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Transparency and accountability in the procurement processes in Zimbabwe:

TOWARDS AN E-PROCUREMENT SYSTEM & FRAMEWORK

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Transparency and accountability in the procurement processes in Zimbabwe:

TOWARDS AN E-PROCUREMENT SYSTEM & FRAMEWORK

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Abstract

This study is aimed at providing input towards the development of an model e-procurement framework/guide for Zimbabwe. The Proposed guide identifies the key success factors for e-procurement and evaluates the extent to which Zimbabwe meets the identified success factors. It also situates the areas and procedures needed to facilitate e-procurement in Zimbabwe, before suggesting how a possible procurement system for Zimbabwe can look like.

The study establishes that there are several key success factors in general that would make it easier for an economy to embrace e-procurement reforms. The availability of Information Communication and Technology (ICT) services in government, especially the basic e-government framework is critical. The legal framework should also be e-procurement conscious and should clearly define the roles and responsibilities of all the key stakeholders in promoting and utilising the e-procurement framework. The commitment to the e-procurement programme by the Executive is one of the main critical determinants of its success. E-procurement reforms can easily fail if the users of the system are acquainted. There is also a need to ensure that the system embraced does not compromise national security by making available some information which ideally should not be in public domain, hence security of data is critical. End users will generally resist changes in business processes that take away their perceived flexibilities, hence there is need to invest in culture changes to generate awareness and buy-in for all stakeholders. The whole programme stands a better chance for success if an e-procurement policy and implementation strategy is developed.

The study also undertakes a review of case studies from four countries: South Korea, Ghana, Rwanda, and Tunisia, with the basis for selecting these countries being similarity in approach with the proposed e-procurement system for Zimbabwe. The case studies reveal some lessons for Zimbabwe, including that strong e-government reforms should precede the launch of e-procurement. All public institutions in Zimbabwe thus need to be having functional websites and should be familiar with online methods in preparation of e-procurement. Technology advancement and spread across all participating institutions was a critical facilitating factor. Legislation amendments are needed to legalise the e-procurement process. Having a procurement legislation that is already cognisant of e-procurement as the case currently in Zimbabwe is a positive step. Partnership and expertise from experienced countries is also necessary. The existence of technical support especially from the World Bank was instrumental in the case of Ghana ad Rwanda, while partnership with South Korean institutions was pivotal in Rwanda and Tunisia. Additionally, inter-agency coordination and use of common standards is also needed. It is important that key government institutions that would matter in e-procurement, such as the Deeds Office, the ZIMRA and the RBZ have inter-coordinated mechanisms in ensuring that a system

where information from them is gathered through a structural facility is possible. The procurement authority should also lead the e-procurement process. In all the countries, the e-procurement is managed by the procurement authority. It is also critical for PRAZ to start developing expertise in designing e-procurement compliant systems which can be leveraged upon when the programme kicks off. Transparency in the whole process also helped, as it enhanced confidence and buy in from all stakeholders.

In a capsule, the study establishes that Zimbabwe has already laid the necessary foundation from the 2017 reforms as the World Bank supported e-GP strategy that has already been consented for implementation. In addition, there are notable advancement in the use of ICT in government institutions, even though the paper-based systems are still in use when it comes to public procurement. However, there are several critical processes which are still necessary, based on both the case studies as well as literature review. These processes include but not limited to the following:

a) Planning and readiness assessment

It is important to determine the level of readiness of the current environment to enhance e-procurement in a sustainable manner. This involves checking whether the current environment is conducive, while also checking whether the pre-requisites are in place. The pre-requisites include the required technologies, the Strategy, the institutional framework, and specific action plan to implement the strategy. Institutional framework includes checking whether there are adequate coordination mechanisms in place.

b) Defining priorities

The private sector and government should agree on the feasible priorities for the adoption of an e-procurement would relevant this is intended to benefit both groups. Therefore its important for government to hold engagement meetings with the private sector to set priorities and agree on functionalities on the system that can minimise costs and efforts to both parties. Engagement with the private sector is also a form of awareness raising, as it is important to get buy-in from all the critical stakeholders when the procurement reforms are eventually established.

c) Developing the system

The technical architecture of the e-procurement must be worked out in advance, even though the technicalities could be constructed by partner experts. It is important that the rules and the regulations that will govern e-procurement as well as the operation of the system be known in advance to enable the necessary preparatory steps. This is to ensure that only systems that would work properly within the country context are adopted.

d) Capacity building

It is also critical that an extensive training programme be extended to every actual and potential user of the system. One advantage of e-procurement is that it makes it easy for SME's to also participate. It is also important that they are trained on how to use the system, together with the public sector officials and other private sector players.

e) Technical partnerships and lessons from other countries

There are already many countries in Africa and beyond that are already at an advanced stage in implementing e-procurement reforms. This also offers and opportunity for Zimbabwe to learn about best practices through staff visits as well as by forging partners from countries that are already at advanced stage in implementing e-procurement reforms.

f) Legislative compliance

Although the Public Procurement and Disposal of Public Assets Act has provisions that allow for e-procurement, legislative compliance extends to all the other legislations which have a bearing on procurement. All these need to be harmonised to ensure that there is inter-agency coordination while also avoiding loopholes that can delay the implementation of e-procurement.

1. Public Procurement Overview

1.1 Introduction

Public procurement in most developing countries constitutes an average of about 5% of the Gross Domestic Product (GDP) as well as about 20% of public expenditure (Chigudu, 2014). Therefore, public procurement forms the cog of public finance management and thus a critical economic anchor. The Public Procurement and Disposal of Public Assets Act [Chapter 22:23] defines procurement activities in Zimbabwe as specific procedural terms which guide the standards for public goods acquisition to foster accountability, transparency, fair tender selection and elimination of patronage. Instructively, public procurement is a process with three distinct cycles, which include the pre-tendering stage (involving needs assessment, planning and budgeting issues, definition of the requirements and skills needed, and choice of procedures to be followed); the tendering stage (invitation to tender, conducting evaluations and awarding of contract); and the post-tendering stage (contract management, order and payment) (OECD, 2009).

It is due to the huge amounts of resources involved, which are susceptible to corruption, that the public procurement processes are receiving a lot of attention. Improving efficiency in public expenditure is a key pillar in resolving the fiscal space challenges. Public procurement of goods and services generally consume a significant proportion of the Government budget, hence the need to ensure that leakages that arise from the public procurement processes are plugged to ensure value for money. In 2019, procurement of goods and services constituted about ZWL$3.94 billion, while capital expenditure ZWL$7.02 billion (Government of Zimbabwe, 2020). This means that about ZWL$11 billion, representing almost 50% of total expenditure, was disbursed through the country's procurement system. Consequently, the need to enhance efficiency and effectiveness in public procurement becomes imperative, given the need to leverage on the limited public revenue remittances. Reforming the public procurement system can result in significant public resource savings which also enhances fiscal discipline and consequently leading to the mainstreaming of broad-based socio-economic development. Through accelerated rationalisation of public procurement processes cost-benefit driven public expenditure is encouraged, and this may be key in expanding productive capacity of public institutions. A lot of resources are lost through the unnecessary bureaucratic processes which in turn feed into corruption chain in public procurement processes. However, strengthening the procurement system is key in the elimination of corruption, nepotism, and abuse of public institutions to sustain public resource looting.

