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REPUBLIC OF NAMIBIA

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## ANTI-CORRUPTION COMMISSION

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**ADDRESS BY PAULUS K. NOA, DIRECTOR-GENERAL OF ACC AT THE 2<sup>nd</sup>  
JOINT ALAN AGM AND 7<sup>TH</sup> AMICAALL ANNUAL PARTNERS ORIENTATION  
CONFERENCE, 18-20 OCTOBER 2018, WALVIS BAY**

**Director of Proceedings;**  
**His Worship the Mayor of Walvis Bay and Mayors of other Towns present;**  
**Honourable Chairpersons of Management Committees;**  
**Honourable Councillors;**  
**Esteemed Participants;**  
**Members of the Media;**  
**Ladies and Gentlemen**

Allow me to first express my sincere appreciation for the invitation to address this important gathering. The topic of my address is on “How to Curb Corruption in the Local Authorities”. Fighting corruption in Namibia does no longer need any introduction. It is a policy commitment of our Government to uphold values of good governance through the prevention and fight against corruption in all spheres of society. Fighting corruption, particularly at local authority level, is the most sustainable path to economic growth, employment creation and proper basic service delivery. Corruption and socio-economic growth do not go together.

It is therefore no surprise that the African Union 30<sup>th</sup> Ordinary Session of the Assembly of Heads of State and Government deemed it fit to declare 2018 the African Year against Corruption under the theme, “**Winning the fight against corruption: A sustainable Path to Africa’s Transformation**”. This is done with the objective to draw the continent’s attention to the reality that we can only realize our aspirations of Africa we want, if we make the fight against corruption one of the first priorities.

Good governance systems at local authority level is critical to development. It is at the local authority level that people at grassroot level have and are provided an opportunity to participate in decision making processes and become owners of the decisions that govern their lives. While some positive developments made by some local authorities must be applauded, there have been undesirable reports of conflict of interest, corruption in the form of favouritism, nepotism, theft and fraud involving public officials of some local authorities. This include as well pure maladministration and mismanagement of public resources by the management and political leadership of local authorities.

These reports when they get into public domain, result in the public perceiving that all the officials and the elected local authority leaders cannot be trusted. In the public perception, they are all corrupt.

### **What is conflict of interest?**

Controversial decisions that are clouded in conflict of interest have long term repercussion over the management of a local authority. Conflict of interest takes different shapes, just like corruption does. In a nutshell, conflict of interest may be defined as “Any financial or other private interest or undertaking that could directly or indirectly compromise the performance of the public officer’s duties or the reputation of a public officer’s office in its relationship with its stakeholders”. In other words, it is a situation in which a public officer has a private interest which influences or appears to influence a public decision.

It is a conflict between the public interest and the private interest of the public officer in which the public officer’s private interest could improperly influence the performance/decision of his official duties and responsibilities.

Personal interest include both property and other interests of a public officer, his family, relatives, friends and associations to which he belongs.

Conflict of interest has to do with lack of ethics.

### **Examples of conflicts of interest in the Public Sector**

- Holding public office as well as private business interests and using your public position to benefit your private interests;
- Influencing tender processes so that your family members or friends are awarded state contracts;
- Abusing your position within a local authority department to ensure your friends or family members are hired into the same department;

- Accepting bribes in order to disclose confidential information about the local authority department that you work for;
- Tendering for a municipal contract when you are an employee or elected councilor of the municipality without complying with the laid procedure on conflict of interest.

The cited scenario makes it clear that conflict of interest results not only in administrative wrongdoings but may also constitute a criminal act of corruption. Some of the defined offences of corrupt practices under the Anti-Corruption Act, 2003 (Act No 8 of 2003) contain elements of conflict of interest. To give one example, section 43(1) provides, “A public officer commits an offence who, directly or indirectly, corruptly uses his or her office or position in a public body to obtain any gratification, whether for the benefit of himself or herself or any other person. The term gratification is extensively defined to include elements of conflict of interest.

### **How corruption is defined?**

There is a correlation between conflict of interest and corruption. Conflict of interest breeds corruption in the end. Hence corruption is defined as “the misuse of public power, office and authority for private gain.” The Word Bank defines corruption as” an abuse of public office for private gain.”

According to Transparency International, “Corruption involves behavior on the part of officials in the public sector, whether politicians or civil servants in which they improperly and unlawfully enrich themselves, or those close to them, by the misuse of the public power entrusted to them.

Lack of ethics in management and decision making is what breeds systematic and procedurally “legalized” corruption. Elements of conflict of interest manifest themselves when a decision to award a tender to company A is taken by a “properly” constituted body yet the decision has been already caucused outside the meeting.

Decisions are at times taken with corrupt conscience, knowing very well that if they are investigated they will claim that there was a quorum at the meeting and that was the decision

of the tender committee. Sometimes, those who are known to be too critical and troublesome during these meetings are sidelined from attending.

Conflict of interest and corruption can seriously constrain development whether at the national or local authority level. The effects may be long term. Corruption affects people's daily lives, whereby services are no longer provided as it ought to be. With conflict of interest and corruption substandard amenities are provided or not provided at all, because resources are misappropriated for self-enrichment.

