

Practical challenges of transparency in Malawi

1. How transparency can help
2. Perceptions of corruption in Malawi
3. Construction Sector Transparency Initiative (CoST)
4. Looking ahead

Q&A and discussion

1. How transparency can help

What drives good performance in construction procurement?

Accountability

Makes it happen

Capacity

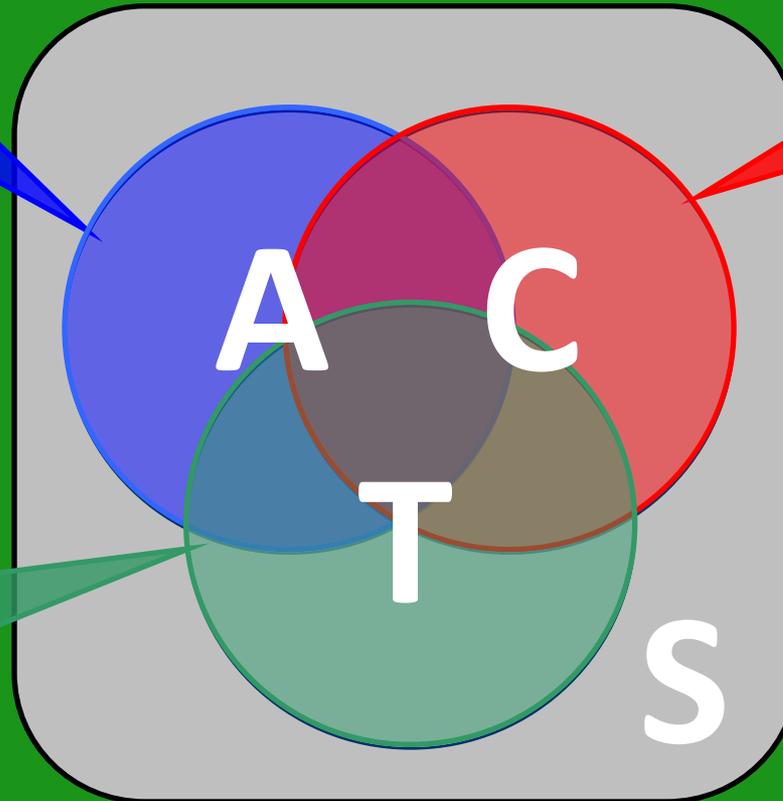
Makes it possible

Trust

Makes it flourish

Enabling institutional
and legal **Setting**

Allows it to continue



Finance, staff and equipment

Operating Procedures

Skills and experience

Shared values and vision

Mutual trust between stakeholders

Confidence in fair contracts and procurement

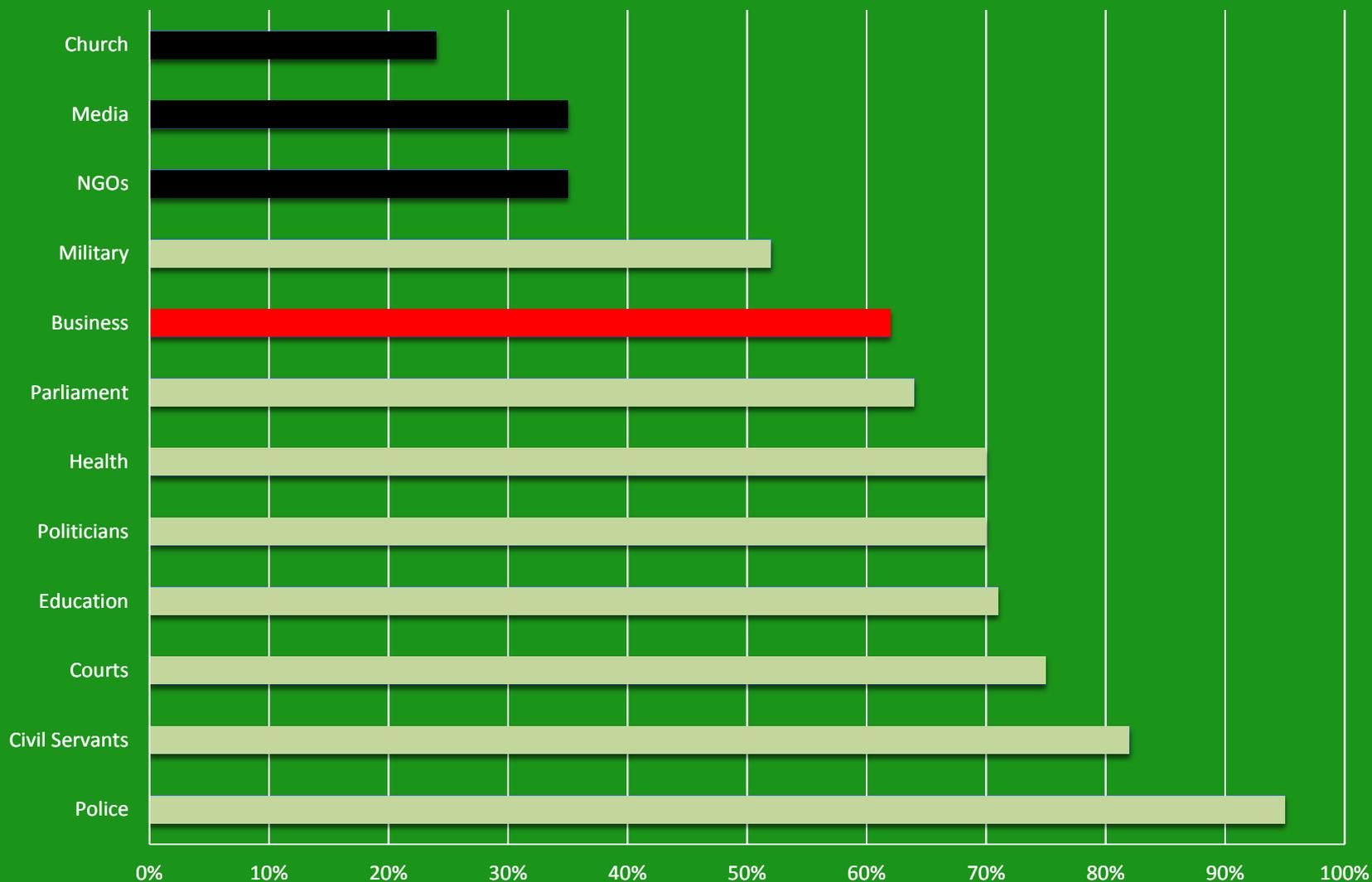
Institutional clarity

Rule of law applied fairly

Merit-based pay & promotion

2. Perceptions of corruption in Malawi

Perceived as being corrupt/extremely corrupt



3. Features of CoST

□ Credible Multi-stakeholder Group (MSG).

The CoST Malawi MSG includes representation from Government and:

Civil Society, including

- Malawi Economic Justice Network;
- Human Rights Consultative Committee;
- African Institute of Corporate Citizenship; and
- National Media Institute of Southern Africa.

Industry

- Malawi Building, Civil and Allied Trades Association; and
- Business Action Against Corruption.

□ Public Disclosure of data about construction projects; and

□ Associated Assurance function.

Benefits of CoST to MSG stakeholders



GOVERNMENT

- Efficient public spending
- Better services
- Investment environment
- Public confidence
- Political reputation



CIVIL SOCIETY

- Value from tax revenue
- Better services
- Public involvement
- Improved accountability
- Safer built environment



INDUSTRY

- Business environment
- Reduction in risk
- Return on investments
- Fair competition
- Contract award on price and quality