The Government of Zimbabwe engaged in significant reforms to the public procurement system. Prior to this policy

turn around, public procurement process in Zimbabwe was governed by the Procurement Act [Chapter 22:14] and its associated regulations. Procurement of goods, works, consultancy and other services by Central Government, Local Government, Regulatory Authorities, Parastatals, and any other public institutions were all governed by this Act. The State Procurement Board (SPB) was established under this Act as the presiding entity for public institutions' procurement needs; as well as conducting supervisory and investigatory roles in the procurement proceedings. The 2017 reforms saw the SPB being renamed the Procurement Regulatory Authority of Zimbabwe (PRAZ) under a new Act of Parliament, the Public Procurement and Disposal of Public Assets Act [Cap 22:23]. The new Act repealed the Procurement Act and tried to address several the identified challenges which had been noted in the procurement process under the previous regulatory regime.

However, the public procurement process is evolving and needs to be constantly reviewed to adapt to emerging trends and processes, thus ensuring that procurement systems remain fit for purpose. Generally public procurement has an inherent risk of corruption given the huge sums of money involved (especially for public infrastructure projects). As a result, this invites the need to continuously remodel the procurement systems, procedures and processes underpinned by greater transparency and accountability in the use of public resources. Despite significant improvements compared to the previous regime, the public procurement system in Zimbabwe is encumbered by lengthy bureaucratic process. Modern procurement systems are now using electronic procurement (e-procurement), which is an effective way of enhancing administrative efficiency, reducing transaction costs, and minimising human contact, which facilitate corruption.

However, despite this bureaucratic process, the need for electronic procurement systems has already been endorsed in Zimbabwe. The 2017 reforms which were supported by the World Bank also had a component focusing on the development of an Electronic Government Procurement (e-GP) strategy. However, the acquisition and implementation of the e-GP System is still underway. It is within this context that this study is envisaged. It is intended to be instrumental in developing a public procurement guide/framework which can be debated upon in ensuring that an e-framework is established that factors the local context.

1.2 E-procurement and associated advantages

E-procurement refers to the digitised system of sourcing of goods and services to promote transparency and accountability. The concept of e-procurement gained global traction largely in the 1990s when advancements in information technology and the internet were witnessed (Schoenherr & Tummala, 2007). The main motivation in e-procurement by the public sector largely lies in the need to reduce administration and transaction costs, improving competition as well as reducing corruption in public procurement (Bulut & Yen, 2013). Since public procurement accounts for as high as 70% of government expenditure in most African countries, achieving a reduction of 1% in expenditure would

cost a substantial amount in taxpayer savings (Bulut & Yen, 2013). (Bulut & Yen, 2013).

Manual processes are not only slow, costly and inefficient, but are also characterised by poor data storage and retrieval constraints. Therefore, an e-procurement process, which is characterised by robust automated and interlinked systems, thereby promoting competitiveness and cost effectiveness would be more ideal (Chebii, 2016). It allows for a more transparent and efficient information flow which also allows for improved access to information to stakeholders interested in tracking transparency in usage of taxpayers' money (Leipold, 2005).

E-procurement also reduces collusion or bid rigging by the suppliers as relevant information is captured into a securely operated electronic system (Leipold, 2005). E-procurement is also associated with efficiency gains in terms of costs and time savings. Increased competition is expected to drive down suppliers' quotations while also reducing transactions costs. World Bank estimates show that prices usually drop by between 15% to 25% following a transition to e-procurement (Leipold, 2005). Although now well embraced within the public sector, e-procurement has largely been adopted by the private sector. To properly contextualise it within the public sector sphere, a general discussion of the form of e-procurement would help.

There are generally three main ways through which e-procurement would take place. First, e-procurement occurs through online marketplaces, which are websites bringing together buyers and sellers from all over the world to facilitate the conducting of e-procurement and e-commerce in general. Second, they can take place through intranets, where websites have information on procurement than can only be accessed by employees in one organisation. Third, e-procurement would also require extranets, where websites have information that can be accessed by employees from several known organisations who are relevant to the required services (de Boer, Harink, & Heijboer, 2001). The main aim of e-procurement is to reach marketplaces that would not have been reachable using traditional procurement systems, as this would enhance choices and efficiencies. Without going much into the technical details, e-procurement technology requires the use of software and servers that integrate the two trading institutions. A simple version of bilateral e-procurement can be used to reflect this (Figure 1) illustrated on the next page.

If organisation A places an order using its e-procurement software, Organisation B would receive it instantly through an e-commerce server that integrates the two organisations with their back-end Enterprise- Resource Planning (ERP) software (Mahdillou & Akbary, 2013). The ERP is a software that automates back-office functions related to human resources, technology, and services (Mahdillou & Akbary, 2013). The critical facilitating factor is that there should be consent of the two organisations' back-end ERP systems with the e-commerce server.

In addition, the supplier needs to have customised catalogues of buyers stored in the e-commerce server website to enable the buyer to access the catalogue.
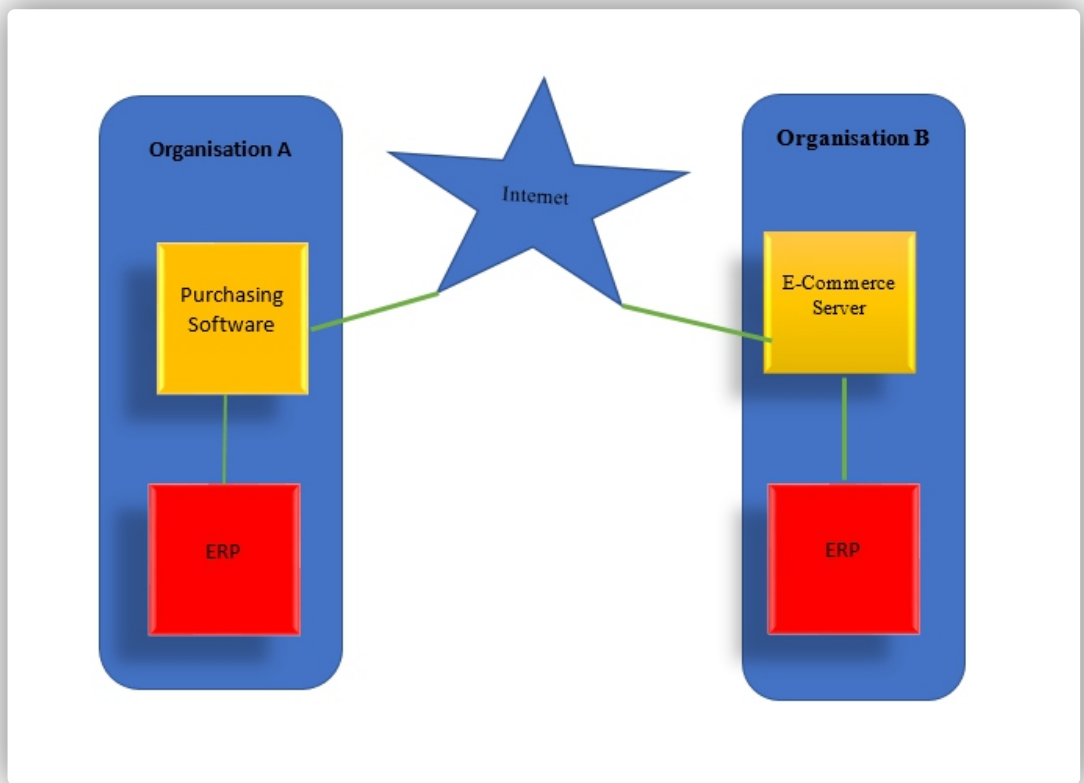
There are several types of e-procurement; these include. an electronic journal, which is a web page or portal that provides information on tender notices. However, there are also complex forms which include e-tendering, e-catalogues, and e-auctions, with e-catalogues being the most implemented in the public sector, while e-auctions are not very common (Bulut & Yen, 2013). In general, e-journals are an alternative source for tender notice information dissemination. They complement the traditional newspaper or gazette tender adverts. An e-journal saves costs of running adverts while easily complying with disclosure requirements for

awarding major contracts (Bulut & Yen, 2013). They provide opportunities for viewing tender opportunities, ordering tender documents in paper format or downloading from the webpage in electronic format. E-journals are mostly used in public sector procurement processes because they are easy to use while requiring relatively limited financial and technical resources (Bulut & Yen, 2013).

