

CONCERN OVER PRESIDENTIAL PROCLAMATION EXEMPTING COMPANIES FROM COMPLIANCE WITH PROCUREMENT LAWS.

Harare –12 February 2024 - Centre for Natural Resource Governance (**CNRG**) would like to express its deep concern with the recent proclamation made by President Emmerson Mnangagwa, regarding the exemption of 21 companies from compliance with the laws of procurement. On Thursday, **08 February 2024**, the President gazetted General Notice 164B of 2024 exempting 21 public entities from compliance with the Public Procurement and Disposal of Public Assets Act. There was no explanation or valid reason given as justification for this move.

At **CNRG** we firmly believe in the importance of fair, standardized, and transparent procurement processes which promotes public confidence and trust. These processes play a fundamental role in ensuring that the benefits derived from the exploitation of natural resources and administration of public entities are equitably distributed among the people of Zimbabwe leading to shared prosperity.

Procuring entities, as per the Public Procurement and Disposal of Public Assets Act, are required to acquire goods and services within available financial resources and other applicable limitations and at the most favourable time, to achieve maximum value for public expenditure.

The constitution mandates in section 315 that public procurement should be carried out transparently, fairly, honestly, cost-effectively, and competitively. However, the number of public procurement scandals in Zimbabwe has raised doubts on the effective implementation of these provisions. The exemptions proposed by the President worsens a situation that is already deep in crisis. The General Notice does not provide an alternative mechanism to tighten internal controls within these companies.

Transparency in public procurement is essential to prevent corruption and impunity. Article 9 of the United Nations Convention Against Corruption (**UNCAC**), which Zimbabwe is a state party to, emphasizes the importance of procurement systems based on transparency as a tool to prevent corruption. In public procurement, transparency guarantees principles of openness and publicity throughout all stages of the procurement cycle (pre-tendering, tendering, and post-tendering) to ensure a competitive environment and the ability to monitor procurement processes' execution.

The proclamation to exempt certain companies from procurement laws raises significant concerns and questions the government's commitment to transparency and accountability. There is a risk of cultivating an environment that fosters corruption, favouritism, lack of fair competition and impunity.

Transparency and accountability are essential pillars of good governance, and they are critical in the management of natural resources. Open and competitive bidding processes ensure that the best companies, with the necessary expertise and capacity, are awarded contracts. This helps to prevent nepotism, bribery, overpricing of goods and services and the mismanagement of public resources.

Furthermore, removing certain companies from the procurement laws could also have negative consequences for the environment and local communities at a time environmental crimes are on the rise. Proper environmental assessments, social impact studies, and community consultations are integral parts of the procurement process. Circumventing these procedures poses the risk of

irreversible environmental damage and further marginalization of local communities who rely on these resources for their livelihoods.

We call upon the government to set aside this proclamation and uphold the principles of transparency, accountability, sustainable development and, above all, the Constitution of Zimbabwe.

We call upon Parliament to exercise its oversight role by summoning responsible ministers to explain President Mnangagwa's reasons for circumventing the constitutional and legislative provisions for procurement of goods and services by public entities.

For more details, please contact.

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