

**WORKSHOP TO DEVELOP STRATEGIES FOR A  
NATIONAL PROGRAMME ON GOVERNANCE  
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**AN ANTI-CORRUPTION AND TRANSPARENCY  
ACTION PLAN FOR CENTRAL AND  
LOCAL GOVERNMENT**

By:

***Edward G. Hoseah***  
Director,  
Prevention of Corruption Bureau  
President's Office  
Dar es Salaam

# **AN ANTI-CORRUPTION AND TRANSPARENCY ACTION PLAN FOR THE CENTRAL AND LOCAL GOVERNMENT.**

## **INTRODUCTION**

The policy of the Government is to make corruption a high-risk undertaking. The Government is committed to containing corruption in all sectors, both private and public.

The Government realizes that corruption causes insecurity and erodes the integrity of our nation. Corruption is an inroad to democracy and undermines the rule of law. It thwarts development and hence diminishes self reliance.

Successful action against corruption must be based on sustained efforts by the Government which is committed to combat the phenomenon in all its manifestations. Such action entails a culture of accountability, transparency, competence and integrity in public life. Greater awareness of and sensitivity to the deleterious effects of corruption on economic, social and political development will be relevant to the formulation and sustainability of such commitment.

Institutions which are important in this programme for the prevention and control of corruption include:

- a) An effective and fair Judiciary which utilizes all available tools for the investigation and prosecution of corrupt practices;
- b) Adequately trained and remunerated personnel in the Prevention of Corruption Bureau, auditing, and monitoring bodies with the highest standards of professionalism and integrity;
- c) An effective Ombudsman and Ethics Commissioner.
- d) A professional Police Force and an impartial Director of Public Prosecution (DPP).
- e) A free, fair and attentive press.

Action against corruption also requires review of Act no. 16 of 1971 (Prevention of Corruption law) and regulatory legislation to ensure that there is in place an effective and comprehensive piece of legislation which facilitates the prevention, detection, deterrence, prosecution of offenders and adjudication of corruption cases, fully taking into account the evolving nature of corruption and its various manifestations. These legislative measures should also be geared towards addressing the increasingly transnational character of the phenomenon.

Further, solid action against corruption requires the active involvement and participation of the civil society. This is a vital aspect in that public attitudes and perceptions of corruption are changed, and where necessary to inculcate and instill a culture of legality as the basis of the sustainability and success of measures to prevent and control corruption. Programs geared to prevent and eradicate corruption would inevitably involve the public and its support at all levels. And above all, the strengthening, modernising and equipping the Prevention of Corruption Bureau with all necessary resources both in terms of logistics and manpower is crucial.

#### **1. GOVERNMENT POLICY.**

The Government policy to combat corruption is contained in the 1995 CCM Election manifesto. Corruption has been recognised as the number one enemy and the party is aware of the magnitude of the problem in the country. The Government has vowed to intensify the battle against corruption in the following ways: -

- Respecting the Rule of law, good governance, promotion of good ethical leadership within its ranks and agencies.
- Strengthening the Judicial system so that justice is neither sold nor bought.
- Having Protection Programmes for cooperative witnesses and whistle blowers.
- Transparency in tendering and in government procurement contracts.

- An effective and friendly immigration agency, port, custom and excise services.
- A Government that is zero-tolerant to corruption.
- Building, promoting and safeguarding a culture of self and collective responsibility in the fight against corruption.
- Reinforcing the policy and sharpening the legal framework that will prevent corruption.
- Strengthening the Prevention of Corruption Bureau, the Police, Ethics Secretariat and PCE.
- Promoting the interface between the civil society and the Government in a partnership to fight corruption.
- Transparency, integrity and accountability are virtues of Government and necessary pillars to combat corruption.

## **ACTION PLAN**

### **1 Background**

Serious efforts to develop an action plan to fight corruption started way back in 1966 by establishing the office of an Ombudsman (PCE), the first of its kind in Africa. The aim was to check abuse of power by Government officials and their agencies. This was followed by the establishment of an Anti-Corruption Squad in 1975 after the legislature had enacted Act no. 16 of 1971 - the Prevention of Corruption Act.

In 1983, due to economic difficulties in the country, the tide of crime escalated sharply and organized crime became rampant. The Parliament passed a law known as the 1983 Economic Sabotage Act which was, however, short-lived. The Economic and Organized Crimes Control Act of 1984 repealed the 1983 Economic Sabotage Act. This later law incorporated offences under the Prevention of Corruption Act as economic offences.

In 1985, the legislature enacted another law (Act no. 1 of 1985) known as the Leadership Code of Ethics. This law

was intended to curb improper conduct of public leaders at the high echelon. All these measures demonstrate that the Government had to use the Parliament to enact laws to enforce certain moral conduct accepted by the Tanzanian society; yet corruption continued to be on the increase.

## **2.2 Government's Overall Goal**

The ultimate Government aim in combating corruption is to make corruption a high-risk undertaking. The Government has conceived short, medium and long term strategies to tackle the problem in our society. The Minister of State, President's Office (Good Governance) will coordinate these efforts, working closely with all stake holders.