On the other hand, e-tendering is relatively advanced. This encompasses designing of e-tender documents, an e-journal for tender notices, registration of bidders, preparing and bidding with an electronic

signature, as well as having an application facilitating storage, opening as well as evaluation of bids (Bulut & Yen, 2013). However, e-tendering is the second most implemented form of e-procurement within the public sector (Bulut & Yen, 2013).

What is also critical in e-procurement is an e-catalogue. This just serves the same purpose as a printed catalogue by showing the various products as well as their prices. It is a supplier's virtual catalogue for buyers to choose products and services from (Mahdillou & Akbary, 2013). However, hard copies could be limited or become obsolete, hence a digitalised version of a suppliers' catalogue is needed. An e-catalogue facilitates real time two-way communication between buyers and sellers, thereby allowing for the development of close relationships (Schoenherr & Tummala, 2007). Within the context of public procurement, government would get access to the suppliers of the products so required by consulting a suppliers' catalogue, which it can access online.

Although not very frequently used in public procurement, e-auctions are also an important form of e-procurement. To reduce the time lag to supplier selection, e-auctions, which are similar to the physical auctions can also be used. The only difference with the physical auction is that the auction would be conducted via the internet. The seller would be able to sell to a number of potential buyers at once. However, within the context of public procurement, the government would be the buyer rather than the seller. Thus, it is reverse e-auctions that are mainly used by public sector institutions. A reverse e-auction occurs when the purchaser is able to bring together a multiple of suppliers who would offer their terms (de Boer, Harink, & Heijboer, 2001).

As already indicated, e-procurement in Zimbabwe has already been initiated as part of a broad reform programme with support from the World Bank. As a result, e-procurement in this study is generally viewed within the context of the e-GP model of the World Bank. E-GP is defined as the use of ICT by governments in their relationship with suppliers of works, goods and consultancy services, all which would be required by the public sector (Leipold, 2005). In general, an e-GP implementation would be characterised by three phases. The disclosure of information, which will include procurement notices publication, contracts awarded, as well as the procurement laws and regulations would be part of the first phase. The procurement transactions being conducted online would be the second phase. It would be expected that the distribution of the bidding documents and the RFP/RFQ would be distributed electronically while the responses are also submitted electronically, together with the bid openings. The third phase would involve integration of the procurement system electronically, which includes having the e-GP process being integrated within the tax administration system, financial management system as well as the contract management system in general (Leipold, 2005).

Countries can adopt e-procurement as a system of sequenced activities (as illustrated below), given that embracing e-procurement is a long process. The activities range from the pre-award stage to the post-award phase, with both

processes having sub-components which are all done electronically (Figure 2).

Figure 2: Phases of an e-procurement process
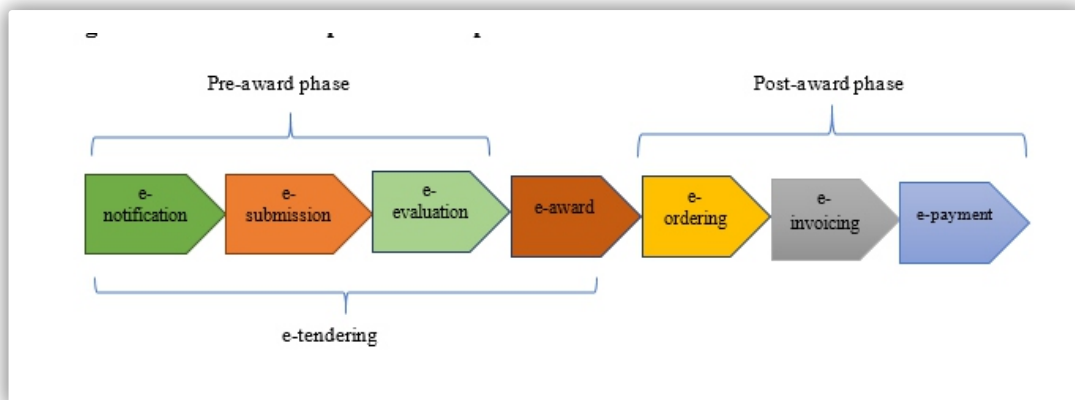
While e-procurement has been embraced by many countries, several them have only reached the e-submission stage (World Bank, 2015). Based on the World Bank's e-GP guidelines, only when a country has completed the pre-award phase is it considered to have attained the minimum e-GP service level (World Bank, 2015). Therefore, it is this minimum level that Zimbabwe would be expected to aim for in its initial phase of e-procurement. This would see the country's procurement system characterised by the tender notifications, submissions, evaluations, and awarding being done electronically.

E-notification is where government conducts online publication of tenders, contracts as well as contract awards notices, that is, tender documents being accessed online on a 24/7 basis (e-access) (World Bank, 2015). E-submission occurs when suppliers interested in providing services to government in response to tender notifications can also submit electronically to register their interest. Evaluations, awards, orders,

Invoices, and payment would also be made online, which are the remaining phases of the e-procurement process.

This discussion generally sets the context for assessing the scope for e-procurement in Zimbabwe. However, it is also critical to have a discussion on procurement in Zimbabwe, especially the evolution and the status, with the aim being to reflect the suitability of transitioning from the paper based public procurement system into the electronic system. The Zimbabwe public procurement system and its evolution are discussed in the next Chapter.

1.3 Study objectives

As outlined in the Terms of Reference, the main objective of the study is to develop a model e-procurement framework/guide for Zimbabwe. This is done by:

• Identifying the key success factors for e-procurement;
• Evaluating the extent to which Zimbabwe meets the identified success factors;

- Identifying the areas and procedures needed to facilitate e-procurement; and
- Suggest a possible e-procurement framework which the country could adopt in the short term.

1.5 Methodology

The study is largely based on literature review and case studies. An extensive review of literature was undertaken to understand the various e-procurement frameworks that have been established in other countries and how best to ensure that a prototype framework can also be established in Zimbabwe. Thus, literature review on e-procurement processes and country experiences was undertaken, with the main aim being to identify the various success factors that can underpin the process. The identified factors were then used as a basis for assessing whether the conditions are conducive in Zimbabwe for their development, The current status of procurement in Zimbabwe is discussed based on secondary sources from other researchers as well as the information provided by the regulatory authority, PRAZ, on its website. The detailed availing of information by PRAZ on website is also acknowledged as an important step towards e-procurement.

2.1 Evolution of public procurement

To properly contextualise the need for e-procurement in Zimbabwe, it is important to understand how the procurement process has evolved and how attended challenges were being addressed over the years. The evolution of the procurement system for Zimbabwe can be traced back to independence in 1980, when the new Government of inherited the Tender Board. The Tender Board was composed of officials from different Ministries, such as Health, Construction, Defence, Industry, and Commerce and chaired by a senior official from the Treasury (Kuwaza, 2015). In terms of the legislative framework, the Tender Board used part of the Government Financial Handbook, also known as Treasury Instructions issued under the Audit and Exchequer Act (Kuwaza, 2015). The Ministry of National Supplies created in the 1980s was the responsible Ministry, before it was disbanded and the administration of tenders was re-assigned back to the Ministry of Finance.