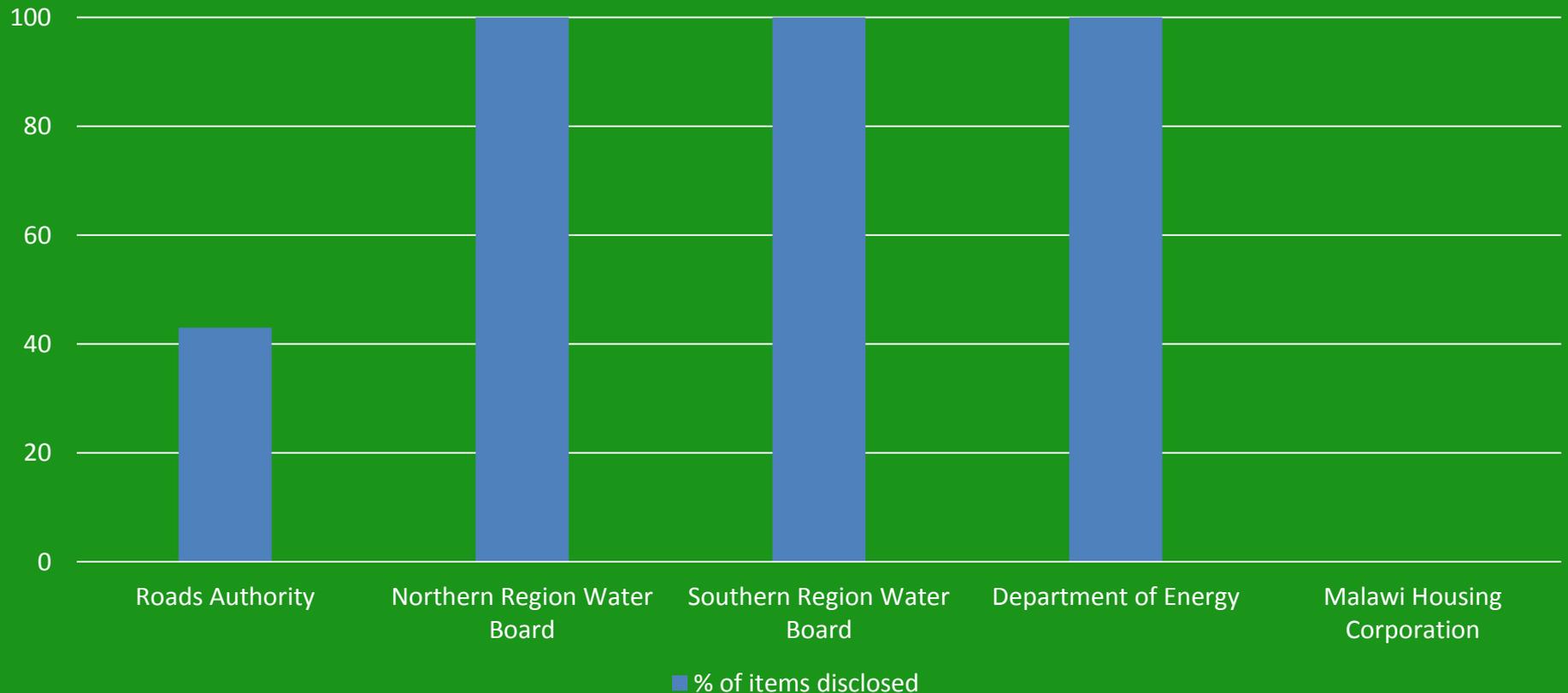
Proactive disclosure: CoST Standard

1. Project phase	Project information
Project Identification	<ul style="list-style-type: none"> Project owner Sector, subsector Project name Project Location Purpose Project description
Project Preparation	<ul style="list-style-type: none"> Project Scope (main output) Environmental impact Land and settlement impact Contact details Funding sources Project Budget Project budget approval date
Project Completion	<ul style="list-style-type: none"> Project status (current) Completion cost (projected) Completion date (projected) Scope at completion (projected) Reasons for project changes Reference to audit and evaluation reports

2. Contract phase	Contract information
Tender management	<ul style="list-style-type: none"> Procuring entity Procuring entity contact details Procurement process Contract type Contract status (current) Number of firms tendering Cost estimate Contract administration entity Contract title Contract firm(s) Contract price Contract scope of work Contract start date and duration
Implementation	<ul style="list-style-type: none"> Variation to contract price Escalation of contract price Variation to contract duration Variation to contract scope Reasons for price changes Reasons for scope and duration changes

