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FOR IMMEDIATE RELEASE

STATEMENT ON CONTINUED STATE CAPTURE AND SERIOUS ORGANISED CORRUPTION IN MALAWI: CALL FOR ACTION

The Alliance Against Corruption would like to register its dismay and discontent over recent revelations that the government awarded a contract to provide technical support supervision and management of the Kam’mwamba Coal fired Power Generation Project in Neno worth MK7.8 billion to a non-existent contractor Black and Veach Company. The revelations are worrisome considering that it is now widely known that one of the key routes of corruption in Malawi is public procurement. This is evident in the high number of corruption cases related to public procurement. The country is still feeling the effects of the 2013 ‘cash gate’ corruption scandal in which up to US$250 million of taxpayers’ money was lost through fraudulent payments to private contractors for services that were not rendered. Currently, there are numerous alleged cases of procurement-related corruption in Malawi involving public institutions, including Tractor gate, ESCOM fuel-gate, MACRA-gate, the Police food ration-gate, Immigration Uniform-gate, just to mention a few.

What is heartbreaking in most of these cases is the role played by the Office of the Public Procurement and Disposal of Assets Authority (PPDA). As the Alliance, and without sufficient transparency to allow us to conclude otherwise, we suspect collusion between the PPDA and procuring entities. All these deals go through the ‘No Objection’ regime. The recent case in point is just one of many cases where the PPDA has colluded with procuring entities to defraud the public. The awarded company does not appear on PPDA’s approved list of companies to be awarded contracts, as such a route of ‘no objection’ should not apply. Its high time the PPDA was held accountable and this ‘No Objection’ regime was revisited.

The Alliance strongly challenges the PPDA to explain to Malawians how it reached its decision to award a contract to company that is nonexistent. We also call upon the Anti-Corruption Bureau (ACB) to seriously investigate this case as a matter of urgency. The ACB must exercise its mandate without fear or favour. For the nation to make progress, the fight against corruption needs to be taken seriously. Where corruption flourishes, there can never be any progress in all sectors of the society.

As an Alliance, we are also disturbed by rumours that the ‘ghost’ company in question is linked to some politically connected persons who might have benefited from the proceeds of the contract. We challenge
the alleged persons to come clean on this allegation and assure Malawians that they are not in any way involved in this criminal enterprise.

In the same vein, the Alliance is also deeply concerned about the continued plunder of public resources through dubious compensation claims being filed by big companies with links to the ruling elite. It is worrisome that within a space of one year, the country has witnessed various companies such as African Commercial Agency, Reliance Trading Company Companies and Khato Civils claiming huge compensation sums of money (MK53 and MK57 Billion respectively) for services that remain questionable and suspicious.

Malawi remains one of the poorest countries in the world, despite not being host to violent conflict internally or with its neighbours. This, in part, is a result of widespread corruption and weak governance that steals and squanders resources meant for the nation's development. Sadly, in all these incidences of corruption the government has given only empty assurances to address the vice but fails to show any substance in tackling the issue seriously. While we commend the state for moving on acting swiftly to prosecute cash gate culprits involved in the dubbed 2013 cash gate, we call upon the government to bring to book all senior government officials involved in the plunder of public resources including the recent corruption cases. As an alliance, we believe that no one is more Malawian than the other as human rights are equal and non-discriminatory when it comes to economic enjoyment.

Going forward, the alliance calls upon:

1. The ACB to act swiftly to investigate the ghost contracts being suspected to be tendered illegally. All individuals involved in the award of the ghost contract must also be investigated.
2. The PPDA to explain to Malawians how the alleged companies got awarded contracts while not appearing on approved list.
3. All Malawians, to be vigilant and guard against serious and organised corruption by the state machinery.

As an alliance, we will continue to fight the good cause to address serious and organized corruption.

Signed by:

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CHRR    Malawi Law Society    Youth and Society    Church and Society