It was only in the mid-1990s that the need for procurement reforms began to gather momentum in Zimbabwe. The momentum can also be attributed to the International Monetary Fund (IMF) and the World Bank sponsored Economic Structural Adjustment Programme (ESAP) of 1990-1995. The IMF and the World Bank felt that reducing the size and role of the public sector in economic issues would help in controlling rent-seeking practices and

corruption (Moyo, 2014). In addition, good governance, and democracy, which were part of the ESAP package, were considered vital conditions needed for tackling corruption There were also several complaints about corruption at the Tender Board.

On the international front, the issue of corruption had also been topical, especially as raised during the International Conference on Procurement Reforms in Abidjan, Ivory Coast in 1998 on the side-lines of the Annual Meetings of the African Development Bank. The meeting agreed on the need to sharpen the instruments of governance in procurement to eradicate corruption by ensuring that public procurement was highly visible, transparent and auditable. In the same year, Cabinet instructed the Attorney General to come up with a Procurement Bill, which was passed by Parliament and became law in March 1999 (Kuwaza, 2015). Therefore the reforms can be regarded as the first phase of structural transformation of procurement polices after almost two decades into independence.

The Procurement Act was administered directly by the Office of the President and Cabinet (OPC) , with the State Procurement Board (SPB) being a regulatory authority for public procurement. Despite being a regulator, SPB also conducted procurement on behalf of the Procurement Entities (Central Government, Parastatals

1. For example, there was a general feeling that the award of the tender for a multi-million-dollar deal to construct the Harare International Airport was characterised by a public procurement process and procedures that were blatantly manipulated during the adjudication of the tender (Hodzi, 1999). In 1982, about US$6 million was lost when Bernard Paweni bribed his way into winning a government tender to transport drought relief food across the country (Takawira, 2017).

and Local Authorities). However, SPB also supervised procurement proceedings conducted by the Procuring Entities to ensure that they were in proper compliance with the Act, while also investigating instances where deviations from the principles of the Act were suspected. Besides receiving general policy directions from the President, SPB was highly independent, as it was not subject to the direction or control of any person or authority in the exercise of its functions.

As per the procurement regulations, there were generally three forms of tenders. For purchases below $10,000 the requirement was that there should be at least three quotations that must be sought by the procuring entities before settling for a winner. For purchases between $10,000 and $300,000, informal tender procedures were to be adopted, which involved advertising of procurement opportunities in the press (Dzuke & Naude, 2015). Tenders under these two categories were awarded by the Accounting Officers without any reference to the SPB. It is in this category that about 80% of the tenders fell under these categories (Kuwaza, 2015). For tender above $300,000, the public procurement process had to pass through distinct phases. Local tenders were advertised in local newspapers and the Government Gazette, while international tenders are also advertised through Diplomatic channels.

Tenders were opened in public on Tuesdays starting at 10:00 am with members of the public being free to attend and witness the tender opening process. The bids were then dispatched to the Accounting Officer to carry out the initial evaluation. Within a period of 15 working days, the Accounting Officer would submit his/her recommendations to the SPB, which would carefully examine the recommendations before awarding the tender. After receipt of recommendations from the Accounting Officer, the State Procurement Board had 10 working days within which to award the tender. Immediately thereafter, the State Procurement Board was required to inform the Accounting Officer, the bidder, and indeed all unsuccessful bidders the results of the adjudication (Kuwaza, 2015). Therefore it is quite apparent that for large tenders, the process was very bureaucratic, with a lot of back-and-forth discussions between the SPP and the Accounting Officers.

Several challenges were witnessed with the procurement reforms. It was noted that the SPB procedures lagged government projects, especially road construction and water reticulation projects, resulting in slow project implementation. Inefficiencies were also witnessed in awarding tenders, resulting in delays or non-completion of projects (Dzuke & Naude, 2015). The time to complete procurement processes for formal tenders averaged about three months, while up to date procurement manuals were not available, resulting in procurement officers across procuring entities handling procurement issues differently (Dzuke & Naude, 2015). The procuring entities had to prepare their own request for proposals/quotations (RFP/RFQ). However, there were not standard templates for preparing them, resulting in different RFPs per procuring entity. However, the RFP had to be approved by SPB, with the approval process taking an average of about 16 days (Dzuke & Naude, 2015).

There were a lot of cases of non-observance of the tender limit threshold, as accounting officers at times carried out transaction above the threshold without going through the SPB (Kuwaza, 2015). Another limitation of the Act was that it does not provide for de-briefing of unsuccessful bidders on why their bids were unsuccessful. Such an exercise would have ensured that those whose bids fail are able to improve in future bids while establishing the procurement process as being fair and open. In addition, the absence of measures to be taken if there is failure on the contracted party was also a problem. There were no penalties for failure or poor service delivery by contractors after winning (Kuwaza, 2015).

The management of contract was the responsibility of the procuring entities, as despite an active role in the award of the tenders, SPB did not have a role in contract management (Dzuke & Naude, 2015).

It was due to these challenges among others that the procurement reforms were initiated in 2017. The Reforms in Public Procurement culminated in the drafting of a new Public Procurement Bill which was enacted into law, Public Procurement and Disposal of Public Assets Act [Cap 22:23] in October 2017. The Act became operational starting 1 January 2018 through SI 152 of December 2018. The Procurement Regulations, Public Procurement and Disposal of Public Assets (General) Regulations, 2018 were gazetted through S.I. 5 of 2018 of 19 January 2018.

2.2 Current status of public procurement

In terms of coverage, there has no changes, as the procuring entities are still defined as under the previous procurement regime (Central Government, Parastatals and Local Authorities). The Public Procurement and Disposal of Public Assets Act regulates procurement activities by all State institutions at all stages in the procurement cycle for all types of procurement. PRAZ is a regulatory and oversight body, only responsible for standard setting, guidelines issuance as well as monitoring compliance with the legislation. Unlike SPB, PRAZ is not involved in the adjudication and awarding of tenders. In addition to awarding of tenders, PRAZ's oversight also extends to the disposal of public assets in Zimbabwe, the aim being to ensure that both procurement and disposal are done in a transparent, fair, cost effective and competitive manner .

The award of tenders is now an exclusive role of Accounting Officers in the regulated procuring entities, with PRAZ only playing supervisory and monitoring roles to ensure that the procuring entities follow the Act. As a result, every procuring entity is now responsible for their own procurement while following the laid down guidelines. Each procuring entity should have in place a Procuring Management Unit (PMU), which is the entity responsible for managing the procurement process through the Accounting Officers. The PMU is headed by the Accounting Officer and consists generally of members of staff of the procuring entity. Procurement procedures differ depending on the value of the tender. Procurement Entities can manage their own procurement where the price of the procurement requirement is below:

• US$200 000.00, in the case of construction works; or

2. Section 6 of the Public Procurement and Disposal of Public Assets Act

• US$100 000.00, in the case of goods; or
• US$50 000.0, in the case of consultancy and non-consultancy services.

However, the tender value is above the threshold, the accounting officer in each procuring entity should form an evaluation committee which would receive the bids from the PMU, evaluate the bids and recommend to the PMU the firm to be awarded. The evaluation committee is also constituted with staff members from the procuring entity, with one member being also in the PMU .

Therefore it follows that the possibility for corruption at PRAZ has been limited by the removal of tender awarding function from the regulatory authority. However, there are still several challenges which could still result from the current set up, calling for the transition towards e-procurement. For example, the reliance on paper-based transactions is not only tedious but also shrouded in transparency challenges which could also breed corruption avenues at the procuring entity level. The case of e-procurement is thus discussed in the next section.

2.3 The case for e-procurement in Zimbabwe

The case for e-procurement for Zimbabwe mainly lies in the advantages that the process has compared to manual methods. Electronic procurement increases openness and transparency. Paper based procurement systems undermine administrative efficiency and are generally associated with high administrative and transaction costs. Adoption of electronic procurement systems would also ensure openness,

transparency and curtail corruption by reducing human interaction in the procurement cycle, thereby reducing opportunities for bribes.
Although not yet in force, the Public Procurement and Disposal of Public Assets Act has already embraced e-procurement within the legislation. This means that the legal framework already partly exists. The Act defines e-procurement as the acquisition of goods, construction works or services through Internet-based information technology.

