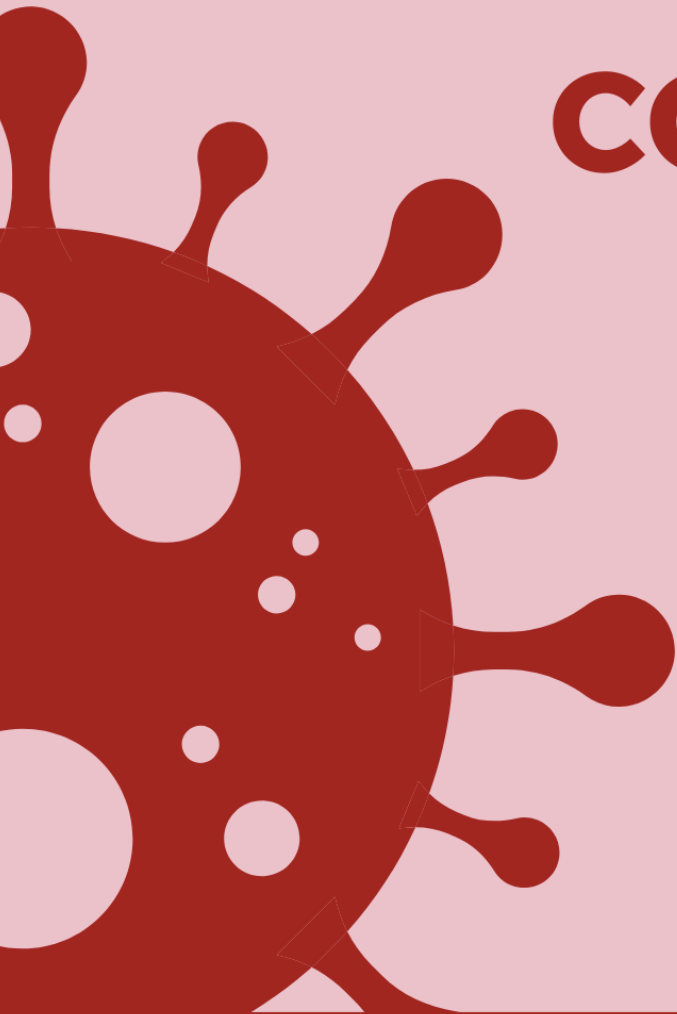




# COVID-19 EMERGENCY RESPONSE CORRUPTION RISK MAPS: ZAMBIA



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## Abbreviations and Acronyms

BOZ	Bank of Zambia
COVID-19	Coronavirus Disease 2019
CPI	Corruption Perceptions Index
CBO	Community Based Organisation
CSO	Civil Society Organisations
DHO	District Health Office
DMMU	Disaster Management and Mitigation Unit
DoI	Department of Immigration
E-Procurement	Electronic Procurement
ICT	Information Communication Technology
LEAs	Law Enforcement Agencies
MoAg	Ministry of Agriculture
MoCDSS	Ministry of Community Development and Social Services
MoCTI	Ministry of Commerce, Trade and Industry
MoD	Ministry of Defence
MoE	Ministry of Education
MoFL	Ministry of Fisheries and Livestock
MoFNP	Ministry of Finance and National Planning
MoHA	Ministry of Home Affairs
MoH	Ministry of Health
MoLG	Ministry of Local Government
MoST	Ministry of Science and Technology
MoW	Ministry of Water
MoWS	Ministry of Works and Supply
MPSAs	Ministries, Provinces and Spending Agencies
OAG	Office of the Auditor General

PE	Procuring Entity
PEP	Politically Exposed Persons
PHO	Provincial Health Office
SI	Statutory Instrument
TI	Transparency International
ZPPA	Zambia Public Procurement Authority
ZRA	Zambia Revenue Authority

## 1.0 INTRODUCTION

The progression of the COVID-19 pandemic unveiled and exposed weaknesses and gaps in governance and accountability systems particularly pertaining to the health sector. Similar to any other pandemic response, the COVID-19 response necessitated the procuring and delivery of an array of goods and services. However, given the global nature of the pandemic, the response was amidst global challenges such as supply chain disruptions, shortages of medical supplies and equipment due to increased demand. These challenges were further worsened by restrictions on movement and travel. Given the threats posed to public health and urgency of the pandemic response; COVID-19 regrettably exacerbated opportunities for fraud and corruption in the management and utilisation of public and or donated resources.

Transparency International Zambia (TI-Z) is vested in the management and use of public resources in a manner that espouses transparency, integrity and accountability. Thus, in the wake of the COVID-19 pandemic, TI-Z began implementing interventions to promote transparency, integrity and accountability in the COVID response. These interventions include tracking of COVID-19 donated resources and funds to ensure transparency and accountability in the management and utilisation of COVID-19 resources along the supply chain. TI-Z has also undertaken preliminary work in ensuring transparency and equity in vaccine delivery.

To strengthen evidence-based advocacy relating to transparent and accountable pandemic response in Zambia, TI-Z embarked on the identification and analysis of corruption and fraud risks in the COVID-19 response through the development of corruption risk maps.

## 2.0 BACKGROUND

Like any other country in the world, COVID-19 wreaked havoc on Zambia's health system, economy and its citizenry. In order to respond to the pandemic, the Government of the Republic of Zambia instituted measures to respond and mitigate the effects of the pandemic. These included statutory instruments namely; Statutory Instrument No. 21 of the Public Health Act Cap 295 which designated COVID-19 as a notifiable disease and Statutory Instrument No 22, which outlined additional regulations for the management and control of COVID-19.