## **2.3 SHORT TERM PLAN**

The Government has taken and will continue to take the following 14 steps, in its short term plan (January – December 1999)

### **i) Action on reports of corruption.**

The Government through the Prevention of Corruption Bureau (PCB) has taken and continues to take necessary measures for the prevention of corruption in both the public and private sectors; continues to investigate and subject to the DPP's fiat, prosecute cases of corruption and where appropriate advise public institutions on necessary measures to plug in corruption loopholes.

### **ii) Enhanced coordination between an-anti corruption institutions.**

The Auditor and Controller-General and the Parliamentary Committee have started sending cases involving corruption to the PCB, and on abuse of office to the Ethics Secretariat and Ombudsman. The Government is taking an inventory of all reported cases of corruption an abuse of office and will submit them to the PCB for their necessary action.

### **iii) Grand Corruption.**

The PCB has, as a matter of policy, put emphasis on cases with a public interest and by March 1999, the following institutions have featured prominently in grand-corruption investigations:

- Ministry of Lands (Real Estate and title deeds racketeering)
- Tanzania Revenue Authority (Transit Petroleum Products by Multinational Corporations)
- The Food Security Department, Ministry of Agriculture.
- Independent Power Tanzania Limited (IPTL).
- Integrated Road Project: Tendering and Procurements.
- National Bank of Commerce (NBC) 1997 (loan defaulters)

### **iv) Anti Bribery Pledge.**

PCB has recommended to the Government through the Ministry of Foreign Affairs to request the business community and multinational corporations to subscribe to an anti-bribery pledge in tendering and procurement contracts.

### **v) Political Leaders.**

On 15-16/11/98 the National Executive Council of the Ruling Party, Chama cha Mapinduzi passed a firm resolution that each NEC member should declare in public all of his /her assets to restore the fading confidence of the public in their leaders. Most of the NEC members have publicly declared their assets by February 1999.

### **vi) Procurement.**

The Exchequer and Audit Ordinance, Cap. 439 is undergoing review and a Bill has been drafted to improve and restore transparency and accountability in regulating public procurement of works, service and supplies.

**vii) Public Finance (Tender Boards) Regulations.**

Also the Public Finance (Tender Boards) Regulations has been drafted . The Bill is expected to be tabled to Parliament by October 1999.

**viii) Leadership code of Ethics (Act no. 1 of 1985).**

A Bill has been drafted which knocks down all glaring anomalies and inconsistencies within the enactment. The new Bill is intended to include the enhanced provisions against conflict of interest, declaration of assets and disclosures to the general public. A Bill is expected to be tabled to Parliament after the budget session.

**ix) PCB's Offices.**

In efforts to extend services of the PCB to the general public and other users, the government has enabled the PCB to open up an office in each region making a total of 20 new offices being established by April 1999. Regional Chiefs have been appointed and Regional Commissioners are required to provide them with necessary office space and accommodation for effective take off of PCB functions at the regional level.

**x) Civil Service.**

The Civil Service Regulations are undergoing review and before the end of December 1999, an amendment will provide for the establishment of the office of an Ethics Inspector of the civil service.

**xi) Civil Service Pension Scheme.**

A Civil Service Pension Scheme has been enacted in February 1999 which has introduced a pension scheme for retirees with an increment of an average of 75% in real civil service salaries terms as introduced in 1996.

**xii) TRA**

Under the Tanzania Tax Administration Programmes (TRA) supported by the World Bank and the Donor community. TRA will undergo reforms in order to raise the government revenue by improving its legal framework, broadening the tax base and improving the administrative infrastructure.

**xiii) ASYCUDA**

The Automated System for Customs Data Management (ASYCUDA) will facilitate the speedy clearance of goods than ever before. This system will also help to monitor tax evasion in the transit goods to the neighboring Countries.

**xiv) Tariff Harmonization**

As from 1<sup>st</sup> January 1999, there is a tariff harmonization in Tanzania Mainland and Tanzania - Zanzibar.

**3. MEDIUM TERM PLAN**

The medium term period strategy covers an estimated duration of three years commencing January 2000 to December 2003. It will supplement and develop on the short term measures as previously outlined and co-ordinate interaction between Government anti-corruption agencies viz PCB, Judiciary, Police, Ethics Secretariat, PCE, DPP.

- Empowering and capacity building of institutions fighting corruption.
- Interface between government anti-corruption agencies, civil society and the international agencies.
- Mobilization, sensitization and fostering support of the general public in the fight against corruption.
- Inculcating a new culture of anti-corruption and integrity.
- Developing a mechanism to monitor and evaluate the anti-corruption activities by the Government and the civil society.



3.1 The Government, through its various agencies entrusted with the fight against corruption, shall integrate their efforts and release their full potential of both short and medium term action plans according to the available resources in ensuring full utilization and realization of its objectives.

### 3.1.1 The PCB

- The PCB will emphasize on preventive measures rather than curative ones.
- The Department of Community Education shall prepare and launch out-reach programs that will inform the general public through the media of the negative effects of corruption to the economy, the social and political life of the nation in general.
- The Department of Research and Statistics shall carry out scientific research in different areas severely affected by corruption and come up with practical and verifiable suggestions to plug in corruption loopholes. Data shall be developed, stored, processed and retrieved for analytical summations.