The Act also defines electronic communication as the transfer or recording of information through an electronic or similar medium. Already, PRAZ has also been given some functions which had e-procurement in mind. For example, PRAZ has the role of implementing electronic means of monitoring and supervising procuring entities and to develop the use of electronic tools for procurement, including a public procurement website and statistical databases containing information on public procurement in Zimbabwe, specifying the conditions under which such databases will be availed to the public . This generally shows that the legal framework has already embraced an e-journal.

The Act also provides for free access to bidding documents when they are done by electronic means, while also providing for the procuring entities to establish an electronic system through which bidding documents can be accessed   . The Act has also provided room for PRAZ to come up with an e-procurement policy which should guide the submission of bidding

3. Section 18 of the Public Procurement and Disposal of Public Assets Act
4. Section 6 of the Act
5. Section 40 of the Act
6. S \ection 43 of the Act
7. Section 46 of the Acyt

documents by e-mail, after which the opening of such bids would be done using a procedure to be prescribed by PRAZ .

In terms of section 69 of the Act, PRAZ must establish an electronic system for the purpose of record of procurement proceedings and specify the conditions under which access to electronic data in the system is open.

Thus, there is a case for e-procurement in Zimbabwe, given that the legal foundation has already been laid. However, for a successful e-procurement programme, there are several key success factors and pillars which play a facilitatory role. The extent to which such factors exist in Zimbabwe would be instrumental in determining the ease at which the transition from paper based to electronic methods can take place. The next Chapter thus discusses the key success factors for e-procurement.

3. Section 18 of the Public Procurement and Disposal of Public Assets Act
4. Section 6 of the Act
5. Section 40 of the Act
6. S \ection 43 of the Act
7. Section 46 of the Acyt

3.1 Key pillars for e-procurement success

The transition from paper-based systems to electronic ones certainly has a number of challenges. The e-GP system might see a myriad of standards, best practices, roadmaps that might not be very consistent with the existing paper-based systems (World Bank, 2015). E-procurement is a reform process requiring traditional processes to be either modified or abolished, while processes, protocols as well as procedures have to be standardised, simplified or reformatted (World Bank, 2011).

This means that introducing an e-procurement system for public procurement might confuse the national procurement system agents as well as the contracting entities in general (demand side). Thus, the e-procurement system needs to be preceded by tailor made and specific capacity building and training exercises due to lack of the requisite and e-compliant public procurement skills (World Bank, 2015). Training is needed for both the procurement officials and business in their roles as users, as well as public in general for oversight (World Bank, 2011).

There are a number of factors that can determine the likelihood of a successful e-procurement strategy in Zimbabwe. These can be classified into the following eight categories as follows.

a) ICT Infrastructure, availability and integration

The availability of Information and Computer Technology (ICT) services in government is critical, and this is the main influencing factor (Leipold, 2005). A well-networked system is a prerequisite, where both the government and the suppliers are connected to sound infrastructure which do not necessarily disadvantage those in some locations.

In addition to the ICT infrastructure, the IT systems required, which suppliers have to invest in so as to participate in e-procurement, are costly for both the government and the suppliers (Alyahya & Panuwatwanich, 2018). For example, it was envisaged that to roll out the e-procurement for the Irish public sector, a total of EUR86 million would be required over a five-year period spanning from 2002 to 2007 (PriceWaterhouseCoopers, 2001).

In addition, even where ICT systems are available, it is also important to ensure that there are no system interoperability concerns. Thus, it is not only technology availability that matters, but also technology depth, as this has a strong effect on e-procurement implementation (Chebii, 2016).

The e-procurement for the government as well as the suppliers should be well integrated with the relevant supportive systems for procurement, including financial management systems for online payment (Siita, 2014).

b) Supporting legal and policy framework

The legal framework should clearly define the roles and responsibilities of all the key stakeholders in promoting and utilising the e-procurement framework (Leipold, 2005). One of the most significant barriers to e-procurement is that the legal position of e-tendering is still not clear, hence is not yet accommodated in the public sector procurement policies (Alyahya & Panuwatwanich, 2018). Therefore, it is important for e-procurement to be well integrated within the overall public procurement laws, for example, e-signature and e-documents, which are critical IT infrastructures for e-procurement, need to have a legal foundation (Kim, 2019). The law is also needed given that the use of e-procurement might call for outsourcing of some parts of the procurement cycle. The law should specify whether e-procurement is an exclusive government function, where no expertise can be outsourced (Kim, 2019).

c) Government leadership commitment

The commitment to the e-procurement programme by leadership is one of the main critical determinants of its success. Buy-in at the highest level of government is one of the strongest foundations for a successful transformation, as this allows for collective commitment to change and facilitates inter-government coordination and partnerships with the supplier community (Leipold, 2005).
Lack of cross-government coordination is one of the main notable barriers to successful e-procurement programmes (Kim, 2019). Support at the Presidency level is the best way in ensuring that e-procurement reforms are sustainable as other conflicting policies from the status quo would not be likely to be entertained.

d) Awareness and capacity

E-procurement reforms can easily fail if the users of the system are not technically savvy. The existence of expertise in both the government and the suppliers is one of the most critical issues that need to be ensured of the reforms are to succeed (Leipold, 2005). There should be some resources set aside for training and capacity building programmes for all the e-procurement stakeholders.

e) Security and authentication

Government data is generally sensitive, while some procurement issues could also need security of data. There is need to ensure that the system embraced does not compromise national security by making available some information which ideally should not be in public domain (Siita, 2014). Security of data is also an issue, as there is need to ensure that the system embraced has an authentication process where orders placed are all verified as genuine and not prone to fraud (Siita, 2014).

f) Buy-in across all categories

End users will generally resist changes in business processes that take away their perceived flexibilities (Aberdeen Group, 2005). The transition from paper-based to electronic based procurement calls for a culture change, houses, institutional culture changes are always difficult to achieve without resistance (Alyahya & Panuwatwanich, 2018).

Supplier adoption, is a must as vendors should be willing to undertake the necessary investment to participate. Procurement agencies are also said to be reluctant to migrate from manual systems to electronic ones, as this would also call for a lot of efforts on their part (Kim, 2019). A re-engineering of the whole process would be required, but this could of some established traditional relationships, including changing supplier-buyer relations, hence resistance (Vaidya, Sajeev, & Callender, 2006). Human factors are considered the most significant barriers towards successful e-procurement, hence the need to ensure that all critical stakeholders embrace the reforms at an early stage. For example, the largest barrier to e-procurement is considered to be the employees, through lack of awareness as well as limited skills (Alyahya & Panuwatwanich, 2018). Without such expertise, there is bound to be resistance. This also stems from the fact that the loopholes for corruption which some vested interested would try to protect could disappear.

g) Communications standards

The communication standards should be common across the whole chain as buyers and suppliers should regularly communicate (Vaidya, Sajeev, & Callender, 2006). Common communication standards are necessary, including a common standard for formatting electronic catalogues.

h) An e-procurement implementation policy/strategy

The whole programme stands a better chance for success if n implementation strategy is developed. The strategy should clearly define the envisaged outcome and success factors which would be the basis for regular evaluation. Having an implementation strategy is also critical to ensure that unforeseen circumstances with potential to prevent to attainment of anticipated results are quickly noticed.

