government in the event of fraud, corruption or significant irregularity on the part of the bidder.
13. Financial disclosure obligations imposed on officials dealing with procurement should form part of a culture of **openness** in the organisation, supported by a regular verification of the reliability and completeness of the information.
14. **Blacklisting**: Government should keep a publicly available list of those companies that have been barred from consideration for contracts due to corruption, irregularities or poor performance. The individuals who are principals in these companies must be named to deter them from simply registering a company with a different name to bid for contracts.
15. **Commercial responsibility**: The Tender Board should join proceedings more systematically when the integrity of a supplier is challenged by competitors, in cases when the organisation is a victim of corrupt acts and could therefore obtain damages.

About the Author

Malakia Haimbodi obtained his Bachelors of Public Administration from the University of Namibia (Unam) in early 2011. He previously gained a diploma in Local Government Studies in 2007 also from Unam. He is currently pursuing a Masters in Public Administration at Unam. Since early 2011 he has been a Research Associate of the Institute for Public Policy Research (IPPR), working on the African Governance Report, which involved carrying out a survey of 120 experts on Namibia's political affairs, and the Anti-Corruption Research Programme.

About the Anti-Corruption Research Programme

The IPPR's Anti-Corruption Research Programme will focus on strengthening anti-corruption regulations, procedures and practices. The Programme will provide a stocktaking of anti-corruption efforts so far, examine policy options for the future and recommend ways in which Namibia can ensure that the anti-corruption campaign retains public confidence and political support and is ultimately successful in reducing corrupt practices in Namibia.

The programme will pursue the following objectives.

1. Produce rigorous, detailed and accessible research on issues that contribute to the strengthening of anti-corruption systems, procedures and practices in Namibia
2. Raise awareness debate among Namibian policymakers, politicians, civil society activists, students, journalists, the business community and interested members of the public about effective anti-corruption strategies and policies that could be deployed in Namibia.
3. Seek to partner with agencies involved in tackling corruption in Namibia, in particular the ACC, other civil society groups active on the issue and policymakers who can play a role in ensuring anti-corruption mechanisms in Namibia are effective.

About the IPPR

The Anti-Corruption Research Programme is a project of the Institute for Public Policy Research (IPPR). The IPPR can be contacted at PO Box 6566, Windhoek, Namibia. Tel: +264 61 240514, Fax: +264 61 240516, info@ippr.org.na. The publication is also available as a PDF download from <http://www.ippr.org.na>. The IPPR's mission is to deliver independent, analytical, critical yet constructive research on social, political and economic issues that affect development in Namibia. The IPPR was established in the belief that development is best promoted through free and critical debate informed by quality research. The IPPR is a not-for-profit organization governed by a board of directors: Monica Koep (Chairperson), Daniel Motinga, Bill Lindeke, André du Pisani, Robin Sherbourne and Graham Hopwood.