

PROJECT: ADVOCACY FOR STRENGTHENING OF PUBLIC PROCUREMENT SYSTEM (2020-2021)

Project Summary

Public procurement in Zambia is primarily regulated by the Zambia Public Procurement Authority (ZPPA) and guided by the Public Procurement Act of 2008 and the Public Procurement Regulations of 2011. Public procurement is one of the most important components of expenditure by the government and accounts for an estimated 15% of the GDP.

Despite the laws governing public procurement and the relevant institutions overseeing the process, there have been challenges with the procurement system in Zambia. Over the years, there have been concerns about Zambia's procurement processes and the management of public funds. Furthermore, there have been concerns by the general public that when the government is procuring goods and services, they do so at amounts which do not reflect the market value. This means that despite the procurement procedures being followed according to the law, goods and services are being procured at highly inflated prices that do not reflect value for money. These loopholes in procurement show the flaws of the legal system governing procurement in the country.

In the 2020 national budget, the Minister of Finance announced that the government would revise the Public Procurement Act of 2008. Given this, the rationale of the Analysis of the Public Procurement Act of 2008 will be to engage various stakeholders on the gaps of the Public Procurement Act of 2008 and input into its revision.

Background

Public procurement in Zambia is primarily regulated by the Zambia Public Procurement Authority (ZPPA) and guided by the Public Procurement Act of 2008 and the Public Procurement Regulations of 2011. The ZPPA is an independent body responsible for regulating procurement of goods, works and services by all Government procuring entities.

It oversees the bidding process and monitors the execution of contracts entered into by procuring entities to ensure transparency, accountability, maximum competition and value for money in public funds. Public procurement is one of the most important components of expenditure by the government and accounts for an estimated 15% of the GDP (ZPPA, 2017).

While the ZPPA is the primary regulator of procurement, other institutions whose laws they administer have provisions regulating the conduct of the procurement process. For example, the Competition and Consumer Protection Act No. 24 of 2010 have provisions dealing with bid-rigging in the procurement process. The Anti-Corruption Act has provisions dealing with adherence to procedure, including procurement.

Despite the laws governing public procurement and the relevant institutions overseeing the process, there have been challenges with the procurement system in Zambia. Over the years, there have been concerns about Zambia's procurement processes and the management of public funds. This concern has come from reports that have revealed loopholes in public resources. The Auditor General's annual reports, for instance, over the years, have shown continued misuse of public funds as it reveals issues such as failure to follow procurement procedures, wasteful expenditure and undelivered materials, among other issues. In the 2017 Auditor General's report, Wasteful expenditure accounted for ZMW 7,865,395, showing loopholes in the procurement system.

Furthermore, there have been concerns by the general public that when the government is procuring goods and services, they do so at amounts which do not reflect the market value. This means that despite the procurement procedures being followed in accordance with the law, goods and services are being procured at highly inflated prices which do not reflect value for money. This inflation of prices by suppliers deprives the country of resources which could be directed to other programs that require funding. All these loopholes in procurement show the flaws of the legal system governing procurement in the country.

Project Activities

- A legislative analysis of the Public Procurement Act of 2008
- Hold a closed-door meeting with the Competition and Consumer Protection Commission (CCPC) and ZPPA on the results of the analysis
- Publication of a concise policy brief
- Develop an Advocacy Strategy, including a documentary on public procurement
- Conduct a capacity building meeting with CSOs and legal experts to share the findings of the analysis
- Hold a multi-stakeholder panel discussion on the Public Procurement Act of 2008
- Engage with members of Parliament on the Public Procurement Act of 2008
- Host a media briefing on the gaps in the Public Procurement Act of 2008
- Develop infographics, and curate simplified messages to run a social media campaign

Partner/Sponsors

Funded by GIZ, which has been working in Zambia on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) since 1966 and has maintained an office

in the capital Lusaka since 1982. GIZ's work with CUTS Lusaka is based on various research conducted on issues related to economic governance by CUTS and partners to advocate for transparency, accountability and good financial governance.

Expected Outcomes

- Analysis of the gaps in the Public Procurement Act of 2008
- The development of policy briefs and infographics will be used to disseminate the findings of the research in public meetings with key stakeholders to raise awareness of the gaps in the Act and ultimately influence the revision process of the Act.
- Identify the loopholes in the Public Procurement Act of 2008 and develop recommendations to make the Public Procurement legislation more effective and efficient in preventing fraud, waste, and corruption.