3.2 Case studies: E-procurement in practices

There are generally many countries now that have embraced public e-procurement, all of which could offer some critical lessons for Zimbabwe. However, there are four case studies discussed in this section which have been strategically selected. It is critical to identify successful countries whose context is generally comparable to that of Zimbabwe. Among the countries where e-procurement systems have now been fully established in Africa are Ghana, Rwanda and Tunisia. There are other countries such as Morocco, Kenya and Zambia which are also at an advanced stage in finalising e-procurement regimes.

However, a look at the current Zimbabwe context shows that e-procurement is envisaged as part of the World Bank funded programmes, making it also critical to select countries that have followed the same approach and succeeded. This makes Ghana and Rwanda good case studies. In addition, it is also quite apparent that Rwanda and Tunisia followed the Korean Model, making it also important to understand this model and how it was successfully replicated in Africa. Thus, Korea has also been selected as a case study. This means that a total of four case studies have been selected, under the assumption that the addition of more countries would not necessarily change the

lessons as it is either the World bank or the Korean Model that would also be the basis.

3.2.1 South Korea Case study

The journey towards the Korean e-procurement system started as far back as 1977 and ended with the establishment of the online system in 2002. The foundation for e-procurement can be tracked as far back as the period 1977-1986, when the data management level computerisation, which also enables the management of procurement data, started. However, online work processing started only in 1987, although only limited to construction work contracts (distribution of suppliers and registration of suppliers) (Public Procurement Service, 2016).

The decentralisation of procurement in 1993 from Central to Local Governments was also accompanied by digitalisation of procurement administration to respond to the decentralisation needs. The Public Procurement Service, which is the procurement authority, established an E-procurement Master Plan in 1996, which was the basis upon which a government to business (G2B) national e-procurement system implementation project was made one of the 11 core tasks for e-Government by the Special Committee for e-Government, which had been established to push for e-governance reforms (Public Procurement Service, 2016).

In the period 1996-2001, Korean Government also implemented the Procurement EDI Project, which was characterised by main procurement documents being distributed as e-documents. It was the announcement of the Procurement Electronic Data Interchange System in 2000 that also worked as a strong foundation for the comprehensive e-procurement system (Kim, 2019). It was also in 2001 that the e-bidding and e-payment system was fully embraced, before the full e-procurement system, the Korea Online E-procurement System (KONEPS) was adopted in 2002 (Kim, 2019).

However, since e-procurement was coming at a time when the traditional paper-based system was in place, there was need for legislative amendments to accommodate it. The Presidential Decree of Act on the Contracts in Which the State is the Party was announced, which made it mandatory for all public agencies to use KONEPS when posting notices of bidding (Kim, 2019).

The Presidential Decree of Act on Government Procurement also had to be amended to accommodate the use of KONEPS. Through KONEPS, the entire procurement cycle, including registration, tendering, contracting, inspection and payments are handled. Firms also do not need to submit information on paper documents, including business registration certificates and tax payment certificates for example, as these can also be accessed online through inter-operability functions in KONEPS, which allow all the relevant information from all government departments and institutions as well as private business associations that is necessary in tendering to be accessible (Kim, 2019).

Achievements and lessons

In addition to enhancing efficiency and transparency in public procurement, KONEPS is also a good case study with

respect to creation of fiscal space through resource savings. In 2017, about KRW87.7 trillion worth of e-transactions were processed through KONEPS by 52,395 processing agencies. About KRW8.05 trillion was saved annually due to reduction of paper usage and vendors' visits to procurement agencies. In addition, the time taken to receive bids, validate documents and selecting winners was reduced from 30hours to less than two hours through KONEPS (Kim, 2019).

The management and maintenance of KONEPS was outsourced to private enterprises in 2007, while PPS managed the contractors and internal information system. However, there were widespread concerns about the move, especially concerning the issue of stability, given that the private sector could join labour strikes and affect national project implementation, among other concerns, which eventually saw PPS re-taking the management of KONEPS in 2015 (Kim, 2019). This points to the need to ensure that the public sector, especially the public procurement authorities are adequately capacitated to handle all issues to do with the e-procurement platform. The platform was also found to be susceptible to bid-rigging and competition distortions, as vendors could make multiple bids using different names with the consent of such suppliers in a bid rigging ploy.

A fingerprint authentication system was adopted in 2010 as a way of dealing with such fears. PPS also worked with the Fair-Trade Commission of Korea in 2009 to develop the Bid-Rigging Indicator Analysis System to help detect such practices (Kim, 2019). Other concerns were also noted along the way, including the issue of

security of data and privacy, given that illegal leaking of information by hackers was reported in 2012. The need for a stand-alone legislation to deal with electronic procurement also saw the Electronic Procurement Utilisation Act enacted in 2013, even though some aspects of the system are still regulated by other laws (Kim, 2019).

In summary, there are a number of key success factors for KONEPS, of which the following are among the notable ones (Public Procurement Service, 2016):

• Legislative amendments to ensure that all activities at the e-procurement platform have legal backing;

• Mutually compatible system which was able to read through the common technical standards which were to be adopted for the purpose (for example electronic signature, e-document standards);

• An inter-agency cooperation system (a Working Group for Activating G2B that had been established also helped);

• The leading role of PPS in initiating the e-bidding services in 2001, followed by the e-guarantee and e-contract services as well as leading in system design, implementation and activation, was also instrumental.

3.2.2 Ghana

On the 30th of April 2019, Ghana launched its public electronic procurement system, which meant that the country became the first in West Africa to embrace public e-procurement. The e-GP for Ghana was a result of seven years of work, spearheaded

by the Public Procurement Authority (PPA) and the Ministry of Communication (Public Procurement Authority, 2019). However, the foundation for e-procurement in Ghana had been laid as early as 2010 when the e-Ghana project was launched, which was intended to ensure that there is usage of technology when government deals with the public (Public Procurement Authority, 2010). Under the e-Ghana project, internet infrastructure was established for all government offices across the country, while Community Information Centres were also established by the Ministry of Communications for the public to have ease of access to the internet.

The World Bank's funding to a budget of US$2 million was eventually set aside for e-procurement to be part of the e-Ghana project (Osei-Tutu, Kissi, Osei-Tutu, & Desmond, 2019). However, it took a long time to have the completion of the system engineering processes and consolidation of all the system requirements specification which would enable effective configuration as well as parameterisation of the system.

The Ghana Electronic Procurement System (GHANAEPS) was initiated by the PPA in collaboration with the Ministry of Communication. Taking advantage of the e-Ghana programme, strides to embrace ICT were made at the PPA. By 2010, PPA had successfully developed two web-based applications which were aimed at assisting public entities, their suppliers as well as their contractors in efficient procurement (Ofori & Fuseini, 2020). This was also complimented by a functional PPA website and an Online Procurement System, which enabled public entities to place their annual procurement plans online so that PPA could easily monitor their

procurement processes. The PPA website basically served as an e-journal, as it had a tab on tenders and offers as well as some online procurement documents (Public Procurement Authority, 2010). When the e-procurement reforms were initiated, the Procurement Act (Act 663) had no legal provisions for e-procurement. This called for an amendment to the Act, which came in the form of Act 914 in 2016 to make the legislation e-procurement facilitatory (Ofori & Fuseini, 2020).

The e-procurement system in Ghana uses the Open Contracting data Standards system, a format where information is available at all the stages of the procurement process. When GHANAEPS was launched in 2019, it began with five government agencies as a pilot programme, namely Department of Feeder Roads, Ghana Cocoa Board, Ghana Health service, Koforidua technical University, and Tema Metropolitan Assembly.

Phase II was scheduled for end of June 2019 and was to cover all the 34 government Ministries, public universities, metropolitan Assemblies and other selected departments and agencies. However, it was expected that it would take 18 more months for the roll out phase to be completed by end of 2020, when all public entities would be using the e-procurement system . Thus a phased approach, where lessons would be learnt along the way was opted for in Ghana. The process is still ongoing, such that lessons are not yet discernible at this stage.

