

In light of the findings of this study, TI Z recommends the following:

- Corporate structures should be transparent including the public and transparent disclosure of all subsidiaries
- Companies should undertake due diligence as appropriate, in evaluating prospective contractors and suppliers to ensure that they have effective anti-bribery programmes
- Companies should also make known their anti-bribery policies to contractors and suppliers and contractually require equivalent standards
- Companies should join anti and actively participate in collective anti-corruption initiatives and multi stakeholder processes at the societal level
- Zimbabwe companies should empower whistle-blower who experience or witness bribery and corruption through effective whistle-blower policies and procedures
- The state on the other hand should revise some of its laws such as the Companies Act.
  - The government through its relevant institutions such as the Zimbabwe Investment Authority, Zimbabwe Anti-Corruption Commission inter alia should regularly monitor and assess bribery and corruption risk across companies' entire supply chains



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## NATIONAL BRIBE PAYERS INDEX REPORT 2013



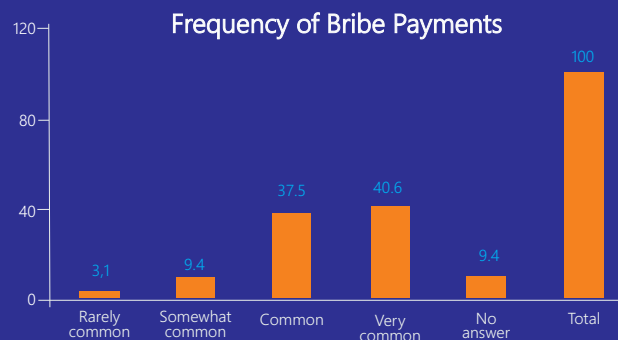
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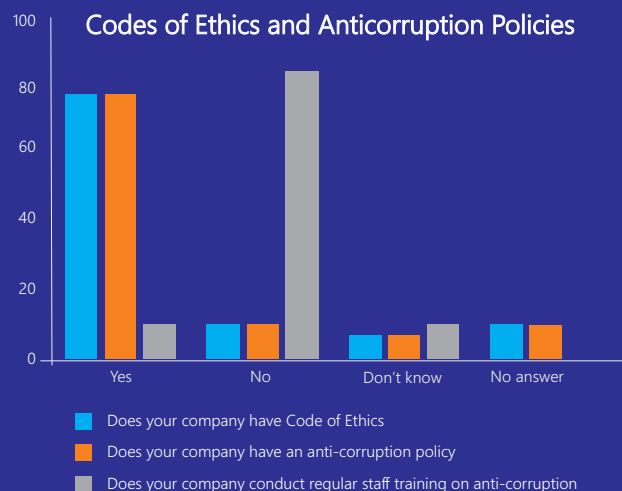
**Deloitte.**

This report on the National Bribe Payers Index (2013) is the 1st report in a series by TI Zimbabwe assessing the state of integrity in the private sector in Zimbabwe. The report brings to fore findings from a survey conducted by Transparency International Zimbabwe (TI Z) in collaboration with Deloitte and Touché. The National Bribe Payers Index is an adaptation of the Bribe Payers Index (BPI) which is conducted by the TI Secretariat. As a research tool the BPI seeks to evaluate the supply side of corruption or the likelihood of firms from the world's more industrialized countries to offer bribes abroad. A bribe is the payment, in money or kind, given to or taken by the state or firm official in a corrupt relationship. It could be in the form of a kickback, sweetener or grease money. Data for this assessment was collected using purposeful sampling from 38 companies in Zimbabwe. Data was also collected through review of secondary data and key informant interviews.

The 2013 National Bribe Payers Index indicates that there is high demand for bribes in the constant business interaction between the private sector players and between the private sector and the state. The findings indicate that there is high demand for or acceptance of bribes by public officials. Most business people told the research team that "one can't do business without bribing someone". It should be noted that tendencies of bribe paying are more common at the tendering or procurement stage and when companies seek clearances and licenses from various state institutions such as Zimbabwe Revenue Authority. The following chart highlights the frequency of bribe paying between the private sector and public officials.

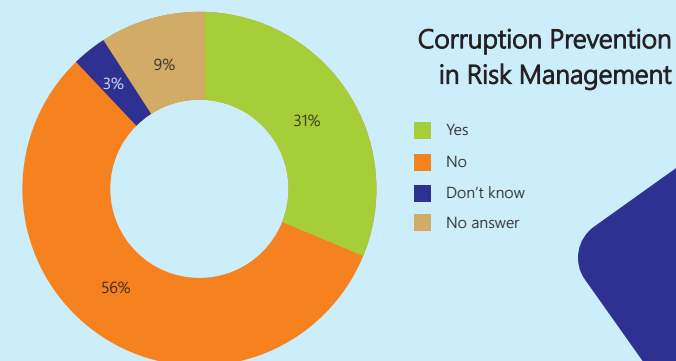


The findings of the 2013 NBPI Report shows that while the majority of firms interviewed have in place codes of ethics and anticorruption policies, however there appears to be a very huge mismatch between having these policies and code of ethics and the regular training on anti-corruption which constitutes the constant reminder and reference to the policies and codes of ethics. The chart below highlights on the mismatch between having anti-corruption policies, codes of ethics and regular training on anti-corruption



Despite the severity of bribery in the business sector and corruption, most firms assessed in this study they don't include corruption prevention their risk management strategy. The data in the chart below indicates that most companies (56.3%) do not have corruption prevention in their risk management strategy. Only a few companies (as highlighted by the Yes responses in the chart below) have

corruption prevention in their risk management strategy. What this is reflective of is that Zimbabwean companies do not appreciate the risk posed by corruption in their operations. This explains why some of these companies are losing money as a result of corruption in the form of fraudulent activities and insider trading deals. They are no mechanism in place to curb corruption as they lack corruption preventative measures in their risk management strategies.



More so the absence of corruption prevention in the risk management strategy of most companies makes it highly unlikely for these companies to have measures in place to protect whistle-blowers. The majority of companies (46.9%) that were assessed in this study, indicated that they do not have measures in place to protect whistle blowers. Lack of protection measures to protect whistle blowers discourages individuals from reporting corruption as a result of fear of victimization and intimidation. While the country has the Whistle-blower Protection fund, that was established by the then RBZ Governor in 2003, its a few people who are aware of this facility.

The study established that most individuals who resort to whistle blowing, they do so through the Tip Off Anonymous facility that is offered by Deloitte. It should be understood that TOA facility is not in every company as participation is voluntary. A few companies (34.4%) in particular the big companies indicated that they measures in place to protect whistle blowers.