

The Malawi Confederation of Chambers of Commerce and Industry (MCCCI) says businesses are still hopeful of improved public procurement management systems despite many of them losing business opportunities to lack of transparency in the procurement process. MCCCI director of membership development and service delivery Stella Ng'oma said this during a business outreach workshop organised by the World Bank in Blantyre. She observed that public procurement is one of the most serious and common grounds for corruption and fraud in the country. Ng'oma said the promotion of exchange gratification to secure procurement contract is the main cause of fiscal drain which undermines implementation of key activities that can help resolve business challenges and build a better private sector to drive the economy in the country. She said: "Some of the businesses have even failed to raise issues simply because of being afraid of the reprisals or being blacklisted and, therefore, suffering in silence. Even those that have ever appealed against the procurement decision, procurement process would proceed and awards made. This does not help those who appeal because they shall have lost the business and companies see no incentive to make future appeals." The concerns follow an assessment of public procurement system in Malawi carried out from February 24 2018 to seek feedback from the private sector by the Public Procurement and Disposal of Assets Authority (PPDA) with support from the World Bank. According to the assessment findings, which had 150 respondents from the business community, 82 percent of the respondents consider that there are inadequate opportunities for qualified companies to compete fairly for contracts with 73 percent of the respondents feeling that the complaints review system is not trustworthy and consistent with findings of the case. A 2014 research by the Centre for Social Research also found that 20 percent of all procurement contracts with government involve gratification where 11 percent of the cost of the contract is paid to secure it while at the same time demanding businesses to forfeit 10 percent of the value of invoices to be paid. In Malawi, public procurement is regulated by an Act of Parliament, Public Procurement Act 2003, which has now been replaced by the Public Procurement and Disposal Act 2017.