8. Public Procurement Authority news item 'Ghana rolls out first E-Procurement in West Africa' at website https://ppa.gov.gh/ghana-rolls-out-e-procurement-in-west-africa/ (accessed 08 September 2019).

procurement cycle, with the advantage that it provides a faster and more efficient method for quoting and receipt of electronic orders.

3.2.3 Tunisia

E-procurement reforms in Tunisia can be traced to the e-government reforms and the systems that were already in place which had laid the foundation for digital transactions. In 2005, the E-Government Unit was established in the Office of the President to coordinate between public structures involved in e-services implementation. At the same time, there were four institutions under the Ministry of Information and Communication technology which had also prepared the foundation. These include the national Computer Centre, established in 1975, which had been responsible for hosting, securing and duplicating the e-government data and services.

The Tunisian Internet Agency, which had been established in 1966, and is responsible for regulating the entire national network also played a brokering role. The national Digital Certification Agency, established in 2000 as a certification authority also helped ensure ease of e-certification. The National Agency for Computer security, established in 2004 and controls E-Government services and national IT security strategies was also involved. Finally, the E-Tasrih platform had also been established in 2005 as an online tax filing service for companies to pay their tax online (Neji, 2015). This generally shows that the foundation for e-procurement was already existing in Tunisia.

The e-procurement system was launched in 2011, and is known as the Tunisia E-Procurement System (TUNEPS), which is operated by the Higher Authority of Public Procurement (HAICOP). It was launched with the assistance and partnership of the Korean International Cooperation Agency (KOICA) which had a wealth of experience based on the successful KONEPS project (OECD, 2020). It was only in 2013, two years after being launched, that the first pilot project on TUNEPS were carried out. The enabling legislations for the e-procurement platform were initiated in 2013, with the Decree No. 2014-1039 of March 2014 legalising the operation of electronic procurement (Neji, 2015). In 2014, the first procurement project was signed exclusively on TUNEPS, although it was only four years later that TUNEPS was made mandatory for Ministries, public enterprises and non-administrative public entities. A year later, in 2019, TUNEPS was made mandatory for all the public entities and local authorities (OECD, 2020).

TUNEPS is composed of four main components, namely e-bidding, e-contracting, e-catalogue and an e-shopping mall. Both the public buyers as well as the suppliers need to be registered on the platform, for which an electronic certificate is issued.

The e-bidding stage involves publication of tenders online, submission by suppliers, receipt of offers as well as opening of the offers online. Orders are then sent by the public entities and received by the suppliers automatically. E-contracting involves the drafting, notification as well as signatures of contracts using electronic methods, together with any modifications required. Bid evaluation and any statistical analysis is also done at the e-contracting stage. E-

However, GHANEPS is a modern public e-procurement system that is imbedded within the public procurement laws of Ghana. It serves to provide a secure, interactive and dynamic environment for public procurement. E-procurement facilities already accommodated include user registration, tender notification, tender preparation and submission, online tender evaluation, contract awarding, creation and management of catalogue, creation and management of framework agreements and auctions and payments .

3.2.3 Rwanda

Rwanda is also among the first African countries to develop its own e-procurement system. The foundation can be traced back to 2007, when Rwanda established the Rwanda Public Procurement Authority (RPPA). In 2013, Rwanda requested the World Bank for funding for a feasibility study towards an e-procurement system, following a study visit to Korea. The feasibility study revealed that there was scope for a lot of savings as well as efficiency gains from e-procurement reforms for the public sector (World Bank, 2018). As part of the World Bank Program for results Initiative, about US$12.5 million was budgeted for the establishment of an e-procurement system in Rwanda. This saw a joint venture being formed between the Rwandan government and Korea Telecom Corporation to create a company called Africa Olleh Services (OAS) to be contracted to develop the e-procurement system in 2014 (World Bank, 2018).

OAS developed a customised e-procurement system based on the Korean model over a period of 18 months, with technical support also coming from the World Bank. It was in July 2016 when government was ready to pilot the system. Eight public institutions namely, the Ministry of Finance and Economic Planning, the Ministry of Infrastructure, the Ministry of health, the Rwanda Development Board, the Rwanda Transport Development Agency, the Rwanda Biomedical Centre, and tow districts in Kigali (Gasabo District and Kicukiro District) were selected to be pilot institutions to test the system. A training programme was conducted for officials in the selected institutions on how to use it. Media campaigns were also rolled out to advertise the system to the public. The training programme also includes internet café operators as a way of making SMEs ready for the system. More than 1,000 suppliers registered on the platform during the pilot phase, with 1,108 bids made for a total of 376 tenders (World Bank, 2018).

After a year of piloting, the system was extended nationwide in July 2017. All public procuring agencies became mandated by law to use the system. However RPPA was allowed to issue waivers on case by case basis. By January 2018, the system was fully functional. Nearly 3,500 suppliers had registered and 685 contracts had been signed by December 2017, with the system having costed about US$7.8 million to develop and US$1.2 million to meet ongoing costs (World Bank, 2018).

Named UMUCYO, the e-procurement system for Rwanda automates all public procurement processes while enabling Government to business services online. UMUCYO serves as a single channel for all activities associated with the public

9. GHANAEPS at its official webpage https://www.ghaneps.gov.gh/epps/home.do (Accessed 03 September 2020).

-catalogue involves product registration, specification of technical characteristics as well as the insertion of any product nomenclature that would be required. The e-shopping mall is where buyers search for goods and services as well as place their orders with the necessary follow ups. Suppliers make price offers and execute orders at the e-mall. The e-shopping mall is mainly for the needs of products and services that do not need to be purchased through a bidding process (OECD, 2020).

Transparency is also factored into the e-procurement system by disclosure of the winning bid. To ensure security, the documents are all encrypted, with decryption only possible through official certificates. The Tunisian e-procurement system is classified as more advanced in terms of international comparison (OECD, 2020).

3.3 Critical success factors from the case studies

There are a number of critical success factors from the case studies which can provide vital lessons for Zimbabwe:

• Strong e-government reforms should precede the launch of e-procurement. All public institutions in Zimbabwe need to be having functional websites and should be familiar with online methods in preparation of e-procurement. Technology advancement and spread across all participating institutions was a critical facilitating factor.

• Legislation amendments are needed to legalise the e-procurement process. Having a procurement legislation that is already cognisant of e-procurement as the

case currently in Zimbabwe is a positive step.

• Partnership and expertise from experienced countries necessary. Having the World Bank as a technical partner was instrumental in Ghana and Rwanda.

• Inter-agency coordination and use of common standards is needed. It is important that key government institutions that would matter in e-procurement, including the Deeds Office, the Zimbabwe Revenue Authority and the Central Bank have inter-coordinated mechanisms in ensuring that a system where information from them is gathered through a one stop inline facility is possible.

• The procurement authority should lead the process. In all the countries, the e-procurement is managed by the procurement authority. It is also critical for PRAZ to start developing expertise in designing e-procurement compliant systems which can be leveraged upon when the programme kicks off.

• Data security needs to be strong to ensure that there are no confidentiality breaches and hacking which reduces confidence on the system

• Strong commitment from leadership is important. This can be identified as one critical factor for Rwanda, as leadership was willing to make the necessary reforms, including legislative changes as well as partnering and following advice by experts on e-procurement.