The government also developed the COVID-19 National Multi-Sectoral Contingency and Response Plan to promote concerted effort in the pandemic response, the response plan also included the mobilisation of resources to aid the response. These resources were entrusted primarily to the institutions as cited in the OAG Report on the utilisation of COVID 19 resources for the period July 2020 to October 2022. Unfortunately, the OAG report on COVID 19 resources revealed distinct imprudence and corruption in the utilisation of COVID-19 resources.

Notably, procurement processes were seemingly the major channel through which COVID resources were blatantly abused and mis-managed. When juxtaposed with the severity of the pandemic, the abuse and mis-management of COVID resources reveals the flagrant disregard of those implicated who were key in ensuring the pandemic was managed and responded to effectively, efficiently, accountably and transparently.

## 3.0 METHODOLOGY

TI-Z undertook the analysis during the period January and April 2022. This analysis employed both qualitative and quantitative analysis in the identification and derivation of corruption risks.

Content and discourse analysis were used to analyse qualitative data. Reference was also made to the National Multi-Sectoral Contingency and Response Plan, which encompassed an integral part of the overall National COVID-19 response for the implementation of the COVID-19 strategy. The analysis also referred to key pieces of legislation pertaining to public resource management and emergency response situations.

This was supported by a workshop where TI-Z staff critically discussed and analysed the COVID-19 response, this included thorough analysis of the OAG reports pertaining to COVID resource management and utilisation. Content analysis also cross-examined drivers and enablers exacerbating corruption and fraud in the pandemic response vis a vis the COVID-19 response plan, the OAG reports on COVID as well as other related literature and media articles. A 5-by-5 risk matrix was used to interrogate and identify corruption risks as well as respective risk ratings and levels based on likelihood and impacts scores.

Albeit a low response rate, the analysis was supplemented by surveys to obtain feedback on the identified risks from relevant identified government ministries, agencies, institutions as well as from civil society. To ensure stakeholders feedback, a workshop was convened to review the identified risks and recommendations during which six government ministries/departments/institutions and five CSOs participated. The analysis was also peer reviewed by Partnership for Transparency Fund as an implementing partner.

## 4.0 THE PROBLEM

The substantive laws that guide public resource management in emergency responses such as pandemics in Zambia include; the Disaster

Management Act, No. 13 of 2010, the Public Financial Management Act No. 1 of 2018, the Public Procurement Act No. 8 of 2020, and the Public Audit Act No. 29 of 2016. Notwithstanding Zambia's legal framework that promulgates the prudent management of public resources; implementation and enforcement of laws and regulations has been ineffectual to ensure and enforce adherence (OAG, 2020 & 2021).

A number of inadequacies in the regulatory framework seemingly undermined a transparent and accountable pandemic response and resource utilisation including for instance; ineffective actualization of the public financial management laws and regulations, weak internal control systems in public institutions, non-protection of whistle-blowers and scarce access to information.

Moreover, there is evidently<sup>1</sup> ineffective implementation of existing laws, which provide for the effecting of sanctions and corrective measures provided for in the Public Financial Management Act No. 1 of 2018 and the Public Procurement Act No 1 of 2020. Regarding the latter, the Minister of Finance signed and issued a commencement order through Statutory Instrument No. 26 of 2021, thus bringing into effect the Public Procurement Act of 2020 and repealing the Public Procurement Act of 2008. However, despite the revised procurement law essentially effected in April 2021, noticeable lapses in the implementation and enforcement of progressive provisions are evident as reported in the COVID OAG reports particularly highlighting risks of mis-procurement, resource mis-management and wastage of resources.

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<sup>1</sup> As referenced in iterations of the OAG reports

## 5.0 CORRUPTION RISK MAPS

A Risk map is a description of relationships between actors in a sector focusing on the risks of corruption along the value chain. Risk maps therefore are not necessarily maps in the conventional sense. Rather risk maps help to analyze, compare and visualize the interrelatedness of systems, enablers and corruption risks. Thus, the risk map is a tool used to tabulate identified vulnerabilities in transparency and accountability mechanisms that engender the related corruption risks in the COVID-19 response in Zambia.

The risk maps are categorized as follows:

- Response Pillar – this column refers to the pillars of the COVID-19 National Multi-Sectoral Contingency and Response Plan with each pillar encompassing respective strategies to contribute to the Pillars objective. Strategies indicated in the risk maps consist of those where corruption risks have been identified.
- Corruption enablers/drivers – pertains to vulnerabilities identified in the COVID response plan that would bring about or aggravate corruption risks. Some corruption enablers cut across more than one Pillar.
- Actors – refers to institutions anchoring and coordinating the respective pillars as indicated in the COVID-19 National Multi-Sectoral Contingency and Response Plan.
- Corruption risk – pertains to corruption risks identified corresponding to the respective pillars. Some corruption risks cut across more than one Pillar. Corruption risks in the table either have manifested or are potential risks as evaluated by the risk rating.
- Risk rating – refers to the risk rating based on the likelihood and impact scores. The likelihood of the risk was measured based on the risks either being realized or its probability of manifestation. Whilst the potential impact was assessed based on the impact of the risk on the COVID response mechanism. The likelihood of a risk happening and its potential impact when multiplied result in the product of the risk. This product was used to code risk levels by colour: red, amber and yellow – signifying the severity of the risk.

