



Figure 1: Inspection of a new refuse collection tractor by Makonde Rural District Council technical staff

Credit: Norman Musora

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Abstract

Prior to the introduction of the new procurement reforms in 2018, the public sector in Zimbabwe used to operate a centralised, corrupt, chaotic, and inefficient system which had a negative impact on good local governance and democracy (Musanzikwa, 2013). The ushering in of the new public procurement reforms in 2018 was a welcome development as it advocated for the decentralising of the procurement function to institutions like rural district councils. However, this study found challenges affecting the implementation of the new reforms by rural district councils such as lack of adequately trained personnel, additional workload though statutory returns, lack of appropriate information, communication and technology infrastructure. Therefore, in order to address these challenges, it is recommended that collaborations between councils and institutions of higher learning should be strengthened in order to close the skills gap. Policies which promote investment in information and communication infrastructure must be prioritised.

Public procurement reforms in rural local authorities in Zimbabwe

Introduction

From Zimbabwe's annual national ZWL\$4 billion budget, expenditure through public procurement constitutes around 25%, thereby making it one of the major activities that have the potential to steer socio-economic growth and development at the local government level through the delivery of quality services. According to Musanzikwa (2013), for the past thirty years, Zimbabwe has operated a centralised, corrupt, inefficient, and bureaucratic procurement system which contributed to delays in the implementations of life-improving projects and services by local governments. To address these shortcomings, a new procurement legislation was ushered in and brought with it numerous reforms which included decentralising procurement to units such as rural district councils.

Though the reforms are a welcome development, little research has been done so far to establish whether they are achieving the intended results of improving service delivery by rural district councils for the benefit of poor rural communities. This research aimed to establish the extent to which the new public procurement act was aiding or curtailing the efficiency and effectiveness of procuring goods and services by rural district councils in Zimbabwe. The findings from this research aim to highlight to policy makers the gaps and challenges rural district councils are facing in implementing the new reforms thereby retarding development in poor rural communities. They will also help identify better approaches to be used to improve the capacity, efficacy, and effectiveness of the councils to deliver services in a timely manner and within budgeted funds.

About ICLD

The Swedish International Centre for Local Democracy (ICLD) is part of the Swedish development cooperation. The mandate of the organization is to contribute to poverty alleviation by strengthening local governments.

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Figure 2: Nyatsato Clinic, Rushinga

Credit: Kudakwashe Jonasi

Methodology

This policy brief is a result of a qualitative study which adopted a desktop approach to review related literature. In order to understand the challenges which rural local authorities face during the procurement process, legal documents such as the Constitution of Zimbabwe Amendment (No 20) Act of 2013, Public Procurement and Disposal of Public Assets Act, Chapter (22:23) of 2017, published journal articles, proceedings from workshops as well as print media papers was reviewed. Some of the material was accessed from online repositories like google scholar. Additional material that specifically focuses on public procurement practices in Zimbabwe was accessed from research gate though there is thin material covering this subject.

Results and conclusion

The procurement reforms have the potential to improve local governance and service delivery in rural Zimbabwe. However, the new Public Procurement and Disposal of Public Assets Act, Chapter (22:23) of 2017 has challenges that are negatively affecting service delivery by rural district councils. It was noted that e-procurement has the potential of reducing bureaucratic procurement processes found in the traditional system by instilling confidence among stakeholders. Adoption of e-procurement has the potential of promoting transparency, efficiency, cost-saving, reduces corruption, and streamlines activities as they will be a reduction in physical human interference in handling tender documents. However, despite these advantages, there are challenges faced by rural district councils in implementing the new procurement reforms. Firstly, there is poor infrastructure to support e-procurement like internet connectivity, appropriate computer hardware, and software in most rural district councils, (Chatiza, 2013). Secondly, some of the senior staff managers lack the necessary skills to operate the e-procurement system, because of this they might resist a system that threatens their job security, *ibid*.

