



THE COVID-19 PANDEMIC AND PUBLIC PROCUREMENT IN ZIMBABWE: CHALLENGES FOR TRANSPARENCY AND ACCOUNTABILITY IN THE USE OF PUBLIC RESOURCES

1. INTRODUCTION

Towards the end of 2019 the global economy was hit by COVID-19, that is, an infectious disease caused by a novel Corona Virus. On 11 March 2020, the World Health Organisation (WHO) declared it a global pandemic. Likewise, on 23 March 2020, through the enactment of Statutory Instrument 76 of 2020 Civil Protection (Declaration of State Disaster: Rural and Urban Areas of Zimbabwe) (COVID19) Notice of 2020, the Government of Zimbabwe (GoZ) declared COVID-19 a State of Disaster (Office of the Auditor General, 2022). Following the proclamation of the COVID-19 pandemic as a national disaster, on 17 March 2020, the President set up a national task force to produce strategies aimed at monitoring and managing the outbreak. In addition, the task force was required to mobilise domestic and international resources and provide regular updates to the President and the nation on the preparedness and response to the pandemic. Furthermore, GoZ established the COVID-19 Relief Fund to provide socio-economic

protection for vulnerable groups and distressed enterprises and contain the spread of the virus.

In the spirit of fostering transparency and accountability, this paper provides a critical review of how the public procurement processes were carried out during the pandemic. In this regard, the paper examines how rules set by the Public Procurement and Disposal of Public Assets Act, Public Finance Management (PFM) Act and Procurement Regulatory Authority of Zimbabwe (PRAZ) were followed. In order to address the set objectives, using selected cases, this paper reviews reports on the use of public funds by the Office of the Auditor General (OAG) and Parliament of Zimbabwe's Public Accounts Committee (PAC). This paper has an underlying objective to show the implications of the manner in which COVID-19 resources were utilised on citizen's enjoyment of social and economic rights, that is, rights to work, housing, food, health, education, social security and water and sanitation (United Nations Human Rights Office of the High Commissioner, 2022).

2. REVIEW OF DISBURSEMENT OF COVID-19 RELIEF FUNDS

2.1 Covid-19 Relief Allowances

In order to soften the negative costs of COVID-19 as a result of loss of income due to lockdowns, between 19 May 2020 and 12 December 2020, the GoZ disbursed ZWL\$89 million to people with disabilities (PWDs), small and medium enterprises (SMEs), child headed families and food insecure households which are not on existing social welfare programmes (OAG, 2021). These disbursements were channelled through NetOne's mobile money platform. A review by the OAG of six provinces, that is, Manicaland, Masvingo, Matabeleland South, Mashonaland West, Midlands and Central Provinces showed that the objectives of the COVID-19 relief funds were not met. The following were the main reasons which were noted by the OAG:

- a** Identification and assessment of beneficiaries was poorly coordinated as it was characterised by several anomalies which inter alia include unreliable databases of beneficiaries; existence of duplicate beneficiaries with similar identity numbers but different date of birth and gender; disbursement of funds to beneficiaries with suspicious names, incorrect addresses and fictitious identity numbers; and use of the same contact addresses for a number of beneficiaries in some districts.
- b** There was no mechanism in place to authenticate the existence of the beneficiaries and to establish if the targeted beneficiaries received the COVID-19 relief funds.
- c** The Ministry of Public Service, Labour & Social Welfare (MoPSLSW) Head Office didn't provide forms or pay sheets to Provincial and District Offices with names of beneficiaries who had qualified and had been paid the

COVID 19 relief allowances in order to facilitate confirmation of receipt and reconciliations.

- d** There were no reconciliations which were undertaken with NetOne to confirm if payments reached the targeted beneficiaries notwithstanding the fact that there were several irregularities which inter alia include instances where two different NetOne lines were allocated to the same individual; some of the beneficiaries' lines were not uploaded with the allowances; and there were a number of batches of SIM cards which were allocated to incorrect districts or provinces which resulted in non-collection of the COVID-19 relief funds by targeted beneficiaries.