## COVID-19 EMERGENCY RESPONSE IN ZAMBIA – CORRUPTION RISK MAPS

Response Pillars	Corruption Enabler/Driver	Actors	Corruption Risk	Risk Rating			
				Likelihood	Impact	Product	Level
<b>Pillar 1:</b> Coordination, Planning and Monitoring	<ul style="list-style-type: none"> <li>— <b>Strategy 1:</b> <i>Effective multi-sectoral coordination, monitoring and evaluation</i> <ul style="list-style-type: none"> <li>○ Inadequate staff</li> <li>○ Inadequate screening infrastructure/equipment/tools</li> <li>○ Untrained staff</li> <li>○ Weak coordination mechanisms</li> <li>○ Weak financial management and procurement control systems</li> <li>○ Political influence</li> </ul> </li> </ul>	Vice President's Office, DMMU, Cabinet Office, MoFNP, MoH, PHOs, DHOs, Provincial and district administration offices, Cooperating Partners, CSOs, Private sector	<ul style="list-style-type: none"> <li>— <b>Bribery (entry at border points, circumventing COVID-19 screening, fake vaccination certificates)</b></li> <li>— <b>Political influence in the deployment of COVID-19 response medical products and materials</b></li> <li>— <b>Misapplication and mismanagement of COVID-19 response funds</b></li> <li>— <b>Political corruption and political influence in procurement processes (insider dealing, kickbacks, bribery for contracts)</b></li> </ul>	5	4	20	
<b>Pillar 2:</b> Prevention, Treat and	<ul style="list-style-type: none"> <li>— <b>Strategy 1:</b> <i>Strengthen risk communication and community engagement</i> <ul style="list-style-type: none"> <li>○ Lack of/inadequate information</li> <li>○ Political influence in establishment of social and behavioural change groups</li> </ul> </li> <li>— <b>Strategy 2:</b> <i>Enhance surveillance and case investigation</i> <ul style="list-style-type: none"> <li>○ Political influence in recruiting rapid response teams</li> <li>○ Inadequate capacity of rapid response team members</li> </ul> </li> <li>— <b>Strategy 3:</b> <i>Strengthen management of points of entry</i> <ul style="list-style-type: none"> <li>○ Inadequate operational support</li> <li>○ Inadequate isolation facilities</li> <li>○ Inadequate information to travelers</li> </ul> </li> </ul>	MoH, MoD, MoHA, MoLG, MoWS, Provincial and District Admin offices, DMMU, Health facilities, ZRA, DoI, Communities	<ul style="list-style-type: none"> <li>— <b>Bribery, favouritism, nepotism (inclusion on the social and behavioural change groups, rapid response teams, seeking irregular entry at border points)</b></li> <li>— <b>Politically linked persons influencing the establishing of S &amp; B change groups, rapid response teams</b></li> <li>— <b>Demand for payment for public COVID-19 related services/free services by public officials (lack of information by service seekers)</b></li> <li>— <b>Willful disregard for procurement procedures (insider dealing, kickbacks, bribery, mis-procurement)</b></li> <li>— <b>Misappropriation of medical products for personal gain (selling government medical</b></li> </ul>	3	4	12	



<p><b>Halt COVID-19</b></p>	<ul style="list-style-type: none"> <li>○ Weak detection, notification, isolation, management and referral facilities</li> <li>— <b>Strategy 4:</b> <i>Ensure infection prevention, control, case management and provision of national laboratories</i> <ul style="list-style-type: none"> <li>○ Inadequate health staff</li> <li>○ Inadequate infrastructure, equipment and tools</li> <li>○ Inadequate information on COVID-19 services procedures</li> <li>○ Weak procurement controls</li> <li>○ Political influence</li> </ul> </li> <li>— <b>Strategy 5:</b> <i>Operational support</i> <ul style="list-style-type: none"> <li>○ Weak procurement and financial management controls</li> <li>○ Inadequate inventory management systems</li> <li>○ Inadequate staff</li> <li>○ Inadequate infrastructure, equipment and tools</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>— <i>products to unsuspecting citizens – private pharmacies)</i></li> <li>— Extortion</li> <li>— Inflating of prices for supplies and goods</li> <li>— Misappropriation/misapplication of funds</li> </ul>				
<p><b>Pillar 3: Continuity of Provision of Essential Goods and Services</b></p>	<ul style="list-style-type: none"> <li>— <b>Strategy 1:</b> <i>Ensure the continued supply of vital medical drugs, fuel, food, and other essential goods</i> <ul style="list-style-type: none"> <li>○ Weak procurement and financial management controls</li> <li>○ Inadequate inventory management systems</li> <li>○ Weak system and controls for promoting local industries' participation</li> </ul> </li> <li>— <b>Strategy 2:</b> <i>Ensure continued supply of water and sanitation, health, electricity, education, ICT and other essential services</i> <ul style="list-style-type: none"> <li>○ Political influence</li> <li>○ Weak procurement and financial management controls</li> </ul> </li> </ul>	<p>MoH, MoE, MoW, MoST, MoAg, MoFL, MoCTI, Utility companies, private sector and suppliers</p>	<ul style="list-style-type: none"> <li>— <i>Demand for payment for public COVID-19 related services/free services by public officials (lack of information by service seekers)</i></li> <li>— <i>Willful disregard for procurement procedures (insider dealing, kickbacks, bribery, mis-procurement)</i></li> <li>— <i>Misappropriation of goods, food, fuel for personal gain (selling government goods, food, fuel to unsuspecting citizens – private pharmacies)</i></li> <li>— <i>Misappropriation/misapplication of funds</i></li> <li>— Extortion</li> <li>— Inflating prices of commodities</li> </ul>	<p>3</p>	<p>4</p>	<p>12</p>	