The new reforms were hurriedly implemented without adequate supporting training and development plans being developed. Instead, sporadic sensitisation workshops were conducted and they proved to be inadequate as it targeted senior managers only as evidenced by a letter originated by the Association of Rural District Councils of Zimbabwe dated 10 December 2018. The letter requested the Chief Executive Officers (CEO) to attend an emergency two-day training workshop facilitated by the Procurement Regulatory Authority of Zimbabwe (PRAZ). The letter showed that the workshop was as a result of a request by CEOs not as part of a planned training programme as it reads;



Figure 3: Nyatsato Clinic, Rushinga

Credit: Kudakwashe Jonasi

The workshop emanated from a request by the CEOs Forum at the just ended CEOs conference held in Mutare that the Association should engage PRAZ and should facilitate for a training workshop on the provisions of the Public Procurement and Disposal of Public Assets Act (Chapter22:23)

From the letter, it was noted that councillors who are the policymakers were not included as participants to be capacitated in understanding the new procurement reforms. It was also noted that the procurement function was not fully decentralised as some tenders with certain thresholds were still being referred to the procurement regulatory agency for approval. Further, it was noted that the new procurement act requires rural district councils to prepare monthly and annual returns and then submit them to the regulatory agency. Specifically, section 7 (b) of the act gives PRAZ unlimited powers as it reads;

Without limiting section 5 (“Establishment of Procuring Regulatory Authority of Zimbabwe”), in the exercise of its functions the Authority shall have power, subject to this act, to do any of the following,

(b) to require procuring entities to collect information regarding procurement and to provide the Authority with such information in such form, and at such intervals or within such periods, as the Authority may direct

This requirement adds a burden to the already understaffed procurement department as well as adding more paperwork to overstretched rural district councils.

The researchers noted that the new reforms were silent on how other sub-district structures like clinics and schools were going to implement the new procurement system because they also raise public funds but they have limited manpower and do not have financial resources to employ the experts required by the act.

Policy recommendation

Public procurement of goods and services by rural district councils is one of the major catalysts which can play a significant role in the improvement of the socio-economic well-being of poor rural communities if it is done through a friendly legal framework. However, the current public procurement reforms fall short of expectations to fit the operating context of rural district councils, therefore this paper recommends that the current act needs to be reviewed and amended so that it takes into account the shortcomings highlighted in this paper. The following are the specific recommendations:

- 1.** Section 264 of the constitution of Zimbabwe provides for devolution of powers whilst section 276 assigns functions to rural district councils, therefore the envisaged new devolution framework must assign all procurement functions to sub-national institutions without an option to refer to a central agency for permission
- 2.** A policy framework must be established which compels collaboration between rural district councils and institutions of higher learning to provide certification in procurement by providing customized modules which focus more on public procurement. To ensure the relevance of this certification, it must be tied to the reward management system as well as promotional prospects.

- 3.** There is a need for the government to deliberately priorities policies that will expedite infrastructure development in rural areas so that e-procurement could be possible. Areas of priority include power availability either solar technology or electricity grid. Further, infrastructure such as mobile network infrastructure will be able to promote mobile technology and internet accessibility.
- 4.** The preparation of the annual plan should not be taken as an independent activity but must be consolidated into the annual financial budget. The regulatory authority needs to provide a template that could be used to guide rural district councils.

The introduction of new public reforms in Zimbabwe in 2018 heralded the beginning of a transparent system that has the potential of enhancing good local governance systems through efficient and cost saving methods of procuring goods and services. The outbreak of coronavirus (COVID-19) pandemic has brought major transformations that have negatively impacted local governance especially in developing countries. In view of the above, how can local governments incorporate procurement methods that are compatible with the operating in and post pandemic period. In order to operate effectively in the new business environment, there is need for local governments to identify strategies of how they can create spaces for having conversations and dialogue on policy review in the public procurement sector.

Annex A: Key Readings, Journal Articles and Legal frameworks

Chatiza, K. (2013). *Capacity building for local governments and service delivery-Zimbabwe. Local Government capacity assessment report*. Harare: Development Governance Institute.

Chiappinelli, O. (2017). Decentralization and Public Procurement Performance. New evidence from Italy. *Germany Institute of Economic Research*, 1-30.

Chigudu, D. (2014). Public Procurement In Zimbabwe: Issues and Challenges. *Journal of Governance and Regulation*, 1-5.

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Musanzikwa, M. (2013). Public procurement system challenges in developing countries: the case of Zimbabwe. *International Journal of Economics, Finance and Management Sciences*, 119-127. <https://doi.org/10.11648/j.ijefm.20130102.18>

Tsabora, J. (2014). Public Procurement in Zimbabwe: Law, Policy and Practice. *African Public Procurement Law Journal*, 1-21.

Legal Frameworks

Government of Zimbabwe. (2013). Constitution of Zimbabwe Amendment No (20) Act, Harare: Government Printers

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The recommendations in this policy brief exclusively reflect the views of its authors.

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