

Assessment of the Public Procurement System of Zambia

Zambia

Procurement Law

Currently, new regulations are being discussed



Independent Regulatory Body

Independent regulatory body offers oversight to the public procurement process and performance



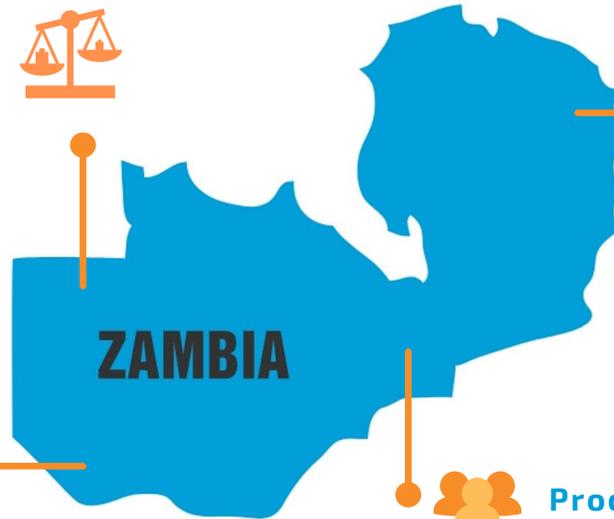
e-Procurement

One of Southern Africa most elaborate systems.



Procurement Practice

Professionalization is mandatory



Zambia has achieved significant modernization in its public procurement system, particularly in its legal framework and institutional framework—based on the Act of 2008, (revised in 2011), and the Procurement Regulations of 2013.

The latest analysis based on the Methodology for Assessing Procurement Systems (MAPS), a globally recognized assessment tool, shows that Zambia has great future potential to transform its procurement system into a powerful force for change and improve overall use and accountability of public resources. The proposed draft Procurement Bill of 2017 to adopt a revised public procurement law makes this a virtuous time for introducing reforms to address challenges identified in the recent assessment.

The 2019 MAPS assessment was carried out with extensive input and collaboration with Zambia Public Procurement Authority (ZPPA) and other government institutions. The Assessment Report proposes a set of recommendations for consideration by the Government of Zambia. The detailed recommendations are included in the MAPS report.

Key Immediate Recommendations

1

Revise the current draft Public Procurement Bill 2017, addressing the gaps identified in MAPS assessment

2

Make E-GP mandatory by all Procuring Entities to ensure transparency, accountability, and value-for-money

3

Improve transparency measures for contract awards that involve “international relations”

4

A strong leadership and commitment to reform are crucial elements to demonstrate good governance and achieve economic growth

What is MAPS?

The new Methodology for Assessing Procurement Systems (MAPS) is a universal tool that aims to catalyze and accelerate the implementation of modern, efficient, sustainable and more inclusive public procurement systems in all countries which is guided by value for money, transparency, fairness and good governance. MAPS was used to assess the quality and effectiveness of Zambia’s public procurement systems to identify its strengths and weaknesses. Based on the findings the World Bank team came up with recommendations under four topics.

PUBLIC PROCUREMENT IN ZAMBIA

The procurement legal framework of Zambia covers most aspects of a well-functioning public procurement system. It establishes an independent regulatory body, the ZPPA, which is responsible for making policies, setting standards, monitoring compliance and performance, managing performance development, and disseminating information on public procurement. The responsibilities for contract management are stated in the Act and Regulations. It establishes open tendering as the default method and provides conditions for use of less competitive methods.

Overall, Zambia has a promising Institutional Framework. The ZPPA is responsible for monitoring public procurement and is also involved in procurement decisions and transactions. Professionalization is mandatory. The use of efficient e-GP system will enable the government with significant savings, prevent corruption, open markets to international competition, and encourage the growth of local and small firms.

Zambia's public procurement system puts barriers to foreign participation for bid submissions, engagement with civil society and private sector, and contract management practices. Due to lack of funds and government's payment arrears, around only one quarter of the contracts were implemented on time. This results in loss of competition and increase in prices for future contracts. There is a need to drive competitiveness and promote the development of the local industry.

A bidder or supplier who is aggrieved with the decision made by the PE, may appeal against the decision to ZPPA. The involvement of ZPPA in specific procurement requests could result in a conflict of interest in handling of complaints. Publication of contract awards notices, though mandated, are not enforced. Specialized procurement audits are not conducted by Auditor General to ensure efficiency and value-for-money. Despite a legal framework against fraud and corruption, there is no systematic detection, prevention, and enforcement of procurement-related corruption cases.



Recommendations

- Define in a clearer way “international relations”.
- Review the requirement to obtain approval of ZPPA and advice of the Attorney General before entering into any “international agreements”, which contributes to delays and inefficiency.
- Remove barriers for participation for foreign bidders that require mandatory association with local firms or citizens.
- Improve transparency measures of procurement processes used in contract awards that involve “international relations” before these contracts are signed.
- ZPPA should refocus its role on strategic tasks of regulation, development, and monitoring instead of routine clearances—since such involvement on procurement transactions leads to delays and added cost of the procurement process.
- Complaints review should be assigned to a different independent body and monitored by ZPPA and the Auditor-General.
- Requisite job description, qualification, and competencies need to be specified and enforced.
- The e-GP system must become mandatory and more widespread in its use, with full functionality of Open Contracting Data.
- Enhance competition through foreign participation and collaboration with the private sector. This will provide opportunities for small businesses to grow by providing for appropriate provisions for the protection and support to the growth of local industry and bidding community.
- Contracts management should be supported by adequate monitoring and training.
- Improve the link between budget execution and procurement to overcome the situation of unavailability of funds and uncertainty payment.
- Robust and independent complaints review mechanism should be established.
- Follow-up on Auditor General's audit report should be monitored by ZPPA and there is a need for regular specialized procurement audit by Auditor General in collaboration with ZPPA.
- PEs and implementing ministries should be fully accountable for their procurement decisions subject to ex-post audit.
- The publication of contract award notices before contract signing should be mandatory.
- The legal framework against fraud and corruption should be enforced as it protects the public interest, enhances transparency, and improves competition.