			— Political influence in selection of suppliers				
<b>Pillar 4: Preservation of Social-economic Stability</b>	<ul style="list-style-type: none"> <li>— <b>Strategy 2: Protection of vulnerable groups</b> <ul style="list-style-type: none"> <li>○ Inadequate information</li> <li>○ Political influence in the identification of vulnerable groups and community volunteers</li> <li>○ Unprofessionalism in law enforcement</li> </ul> </li> <li>— <b>Strategy 3: Livelihoods and food security</b> <ul style="list-style-type: none"> <li>○ Political influence in social protection interventions</li> <li>○ Weak inventory management controls</li> <li>○ Weak procurement and financial management controls</li> <li>○ Political influence in recovery and resilience of livelihoods mechanisms</li> </ul> </li> <li>— <b>Strategy 4: Maintain economic stability</b> <ul style="list-style-type: none"> <li>○ Political influence</li> </ul> </li> </ul>	MoAg, MoFL, MoCTI, MoCDSS, DMMU, MoFNP, BoZ, Provincial and District Admin offices, Suppliers, Private sector, communities, CSOs	<ul style="list-style-type: none"> <li>— Bribery, favouritism, nepotism (<i>inclusion on the vulnerable groups and volunteers</i>)</li> <li>— Politically linked persons influencing the selection of vulnerable groups/social protection programmes/recovery and livelihood resilience interventions</li> <li>— Solicitation of payments by public officers from unsuspecting vulnerable people</li> <li>— Misappropriation/misapplication of funds</li> </ul>	3	3	9	
<b>Pillar 5: Procurement, Donation and Deployment (Distribution) of COVID-19 Vaccines</b>	<ul style="list-style-type: none"> <li>— <b>Strategy 1: Vaccines Procurement and Donations</b> <ul style="list-style-type: none"> <li>○ Weak procurement and financial management controls</li> <li>○ Inadequate inventory management systems</li> <li>○ Weak system and controls for promoting local industries' participation</li> </ul> </li> <li>— <b>Strategy 2: Vaccines Storage</b> <ul style="list-style-type: none"> <li>○ Inadequate inventory management systems</li> <li>○ Weak oversight system and controls</li> </ul> </li> </ul>	MoH, ZNPHI, PHOs, DHOs, Facilities, Cooperating Partners/Donors, Private Sector, CSOs, communities	<ul style="list-style-type: none"> <li>— Willful disregard for procurement procedures</li> <li>— Misappropriation/misapplication of funds</li> <li>— Extortion</li> <li>— Inflating prices of vaccines</li> <li>— Political influence in selection of suppliers</li> <li>— Willful disregard for inventory management procedures</li> <li>— Demand for payment for public COVID-19 related services/free services by public officials</li> </ul>	4	4	16	

- **Strategy 3: Vaccines deployment, distribution and dispensing**
  - Inadequate inventory management systems
  - Weak oversight system and controls

The Risk Grading scale provides interpretation of the risk maps' respective numerical scores of likelihood and impact scores as well as the interpretation for the colour coding vis a vis the risk level. For instance, the likelihood score of 5 represents almost certainty of the risk manifestation. A risk impact of 5 represents a catastrophic impact if the risk manifests, while the colour code of red indicates the overall risk level being very high.

Risk Grading Scale			
Likelihood	Impact	Risk Level (Product of L x I)	Colour Code
Almost certain -5	Catastrophic - 5	Very high	Red
Likely – 4	Major – 4	Significant	Amber
Possible – 3	Moderate - 3	Moderate	Yellow
Unlikely – 2	Minor – 2	Minor	Green
Almost impossible -1	Insignificant - 1	Very low	Blue

The Risk Matrix represents the spectrum of risks as colour codes, which indicate the risk level; that is, red, amber or yellow. Using the X-axis as impact and Y-axis as likelihood, the risk is placed in a cell with the corresponding risk rates based on the likelihood and impact scores. For example, Pillar 4 is placed in cell numbered 9, corresponding to the risk likelihood score of 3 and impact score of 3 with the risk colour code of Yellow.

Risk Matrix						
Likelihood	5 Almost Certain	5	9	15	20 PILLAR 1	25
	4 Likely	4	8	12	16 PILLAR 5	20
	3 Possible	3	6	9 PILLAR 4	12 PILLAR 2 PILLAR 3	15
	2 Unlikely	2	4	6	8	10
	2 Almost Impossible	1	2	3	4	5
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
	Impact					

Figure 1 compares the overall corruption risk levels of the five pillars of the COVID-19 response plan as percentages. As shown below, Pillar 1 risks and Pillar 5 risks were rated as very high; with Pillar 2 and Pillar 3 risk levels rated as significant and Pillar risk level rated moderate.