### 3.1.2 Ethics Secretariat et al.

- The Ethics Secretariat shall jointly run public programmes with the PCB to disseminate societal values to the youth. The Ministry of Education, the Police, the Judiciary, PCE shall also participate in similar programs from time to time.
- The Judiciary shall cause to dispose of criminal cases expeditiously not later than the end of June 2000. The ADR programs shall be in place country wide to supplement the adversarial system of litigation.

### **3.1.3 Expeditious disposition of Corruption Cases.**

The government shall cause to review Act no 16 of 1971, the Criminal Procedure Act, 1985; the Magistrates Court Act, the Economic and Organized Crime Control Act and harmonize them to expedite the handling of corruption cases and abuse of office.

### **3.1.4 Pending Corruption cases.**

The PCB and DPP'S office have to complete investigation of all reported corruption cases within a period not exceeding 12 months and prosecute those cases where evidence is compelling. There is an urgent need to review the DPP's fiat to prosecute corruption cases, particularly those involving petty-corruption.

### **3.1.5 Auditor and Controller- General**

- There shall be an auditor to audit the Auditor-and controller-General's office on a regular basis by the end of every financial year and cause its report to be tabled before Parliament for debate and scrutiny.
- The Auditor-General's annual report shall be made public through the media and where corruption and abuse of office are so evident, the PCB and other agencies shall take their cause.

### **3.1.6 Ministry of Finance.**

All contracts of significant cost between the government and donor/other agencies shall be publicized through the media and the minister of

- (a) i) Provisions relating to the private sector requiring declaration by company managers and persons exercising managerial powers to declare in writing to the auditor of the company any illicit payments and receipts of illicit payments by the company or any representative of the company;
  - ii) Payments or receipts of commissions whose amount is disproportionate to the services rendered in their spheres of responsibilities.
  - iii) Irregular accounting practices in the company occasioned by transactions falling within their sphere of responsibilities.
  - iv) Irregular accounting practices in the company.
- (b) i) Prohibition of gifts from foreign private individuals, political parties, and from persons in public office abroad unless given by duly identified persons and by the issuance of receipts detached from receipt books with numbered stubs bearing the stamp of the political party or group or the trade union, together with the signature of a duly authorized person for that purpose by such party, group or union.
- Gifts with a value greater than a specified amount must be paid by cheque.
- ii) Payments whose legitimacy is not proven shall be liable to tax on profits, whatever the form or place of payment.
- (c) Fixing a ceiling on electoral expenditure which a candidate may commit himself during an election campaign shall be established.
- (d) The awarding of public works, supply and service contracts shall be subject to transparent procedures

allowing a number of bids to be made concurrently and ensuring treatment of candidates on a basis of fairness and equality.

The awarding of such contracts with a value of great than  $x$  - should be subject to scrutiny by the PCB Board established under title....

- (e) The issuance of authorizations for the establishment of extension of industrial or commercial enterprises comprising a surface area, including annexes, greater than  $x - m^2$  should be subject to stringent and transparent procedures.

Such authorization should also be subject scrutiny by the PCB board established under title....

- ) **Special investigation techniques.**  
For purposes of gathering evidence on commission of corruption or identification of perpetrators, Judicial officers may, for a specific period, order;
- 1) The monitoring of and placing under surveillance or tapping of suspects' telephone lines.
  - 2) Access to computer systems.
  - 3) The production of any notarial or private deeds or of any bank, financial or commercial records, if there is compelling evidence to indicate that such accounts, telephones lines or computer systems are or may be used by persons suspected of being involved in corruption, or if such deeds or records are or may be connected with an act of corruption.
- (g) Bank secrecy and professional secrecy on the part of financial intermediaries shall not be invoked in respect of corruption.

**(h) RECIDIVISM**

The penalties laid down in Act no. 16 of 1971 should be enhanced and be doubled for previous offenders under the anti corruption law.

- (i) Any person found guilty of knowingly aiding, abetting facilitating through the provision of means or counseling the commission of any offences under Act no. 16 of 1971 should be liable to the same punishment as the principal perpetrators of the offence.

Corporate entities, other than the state, on whose behalf or for whose benefit any of the offences under Act no. 16 of 1971 or any other relevant law where corrupt transactions are involved, were committed by any of their agents or representatives, should be liable to a fine of a maximum amount equal to five times the fines specified in Act no. 16 of 1971, without prejudice to the conviction of the individuals who perpetrated the offence or who were accessories to it.

Corporate entities additionally may be :-

- a) banned permanently or for a specified period to carry out directly or indirectly, certain business activities.
- b) required to publicise the adverse judgment in the press, by radio or on television.

Any breach of the prohibition laid down in subparagraph (a) above should be punishable by a fine of a certain amount, and/or the liquidation of the corporate entity. The liquidation should not however be applicable to corporate entities governed by public law, or to political parties or groups, or professional associations.