• Transparency in the whole process also helped, as it enhanced confidence and buy in from all stakeholders.

and beyond that are already at an advanced stage in implementing e-procurement reforms. This also offers and opportunity for Zimbabwe to learn about best practices through staff visits as well as by forging partners from countries that are already at advanced stage in implementing e-procurement reforms.

f) Legislative compliance

Although the Public Procurement and Disposal of Public Assets Act has provisions that allow for e-procurement, legislative compliance extends to all the other legislations which have a bearing on procurement. These need to be harmonised to ensure that there is inter-agency coordination while also avoiding loopholes that can delay the implementation of e-procurement.

Zimbabwe has already laid the necessary foundation from the 2017 reforms as the World Bank supported e-GP strategy has already been agreed upon. In addition, there are notable advancement in the use of ICT in government institutions, even though the paper-based systems are still in use when it comes to public procurement. It is critical that this momentum be leveraged upon. However, there are a number of critical steps which are still necessary, based on both the case studies as well as literature review. These steps which should prepare the foundation include the following:

a) Planning and readiness assessment

It is important to determine the level of readiness of the current environment to enhance e-procurement in a sustainable manner. This involves checking whether the current environment is conducive, while also checking whether the pre-requisites are in place. The pre-requisites include the required technologies, the Strategy, the institutional framework and specific action plan to implement the strategy. Institutional framework includes checking whether there are adequate coordination mechanisms in place.

b) Defining priorities

Vendors and government to all agree on the priorities with respect to e-procurement, as this is intended to benefit both groups. Therefore it is, important for government to hold engagement meetings with the private sector to set priorities and agree on functionalities on the system that can minimise costs. Engagement with the private sector is also a form of awareness raising, as it is important to get buy-in from all the critical stakeholders when the procurement reforms are eventually established.

c) Developing the system

The technical architecture of the e-procurement be worked out in advance, even though the technicalities could be constructed by partner experts. It is important that the rules and the regulations that will govern e-procurement as well as the operation of the system be known in advance to enable the necessary preparatory steps. This is to ensure that only systems that would work properly within the country context are adopted.

d) Capacity building

An extensive training programme be extended to every actual and potential user of the system. One advantage of e-procurement is that it makes it easy for SMEs to also participate. It is also important that they are trained on how to use the system, together with the public sector officials and other private sector players.

e) Technical partnerships and lessons from other countries

There are already many countries in Africa and beyond that are already at an advanced stage in implementing e-

Having discussed all the critical tenets for a sound e-procurement in Zimbabwe, it is also possible to discuss the possible structure of the e-procurement system which Zimbabwe could aim for. Overtime, it is expected that the e-procurement system would evolve to the final stages of the e-procurement cycle. At the initial stages, the aim should be to ensure that at least the e-tendering phase (see Figure 2) is completed, while later stages would involve the post-award e-procurement phases. The proposed framework for Zimbabwe can be split into five distinct phases as follows:

Preparatory stage

The preparation stage includes the current period which Zimbabwe is already in. In this stage ensure that the basic technology to sustain e-procurement, which was discussed briefly in section 1.2 (see Figure 1) is in place. As per the lessons from case studies, it is to ensure that a specific legislation on e-procurement, together with the enabling regulations, be put in place to deal with the various issues that are expected to crop up during the nascent stages of the process are adequately regulated. Given that the e-procurement system requires security and secure authentication mechanisms (e-signatures, fingerprint authentication mechanisms etc), it is also important to ensure that these are in place during the preparatory phase. PRAZ is also expected to manage the e-procurement system, hence it is also critical to ensure that the institution is well capacitated and is very conversant with all the technicalities that are needed to anchor the system, including the server and data management capacity. Although the process has already started, there is need to ensure that the e-Government programme is completed to ensure that all the procuring entities are not only online but also have resident expertise on how to manage the process. The issue of capacity also extends to the private sector. Thus, to ensure that all the stakeholders that would be critical in the proper function of the e-procurement system are adequately capacitated, it is important to develop an e-Procurement Manual during the preparatory stage.

Stage 1: Registration of users

All participants in the e-procurement system need to be registered and known by the system. This applies to the procuring entities as well as the private sector players who want to supply goods and services to these public sector institutions. After registering, the players receive an e-Certificate, which is the basis for confirming registration. The e-certificate would also be related to other personal identification authentication already in the system.

Stage 2: E-bidding

Once the procuring entities and the potential suppliers are registered, they are now in a position to start bidding. The procuring entities would all publish their tenders online through the portal managed by PRAZ. Bidders would then be expected to respond by submitting their offers online.

PRAZ can still issue guidelines on thresholds and how procuring entities should be guided in conducting the procuring, similar to the current scenario under the manual system. The receipt of the bids is also acknowledged online, resulting in the adjudication and the offers being done on the platform as well.

Stage 3: E-contracting

The successful bids would need to be contracted online. This stage involves the drafting, notification and signatures of contracts, together with the sending and receiving of orders, as well as the evaluation of processes.

To prepare for the bidding processes, the procuring entities can also get an understanding of the various products and services on offer prior to calling of tenders. This would also make it easier for them to source for quotations for procurement services that do not require inviting tenders. An e-catalogue is where products are registered together with their technical characteristics and other product nomenclature being inserted. Thus, there is need to ensure that even for low value products, there is no need for physical interactions in coursing for quotations.

This possible framework for Zimbabwe can be summarised in a diagram (Figure 3). In addition to the basic stages, the various institutions involved, and their roles are also given.

Figure 1: Possible e-procurement framework for Zimbabwe
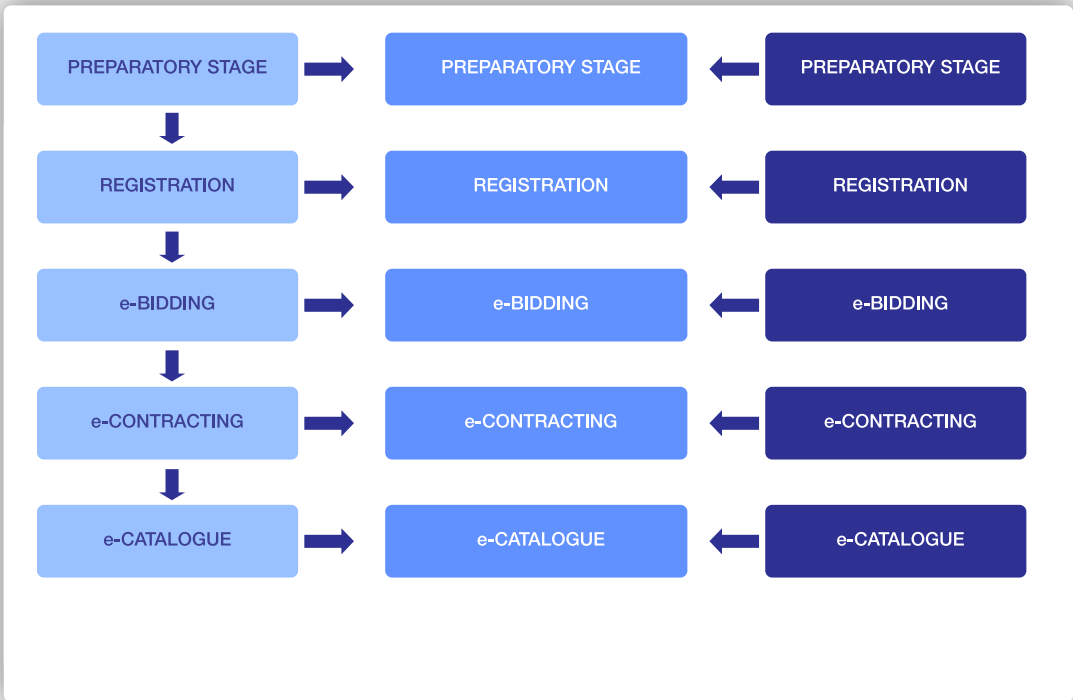
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