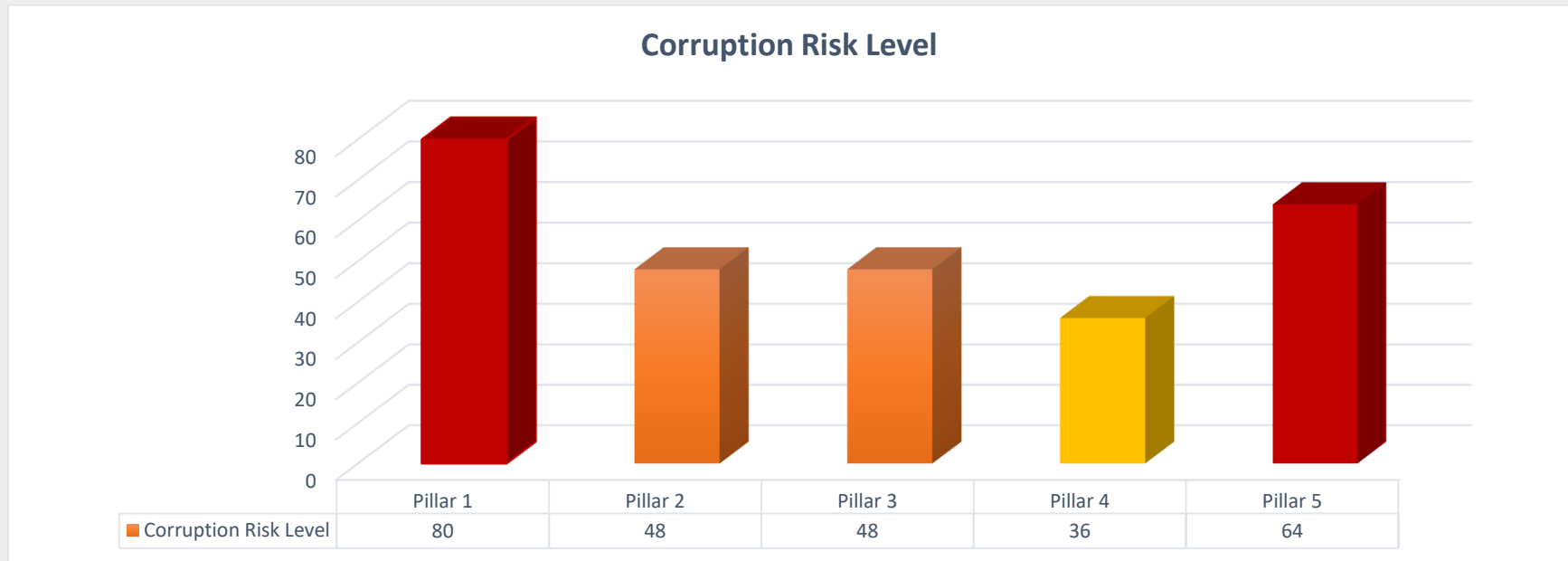


Figure 1 – Corruption risk level

## 6.0 RECOMMENDATIONS

The recommendations resulting from the analysis take into account the current legal framework cognizant that a number of the recommendations are referenced in the legal and regulatory framework though not fully or effectively implemented.

Recommendations	Pillar	Key Actors
<p><b>1. Information on emergency services should be publicly available and displayed:</b> Service providers and facilities should ensure information availability and accessibility. Information on COVID-19 services, vaccines, vaccine certificates and travel requirements should be publicly and easily accessible. Further, anti-bribery messages and posters should be displayed at border points, facilities and service providers to deter corrupt and fraudulent acts from both the demand and supply side.</p>	<p><b>Pillar 1</b> <b>Pillar 2</b> <b>Pillar 3</b> <b>Pillar 4</b> <b>Pillar 5</b></p>	<p><b>ACC</b> <b>MoH</b> <b>ZNPFI</b> <b>DMMU</b> <b>Facilities</b> <b>Department of Immigration</b> <b>CSOs</b> <b>Media</b></p>
<p><b>2. Clear guidelines for selection committees for emergency grant recipients and beneficiaries:</b> Clear guidelines should be developed to guide stakeholders that constitute selection committees for emergency grant recipients and beneficiaries. Additionally, selection committees should include representation from LEAs (ACC) and CSOs/CBOs, to promote transparency and participation. This could also minimize undue influence and the political hand in selection and decision making. Additionally, criteria for deserving and appropriate beneficiaries should be well defined.</p>	<p><b>Pillar 2</b> <b>Pillar 4</b> <b>Pillar 5</b></p>	<p><b>MPSAs &amp; PEs</b> <b>LEAs</b> <b>ACC</b> <b>CBOs</b> <b>CSOs</b></p>
<p><b>3. Enhanced enforcement for E-procurement adherence:</b> E-procurement is a significant strategy for reducing corruption in procurement by promoting greater transparency and lessening the supply side of corruption. Thus, the rollout of e-procurement should be expedited following the commencement order for all MPSAs/PEs to utilize government's e-procurement platform. Further, non-compliant PEs should be sanctioned and penalized as provided for by the Amended Public Procurement Act of 2020.</p>	<p><b>Pillar 1</b> <b>Pillar 2</b> <b>Pillar 3</b> <b>Pillar 4</b> <b>Pillar 5</b></p>	<p><b>ZPPA</b> <b>MoFNP</b></p>

