

Corruption – A social disease

Part 54

Tender exemptions and whistleblowing mechanisms

In this article, we focus on public tenders in Namibia.

Before we discuss whistleblowing mechanisms, let us first take account of the bidding for and allocation of tenders. According to available information, and following the trend, tender exemptions have skyrocketed over the period 2005-2013.

In the 2005-06 financial year, the Tender Board approved tenders worth N\$619 million and tender exemptions worth N\$170.4 million. In the 2006-07 financial year exemptions spiralled to N\$1.6 billion in value while awarded tenders amounted to N\$868.3 million. This trend continued during the 2007-08 financial year, when the value of public tenders increased to over N\$4 billion, and the value of tenders awarded amounted to N\$624.3 million, compared to N\$3.4 billion spent on tenders exempted.

This trend is a disturbing picture, in that “tender exemptions have become the rule and have long since ceased to be the exception” (Links & Daniel). During the 2012-13 financial year, 67% of tenders valued at N\$9.2 billion were exempted while 33% were awarded through the normal bidding process (*The Namibian*). It is highly unlikely that the 2014-15 financial year would have brought a dramatic change in the alarming trend.

ACCOUNTABILITY

The fact that exemption became the norm means that the Tender Board is not regulating public procurement in a fair and public accountable manner. An increase in exemptions decreases competition, decreases public accountability and increases the



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likelihood of corruption.

If your application for a public tender has not been treated fairly during the bidding and allocation process, you can report your complaint to the Tender Board. In case of tender corruption, you can report the issue to the Anti-Corruption Commission. In future, “the Ministry of Finance will set up a special unit that will investigate concerns regarding the adjudication and award of tenders and give feedback to the public” (Hambaree Prosperity Plan). This positive development can reduce disputes but is unlikely to reduce exemptions and corruption.

The Ministry of Finance cannot be an objective mechanism to judge violations of their own tender process. If all reporting mechanisms fail, your options include social media and/or to file a court case. For example, the legal battle about the Xaris tender between Nampower and Arandis Power over a 250 Megawatt power plant for which Xaris Power was the preferred bidder.

• References

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