The foregoing malpractices, omissions and irregularities therefore robbed intended beneficiaries of COVID-19 relief funds.

2.2 COVID-19 Relief Allowances for Youths, Sports Persons and Artists



In order to reduce the negative effects of lockdown measures in the sports and arts sector, the Go Z through the Ministry of Youth, Sport, Arts and Recreation (MoYSR) allocated COVID-19 relief allowances ranging from ZWL\$1,500 to ZWL\$5,000 to sports persons, artists and youths. These funds were processed through Empower Bank or at the district office.

Overall, the objective of the intervention was not achieved especially in Matabeleland South province because selection and approval of beneficiaries violated the COVID-19 Youth Relief Fund Operational Framework Section 3 (2) (a) which stipulates that beneficiaries of the COVID19 relief funds must provide evidence of operation of at least 6 months to 12 months before lockdown (OAG, 2021). As a result, there is no guarantee that the MoYSR funds reached the intended beneficiaries.

2.3 COVID-19 Allowances and Airtime Paid to Government Employees

The OAG report shows that staff reporting for duty during lockdowns for the period April to July 2020 for seven Ministries, Departments and Agencies (MDAs) in Mashonaland West, Manicaland and Matabeleland South were paid COVID-19 relief funds amounting to ZWL\$2,654,089 and airtime worth ZWL\$22,165. Of concern, these funds (airtime and COVID-19 relief) were paid by personnel who lacked competent authority as noted by the Auditor General.

2.4 Urban Food Assistance



Evidence from the OAG shows that, in the Midlands province, between April and August 2020, a sum of ZWL\$3,999,300 was disbursed to urban food assistance beneficiaries.

Of concern, contrary to the requirements of Section 4 (3) of Social Welfare Assistance Act [Chapter 17:06] which prescribes the need for review and assessment of eligibility of persons for social welfare assistance, no evidence of the assessment for suitability was availed for audit (OAG, 2021 and Parliament of Zimbabwe, 2022). This means that there is high possibility that the funds could have been abused and targeted beneficiaries may have not received the COVID-19 relief funds.

2.5 The Management of Quarantine Centres

In order to mitigate spread of COVID-19, quarantine centres were established and in these centres individuals coming from outside the country were detained, tested and monitored for COVID-19 and then released after satisfying authorities that they are free from COVID-19. In these centres the MoPSLSW paid for the accommodation, food and daily upkeep of the inmates (OAG, 2021 and Parliament of Zimbabwe, 2022).

Of concern, in direct contravention of standing rules of PFM Act, at a provincial level, the procurement process of food and other provisions was not supported by approved requisitions from the quarantine centres (OAG, 2021). Evidence from the OAG (2021) shows that there is no evidence of quantities of food required against the number of inmates nor any evidence of reconciliations of the cost of goods and services paid for by the

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MoPSSLW Head Office with the actual goods and services received by each quarantine centre. To illustrate this point, the OAG (2021) and Parliament of Zimbabwe (2022) assert that Esikhoveni Quarantine Centre had not yet collected goods from a supplier four months after payment was made in blatant disregard of the procurement process.

As part of safety measures, bus fares were provided with a view to assisting discharged inmates at quarantine centres to pay for transport as they leave for their homes. Evidence from the OAG (2021) noted that Masvingo and Midlands Provincial Social Welfare Offices paid bus fares to returnees discharged from the quarantine centres amounting to ZWL\$597,460 and ZWL\$604,760, respectively. Of concern, the OAG (2021) and Parliament of Zimbabwe (2022) observed that the payment process of bus fares to discharged inmates violated PFM Act because it was not transparent. To be specific, there are no documentations nor documented guidelines which determines the amount of bus fare to be given to discharged inmates. In addition, in most cases, there was no evidence showing if the discharged inmates had received the funds since they did not appear on the payment schedule.