<p><b>4. Enhanced oversight of emergency procurement:</b> There should be enhanced oversight of procurement in emergencies. Justification for emergency procurement should be clear and well documented. Further, given the devolvement of direct bidding, each PE and MPSA should have guidelines on emergency procurement.</p> <p>Further, as emergencies progress and become more predictable; use of emergency procurement should be the exception and not the rule. When emergency situations stabilize, Controlling Officers should ensure that emergency procurement provisions are not abused.</p>	<p><b>Pillar 1</b>  <b>Pillar 2</b>  <b>Pillar 3</b>  <b>Pillar 4</b>  <b>Pillar 5</b></p>	<p><b>Controlling Officers</b>  <b>MPSAs &amp; PEs</b>  <b>ZPPA</b></p>
<p><b>5. Data should be timely published to strengthen accountability and transparency:</b> Emergency data and information particularly pertaining to procurement should be published on specific government portals in real time in open data formats to enhance transparency and promote accountability in the manner resources are managed and utilized. Open data helps to prevent fraud and supports due diligence checks on suppliers. Additionally, publishing suppliers' registration data and beneficial information can further enhance integrity screening of suppliers and companies bidding for government contracts and tenders.</p> <p>Further, emergency procurement contracts should be tagged as such and publicly disclosed on procurement portals in a timely manner to ensure transparency and promote public accountability.</p>	<p><b>Pillar 1</b>  <b>Pillar 2</b>  <b>Pillar 3</b>  <b>Pillar 4</b>  <b>Pillar 5</b></p>	<p><b>MPSAs &amp; PEs</b>  <b>ZPPA</b>  <b>MoFNP</b></p>
<p><b>6. Strengthen anti price-gouging mechanisms:</b> In addition existing efforts to ensure value for money and price reasonableness; to counter price gouging, market prices surveys specifically for emergencies should be undertaken expeditiously at the beginning of emergency responses to effectively inform and benchmark emergency procurement. Further, inclusion of emergency products price ranges should be comprised on mechanisms such as the market price index (MPI) expeditiously.</p>	<p><b>Pillar 2</b>  <b>Pillar 3</b>  <b>Pillar 5</b></p>	<p><b>ZPPA</b></p>
<p><b>7. Publicize corrective measures and sanctions to deter fraudulent and corrupt practices:</b> Correctives actions and sanction effected on those who engage in corrupt and or fraudulent activity should be widely publicized to</p>	<p><b>Pillar 1</b>  <b>Pillar 2</b>  <b>Pillar 3</b></p>	<p><b>LEAs</b>  <b>ACC</b>  <b>Media</b></p>

<p>act as a deterrent for either public officials or private companies actors seeking to profit off the pandemic through fraudulent or corrupt practices.</p>	<p><b>Pillar 4</b> <b>Pillar 5</b></p>	
<p><b>8. Enactment of the Access to Information Law to promote transparency:</b> the lack of access to information law enabled clandestine and high levels of discretion to public authorities and entities in the emergency response. This engendered dishonesty, fraudulence and corruption. Legally supported access to information requests help in ensuring accessibility of information that enhances transparency and accountability thereby deterring dishonest, fraudulent and corrupt dealings.</p>	<p><b>Pillar 1</b> <b>Pillar 2</b> <b>Pillar 3</b> <b>Pillar 4</b> <b>Pillar 5</b></p>	<p><b>Ministry of Information and Media</b> <b>Ministry of Justice</b> <b>Cabinet</b> <b>Members of Parliament</b></p>
<p><b>9. Safeguard and enhance complaint and whistle blower mechanisms:</b> There is need to strengthen whistle blower and complaints mechanisms to ensure that they are accessible, safe and responsive. Whistleblowers and witnesses of corruption should be able to report wrongdoings without fear of reprisals or being targeted. Provisions for anonymous reporting should also be safeguarded. Complaints and whistle blower reports should be managed and investigated responsively and with sensitivity to encourage complainants reporting. Civil society should partner will government to supplement complaint and redress mechanisms in emergency responses given the probable heightened reporting of complaints.</p>	<p><b>Pillar 1</b> <b>Pillar 2</b> <b>Pillar 3</b> <b>Pillar 4</b> <b>Pillar 5</b></p>	<p><b>LEAs</b> <b>ACC</b> <b>CSOs</b> <b>Media</b></p>
<p><b>10. Augment inspection and monitoring of emergency responses.</b> Government should strengthen control and oversight of emergency responses. Further by promoting and engaging civil society participation through third party monitoring interventions for instance; emergency response can be managed in a more accountable, efficient, effective and transparent manner.</p>	<p><b>Pillar 1</b> <b>Pillar 2</b> <b>Pillar 3</b> <b>Pillar 4</b> <b>Pillar 5</b></p>	<p><b>MPSAs</b> <b>LEAs</b> <b>ACC</b> <b>Members of Parliament</b> <b>CSOs</b> <b>Media</b></p>

## ANNEX I: THE AUDIT OF COVID-19 RESOURCES IN FIGURES

In developing the COVID-19 corruption risk map report, TI-Z analyzed the OAG report of the utilization of COVID-19 resources for the period for the period July 2020 to October 2021.

Cognizant that the OAG undertook the audit in accordance with Article 212 of the Constitution (Amendment) Act No. 2 of 2016, the Public Audit Act No.13 of 1994 and the Public Finance Management Act No.1 of 2018. The audit sought **to ascertain that the resources allocated for the fight against COVID-19 and the COVID-19 stimulus fund had been utilized for the intended purpose(s)**. The audit mainly focused on procurement of medical supplies and utilization of stimulus fund.

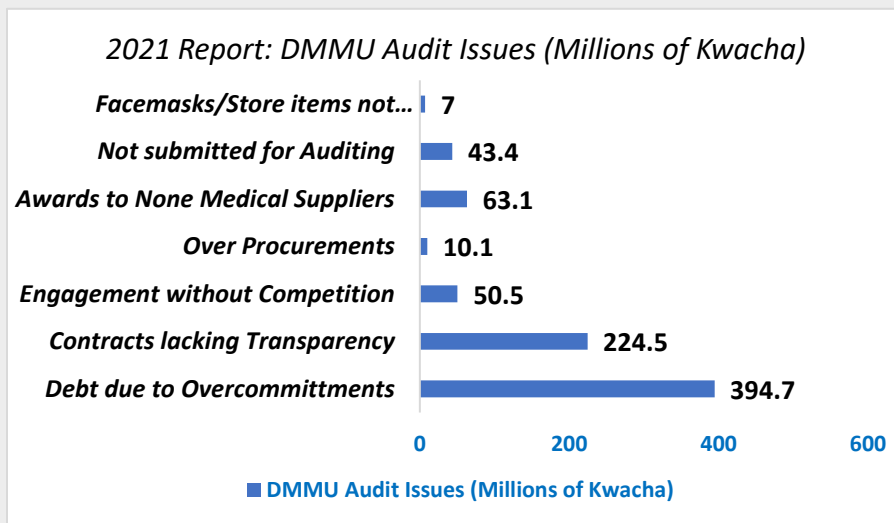
Thus, TI-Z's analysis highlights salient findings and figures to illustrate the scale of misuse and misappropriation of public resources earmarked for the pandemic response. **Only amounts greater or equal to K1 million were considered for this analysis.**