The bedrock for local authorities' prosperity in economic development and up to standard service delivery to the residents is good governance. Good governance is built on the principles of transparency and accountability.

Democracy entails participatory governance which manifests ethics and moral values in leadership and management. Good governance entails respect for rule of law, transparency, accountability and justice inclusive of social justice. Social justice should serve as a bottom line for local authorities in their quest to provide equitable delivery of services to all, particularly the needy ones.

ACC, since its establishment, has investigated many allegations of conflict of interest and corruption against local authorities across the country. ACC investigations reveal that some of the common factors which contribute to conflict of interest or corruption are:

- a lack of transparency and accountability in decision making;
- poor management of local authorities (share lax in management);
- poor interaction between councilors and managers/employees of the council;
- policies not well defined and understood by the councilors or employees;
- bully attitude of some councilors towards the management;
- lack of regular training of employees on the policies;

- lack of proper induction of the councilors to be well acquainted with their powers and limitations;
- lack of adequate enforcement of the code of conducts;
- lack of policies on the declaration of conflict of interest during meetings on planning, tendering, procurement and interviewing for employment;
- lack of conflict of interest framework or framework not well-defined;
- lack of workplace culture and environment that will not tolerate dishonest and corruption;
- lack of risk assessment system that helps to detect conflict of interest, fraud and corruption.

The most common allegations of corruption concerning conflict of interest relate to tenders where employees fails to declare conflict of interest and put forward their disguised companies and motivate for the awarding of the tenders to such companies in which they have interest. At times the prices are inflated with full assurance that the tender will be awarded to a preferred contractor.

Employees sitting in interview panel without declaring conflict of interest while fully aware that some candidates to be interviewed are related to them or their close friends. Recommendation in favour of candidates who do not meet the requirements. Certification for substandard work done in exchange for bribery. Provision of inside information to a preferred company in exchange for gratification. Omission to conduct proper inspection and collusion with middleman in exchange for payments under the table. The exercise is not only costly but it results in the ratepayers paying lot of money for substandard work done.

Allegations that members of the bid committee have established companies that are registered in the names of extended relatives and friends. They conduct business with the local authorities through these companies.

## What you must not do

- Do not bid for local authority contracts if you are employed by the same authority unless you have prior permission to do so;
- Do not engage in outside remunerative work without prior approval;
- Do not engage in activities that may compromise your performance in your official capacity;
- Do not participate in the consideration of tenders if you have interest in the tender under consideration.

The public's expectations from both Councilors and Officials of Local Authorities are the following:

- exercise utmost good faith, honesty and integrity in all your dealings on behalf of the local authorities you are serving and not to do things in the darkness to benefit individuals who are related to you or in business partnership with you;
- exercise the degree of skills and care at all times during your terms of office;
- possess general knowledge or understanding of the local authorities laws, regulations and policies if you are to take critical decisions that benefit the ratepayers you serve and the public at large;
- always act with clear conscience and ethical principles in the best interest of the public you serve;
- avoid conflict of interest;
- No discussions in the darkness or behind closed doors;
- be up to date with information about the operations of the local authorities;
- exercise diligence in discharging your duties;

- critically question the recommendation made by the Chief Executive Officer or the influential comments by the Chairperson of the Management Committee. In other words, stand ready to disagree with your colleagues because you are informed by principles and not driven by benefits (sitting allowance).
- exercise leadership in a transparent, accountable and responsible way;
- comply with the legal framework and procedures;
- do not interfere with the daily work of management unless there is good cause to do so;
- have a proper control of executive remuneration which is informed by the approved policy of the local authority; and
- avoid the corrupt practice of “I scratch your back, you scratch mine”.

Always remember, one or two scandals of corruption involving conflict of interest, mismanagement of public resources and disappearance of public funds is enough for the public to perceive all local authorities’ leadership as being corrupt. When such mismanagement of resources occurs actions must be immediately taken against the culprits to demonstrate the disapproval of such conducts.

But when the public sees those who are accused of conflict of interest and maladministration being elevated to higher positions without being subjected to administrative justice, they start losing confidence in the leadership and management of public institutions.

### **Leadership starts with political party election manifesto**

Councilors are elected in positions of trust. Many of the councilors were elected by way of political party list. Political parties have election manifesto in which principles of good governance are outlined. Political parties introduce their candidates to the electorate and make commitment to the electorate that their candidates, if elected to form the governing body of the local authority, will bring development to such town and will not tolerate corruption.

We urge leadership of political parties to live by the promise they make to the electorate.

Political party leadership must always call the elected councilors to own and account for the mismanagement of local authorities entrusted to them. Even if it takes the suspected wrongdoer's suspension or removal.

In the same vein, councilors as a governing body has a fiduciary duty to ensure that local authorities are managed properly. The Council must hold the executive managers and administrators to account for the daily management of the affairs of the local authorities. Above all, Namibia is a rule of law country, therefore in every action being taken laws and rules of procedure must be upheld.

Finally, we must all manifest a spirit of patriotism with one common goal of commitment to national development. Greed and selfish interests must be set aside. In the course of public service delivery, let public interests be foremost.

I thank you