2.6 The Public Sector Investment Programme (PSIP)

As part of the strategies to combat the COVID-19 pandemic, through provision of clean water, the GoZ availed funds to the District Development Fund (DDF) for the drilling of boreholes and rehabilitating existing ones. In this regard, by 1

December 2020, a sum of ZWL\$30,960,000 was allocated to the District Development Fund (DDF) for borehole drilling and repairs for the provision of water and sanitation (OAG, 2021; Parliament of Zimbabwe, 2022). Among the beneficiaries of this programme were health institutions without reliable water supplies. From a programming perspective, 2 to 3 months was given as the average period for drilling and installation of pumps. In six provinces reviewed by the OAG (2021) and Parliament of Zimbabwe (2022) shows that out of the forty-eight boreholes which DDF had planned to drill, only thirty-one boreholes were drilled but were dysfunctional because water pumps had not been installed. In addition, evidence shows on 12 December 2020, 8 boreholes were not drilled, six of the drilled boreholes were dry and only three boreholes were drilled, and water pumps installed (OAG, 2021).

Of serious concern is the fact that ZWL\$6,650,000 was spent on the 38 non-functional boreholes. The OAG (2021) and Parliament of Zimbabwe (2022) observed poor workmanship which was characterised by inadequate planning and poor prioritisation as several boreholes were drilled and left partially completed since most of them had no pumps exhausting resources in the process. As a result,, targeted health institutions and surrounding communities remained without safe and clean water required to combat the COVID-19 pandemic.

2.7 Accounting for Donations

Section 114 (3) of Statutory Instrument (SI) 144 of 2019, provides for the maintenance of a register for all gifts and donations received

The OAG observed that various Ministries, Departments and Agencies (MDAs) did not develop procurement plans necessary to ensure maximum value for public expenditure in line with public procurement legislation.

during the year. COVID-19 financial and in-kind donations were distributed to MDAs for the safety and benefit of the public, hospitals, isolation and quarantine centres. In the most provinces donations for such items as plumbing materials, borehole fittings and accessories, food items, Personal Protective Equipment (PPE) were not recorded or accounted for.

In most cases, across all provinces, most of the items donated were either missing, used by staff or expired (Parliament of Zimbabwe, 2022).



2.8 Violations of PRAZ Requirements in Procurement of Goods and Services

Procuring entities are required to develop a procurement plan with a view to ensuring maximum value for public expenditure. In contravention of the Public Procurement and Disposal of Public Assets Act [Chapter 22:23], the OAG (2021) observed that Manicaland provincial office, Mutare City Council and MoPSSLW Head Office and Provincial Social Welfare Office did not develop a procurement plan to cater for goods procured on behalf of Quarantine Centres. Of concern, notwithstanding the fact that on 17 June 2020 the PRAZ issued a circular (# 3 of 2020) which compels all procuring entities to

submit records for all COVID-19 requirements procured to cover the pandemic emergency phase, these procuring entities gave the excuse that procurement could not be planned for due to the emergency nature of the environment in which they were operating in (OAG, 2021).

In this regard, tenders worth ZWL\$20,800,000 were awarded by Manicaland provincial works without following due process as outlined by PRAZ (OAG, 2021; Parliament of Zimbabwe, 2022).

To make matters worse, there were also massive violations at the contracting level. For example, in a number of cases, as noted by the OAG (2021), MDAs did not sign contract documents with service providers. In addition, evidence shows that, in most of these cases, several contracts were awarded to one contractor, resulting in delays in completion of projects due to capacity constraints (OAG, 2021). In cases where contracts were given, as in the cases of the Mkoba Teachers' College, Kwekwe High School, Dadaya Training Centre and Gweru Polytechnic Quarantine Centres, contractual agreements were not binding as the Accounting Officer for the MoPSSLW did not sign agreements entered with service providers (OAG, 2021; Parliament of Zimbabwe, 2022). In extreme cases, critical contract details such as contract amount, service provider details and signatures were missing.