### A: Disaster Management and Mitigation Unit

A total of **K793.3 million** worth of outstanding audit issues related to DMMU have been analyzed. The audit issues were broken down as follows:

1. The DMMU did not provide documentation such as request for quotations and actual quotations used in the evaluation for **21** shortlisted suppliers who were awarded contracts in the sum of **K224.5 million**.
2. DMMU engaged suppliers of re-usable face masks costing **K50.5 million** without any competition.

3. As at 31 October 2021, DMMU had accumulated debt in amounts totaling **K394.7 million** from the procurement of face masks due to the failure to confirm availability of funds before contract award.
4. DMMU over procured over 1 million face masks costing **K10.1 million**.
5. Contracts amounting to **K63.1 million** were awarded to suppliers whose names and nature of business did not relate to medical supplies and there was no evidence that the suppliers had dealt with DMMU before on similar products and had experience in the supply of such medical supplies.
6. DMMU did not avail the purchase enquiries for audit review for tenders involving **6** suppliers who were awarded contracts worth **K43.4 million** and the suppliers were awarded contracts without competition.
7. As at 31 October 2021, face masks costing **K7 million** were not accounted for.



### B: Ministry of Health

A total of **K1.98 billion** worth of outstanding audit issues at the Ministry of Health, with respect to COVID-19 funds, have been analyzed. The audit issues were broken down as follows:



1. There was lack of transparency in the manner in which the Ministry selected **34** suppliers that received the Requests for Quotations and were later awarded **79** contracts worth **K1.32 billion**.
2. Out of the same suppliers issued with Requests for Quotations, **6** suppliers with a contract sum of **K344.9 million** had names and nature of business which did not relate to medical supplies and there was no evidence that the suppliers had dealt with the Ministry before on similar products.

N97 facemasks which were specified in the contract.

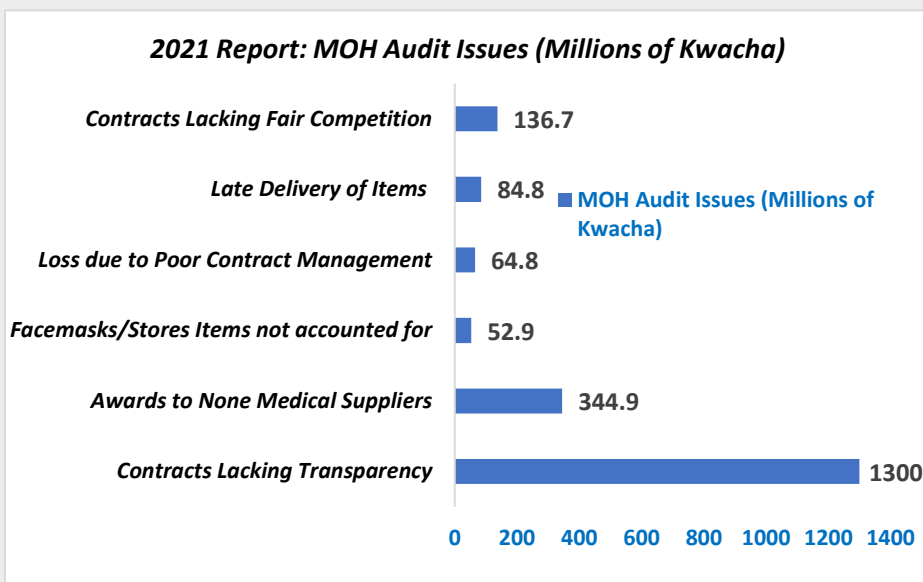
6. As at 31 October 2021, the various suppliers had not delivered items worth **K81.3 million** and **US\$203,964** resulting in delayed deliveries ranging from 28 to 32 weeks and there was no evidence that the Ministry had taken any action against the suppliers.

### C: Ministry of Youth, Sport and Child Development

A total of **K367.2 million** worth of outstanding audit

issues at the Ministry of Youth, Sports and Child Development, with respect to COVID-19 funds and empowerment schemes aimed at mitigating the effect of the pandemic, have been analyzed. The audit issues were broken down as follows:

1. Although ZPPA granted authority to direct bid, the procurement of **100** fuel tanker trucks at a total cost of **US\$16,7 million** was uncompetitive as the supplier was single sourced.