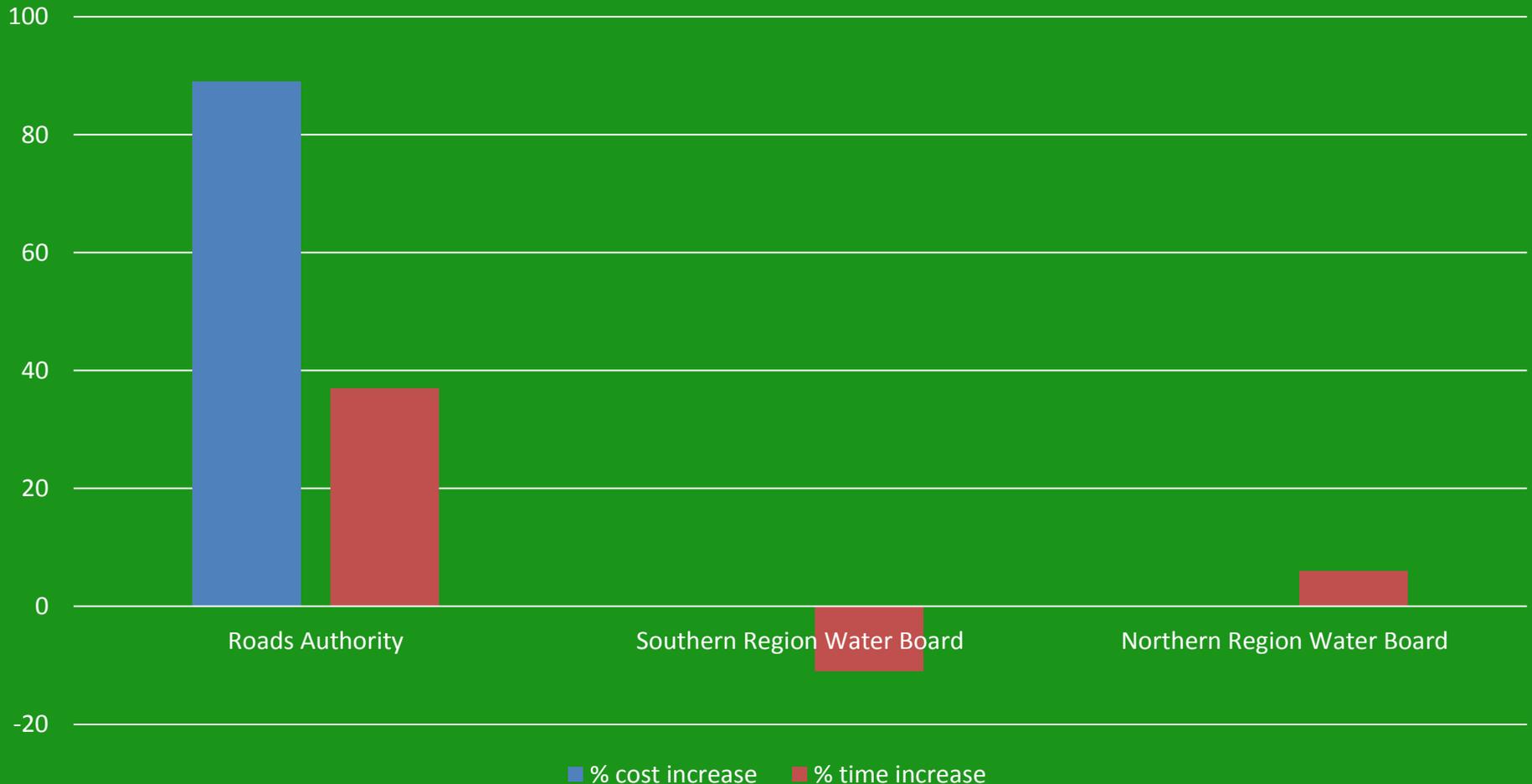
2014 Assurance Report: Disclosure achieved

Percentage of information items disclosed from 28 projects



2014 Assurance Report: Performance issues

Common performance issues identified



2014 Assurance Report: Public awareness

- Feature on CoST broadcast by Zodiak radio



262% cost overrun on the Nkhotakota - Msulira Road.



Media & Procuring Entity Awards

4. Looking ahead

- Potential partnership with Kalondolondo community based infrastructure programme;
- Planned amendment to Public Procurement Act to include a Formal Disclosure Requirement
- Opportunities associated with publication of further Cashgate reports; while
- Managing expectations.

Links & Resources

www.costmalawi.org

www.open-contracting.org



Q&A and discussion