From a procurement perspective, there was massive violation of PRAZ tender procedures as most MDAs failed to provide justification for single sourcing, did not appoint evaluation committees, did not consider three (3) competitive quotes, did not invite bidders

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- a Raw materials used by Bindura University of Science Education in manufacturing sanitisers worth ZWL\$1,218,352;
- b Raw materials used by National University of Science and Technology in manufacturing sanitisers and masks amounting to ZWL\$2,593,864;
- c Procurement of 50,000 bricks by Masvingo Provincial Hospital at a cost of ZWL\$890,000;
- d PPEs bought by Mashonaland West Provincial Medical Director's Office;
- e Procurement of building and electrical materials for the rehabilitation of Mvurwi Hospital at a cost of ZWL\$2,554,681.

3. Conclusions and recommendations

This paper examined how rules set by the Public Procurement and Disposal of Public Assets Act, PFM Act and PRAZ were followed by MDAs, in view of reports on the use of public funds by the OAG and PAC. Rampant abuse of resources and violation of standing rules of public procurement as well as structural weaknesses were observed in the systems involved. In summary, the following key challenges were associated with the procurement system on COVID-19 relief funds:

- Challenges in ordering, delivery, invoicing and payment processes for goods and services;
- The dearth of essential records amongst MDAs, that is, the availability of reliable and updated information on the status of implementation of government initiatives in mitigating the pandemic; and donations

received and distributed, goods and services delivered.

- Across government, there was high prevalence of incorrect or outdated information and lack of validation, integration and sharing of data resulting in some beneficiaries, including government officials, receiving COVID-19 relief disbursements notwithstanding the fact that they were not entitled to them especially in the case of donations. The disbursements were subsequently given to untargeted beneficiaries, defeating the purpose for which the resources were allocated.
- Government's inability to manage contractors by awarding multiple jobs to one ineffective contractor, in circumstances which show increased risk of corruption and incompetence, resulted in the slow take off or non-implementation of projects such as provision of clean water, ablution facilities, quarantine and isolation services and other services necessary in the fight against COVID-19.
- In view of the foregoing, it is plausible to assert that procurement malpractices and corruption resulted in the COVID-19 Relief Fund failing to achieve its intended goals especially in giving access to relief funds, essential infrastructure, medical care, food, water and sanitation necessary to mitigate against COVID-19 which is a matter falling in the realm of citizens' access to basic social and economic rights.

In addressing these anomalies, this paper notes that the PAC referred some cases to Zimbabwe Anti-Corruption Commission (ZACC) and in a number of cases requested the MDA concerned to provide missing information or take remedial action within six months. In cases where there is missing evidence, TI Z calls on Parliament and the OAG's Office to use all

measures available in the law to ensure that the missing information is submitted during the auditing period.



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Of concern, there was no evidence that the GoZ implemented section 91 of the PFM Act on offenders which stipulates that an accounting officer can be asked to pay a fine not exceeding level ten or imprisoned for a period not exceeding five years (Ministry of Finance and Economic Development, 2009). Zimbabwe, in line with experience from countries such as Kenya, must improve enforcement of PFM Act. In Kenya, the country's public finance management Act section 196 stipulates that offenders of public procurement regulations will be fined one million shillings (US\$8500) or two-year imprisonment or both. The most important aspect on the Kenyan legislative arrangement is that the fines are punitive, and they religiously implement the laws (Laws of Kenya, 2012). In this regard, in cases where COVID-19 funds or donations were embezzled,

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Lastly, in order to improve accountability and foster transparency in the public procurement processes, there is also need for GoZ to urgently introduce E-Procurement as a mechanism to institutionalise transparency and accountability in the procurement of public COVID-19 resources, and indeed any other resources allocated for public emergency relief in future.



GoZ to urgently introduce E-Procurement as a mechanism to institutionalise transparency and accountability in the procurement of public COVID-19 resources.

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