3. A scrutiny of the various bids submitted revealed that the Ministry had engaged in cover bidding (i.e., when a competitor submits bids that are intended to be unsuccessful so that another collaborator can be awarded the contract) resulting in unfair and uncompetitive procurements costing **K136.7 million**.
4. Stores items costing **K52.9 million** were unaccounted for in that there was neither receipt nor disposal details.
5. There was a loss to Government of **K64.8 million** due to the supply of Chinese KN97 facemasks instead of the American grade

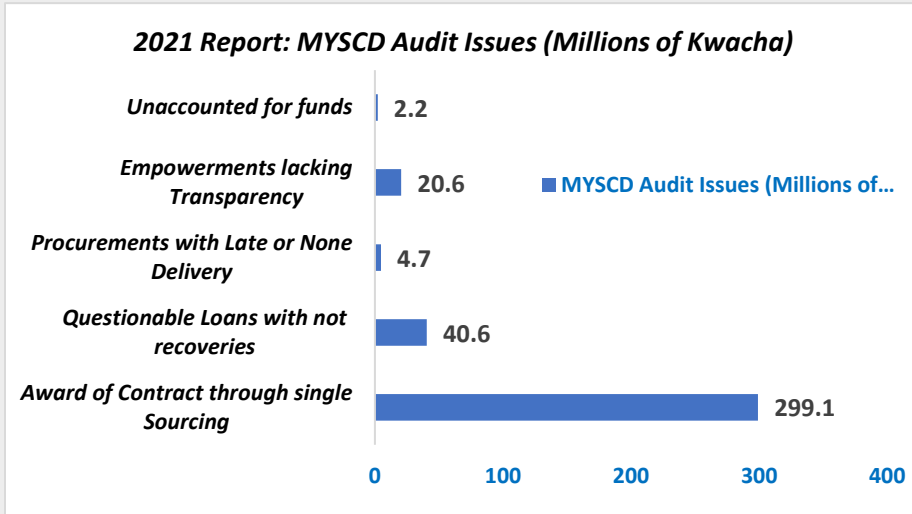
2. The Ministry single sourced the procurement of **35** Mitsubishi Rosa buses at a total cost of **K15.2 million**.
3. The Ministry had paid amounts totaling **K4.6 million** to **4** cooperatives. However, none of the loan recipients were operational and no recoveries had been made as at 31<sup>st</sup> October 2021.
4. An amount of **K4.7 million** had been paid for procurement of plastic recycling production equipment. However, 4 months after procurement the supplier had not delivered the equipment.
5. A total of **K1.4 million** was paid to **18** youth groups for purposes of procuring hammer

mills. As at 31 October 2021, there was no evidence that the hammer mills had been procured and no loan repayments had been made.

9. As at 31 October 2021, amounts totaling **K2.2 million** were unaccounted for in that the funds remitted in August 2021 by the Ministry had not been received by the

Southern Province Administration Office.

10. Beneficiaries who obtained agricultural loans in amounts totaling **K5.6 million** had not made any repayments as at 31 October 2021. In addition, there was no evidence at the Ministry to indicate that recoveries on the loans had commenced under the programme.



6. Loan agreements, repayment details and progress reports in respect of **44** cooperatives that received amounts totaling **K21.6 million** were not availed for audit as at 31 October 2021.

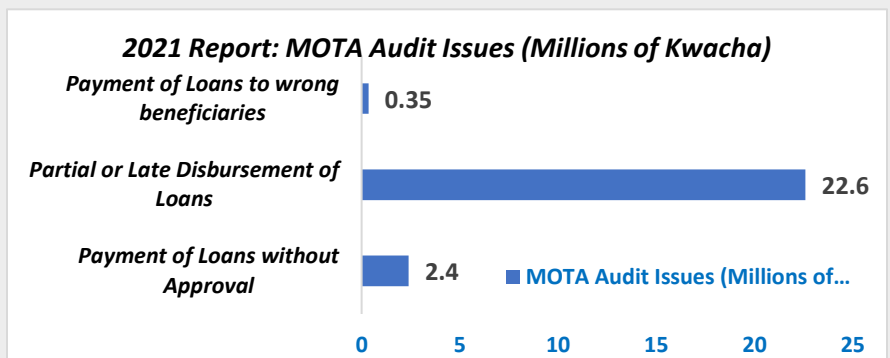
7. Amounts totaling **K20.6 million** were paid to five **5** Market Cooperatives to benefit 20,000 youths as marketeer’s empowerment funds. However, information such as expenditure returns showing list of beneficiaries per cooperative and amounts paid were not availed for audit as at 31 October 2021.

8. The Ministry disbursed loans to seventeen **17** youth groups totaling **K7.4 million**. However, the Ministry did not avail reports for audit scrutiny to confirm whether the funds had been used for the intended purpose and as at 31 October 2021 youth groups owed amounts totaling K1,126,062 as loan repayments which had been outstanding for over five (5) months.

**D: Ministry of Tourism and Arts**

A total of **K25.3 million** worth of outstanding audit issues at the Ministry of Tourism and Arts, with respect to COVID-19 funds and empowerment schemes aimed at mitigating the effect of the pandemic, have been analyzed. The audit issues were broken down as follows:

1. Loans in amounts totaling **K2.4 million** were disbursed to **9** beneficiary groups whose



loan applications forms were not endorsed by National Arts Council and were not approved by the IPSC.

2. A total of **111** loans totaling **K22.6 million** were partially disbursed and **13** loans totaling K2.1 million had not been disbursed twelve (12) months after the date of selection and approval.
3. **2** beneficiaries who were paid loans in amounts totaling **K354,712** were not paid-up members of any arts association affiliated to or registered with the National Arts Council (Though the value was less
4. than K1 million, this was analyzed as a special case).

## References

Zambia COVID-19 Multi Sectoral Contingency Response Plan, March 2020

Interim Report of the Auditor General on the Audit of Utilisation of COVID-19 Resources as at 31 July 2020, Zambia

Financial Intelligence Centre Annual Report for the year 2020, Zambia

Report of the Auditor General on the Audit of Utilisation of COVID-19 Resources for the period from July 2020 to October 2021, Zambia

The Constitution (Amendment) Act No. 2 of 2016 of the Republic of Zambia

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