

COMPLIANCE AND DIGITALISATION

HOW TECHNOLOGY CAN FOSTER TRANSPARENCY IN AFRICAN COUNTRIES

A new report on compliance and digitalisation in African countries has been published on behalf of the German Federal Ministry for Economic Cooperation and Development as part of its Strategic Partnership Digital Africa in cooperation with the Alliance for Integrity.

Here is a brief overview:

- Countries that move from paper-based procurement to an **electronic procurement system can see efficiency gains of more than 10 percent of the procurement volume** – if done right. By moving public contracting online, African governments could potentially save billions of Euros each year, while at the same time stimulating a competitive business environment and enabling citizens to monitor the use of public resources and the implementation of government projects.
- **Corruption risks around public procurement and opportunities to promote integrity and transparency through digitalisation are at the centre of this report**, which primarily focusses on developments and initiatives in **Ghana and Kenya**.
- The report looks at **lessons to be learned** from procurement and e-government reforms that have been implemented in Kenya, that can inform planned reforms elsewhere – including in Ghana, where the Alliance for Integrity is promoting a business-driven, multi-stakeholder approach, seeking to improve transparency and integrity in the economic system.
- To ensure that procurement contributes to higher levels of trust in the integrity of public contracting and to reduce corruption risks, **it is crucial to provide the public with timely and comprehensive access to contracting information**, this study concludes. Ghana and Kenya, alongside Liberia, Sierra Leone and Nigeria, are the first African countries that have already committed to implement the so-called open contracting principles.
- **Ghana and Kenya** have also been **among the first countries in Africa to introduce legal requirements for companies to report their beneficial owners** to a central register. Easy online access to national company registers and information on ultimate owners of companies – which, in both countries, has yet to be implemented – will allow the private sector to better manage risk exposure and more easily carry out due diligence on partners and clients. Transparency of beneficial company ownership will also help to identify potential conflicts of interests of government officials. It also enables the public to see who benefits from government contracts. Furthermore, it **facilitates international efforts to recover stolen assets**.



Read the full report:

www.allianceforintegrity.org/wAssets/docs/publications/Own-Publications/Compliance_and_Digitalisation.pdf

- The **report describes several technology-enabled efforts that help to foster government transparency**, including digital platforms to manage whistleblowers and citizen complaints in Kenya and projects that make the budget and government projects more accessible to citizens in Nigeria.
- The **study also takes stock of applications of the blockchain technology that are currently being piloted** and describes the rise and **impact of mobile payment systems**. In Kenya, the SMS-based payment system M-Pesa is used by 96 percent of all households – who not only gain access to financial services, but may now also be able to avoid situations where they might be asked to pay a bribe.