



**Republic of Namibia**

**Ministry of Finance  
Procurement Policy Unit  
(Established under section 6 of the Public Procurement Act, 2015)**

**ANNUAL REPORT  
2020/21**

**[Issued in terms of section 7(1)(e) of the Public Procurement Act, 2015]**

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## 1. INTRODUCTION

In terms of section 7(1) (e) of the Public Procurement Act, 2015, the Procurement Policy Unit (PPU) is mandated to *monitor and report on the performance of the public procurement systems in Namibia, including the preparation of an annual report to be tabled in the National Assembly within six months after the end of each financial year and advise on desirable changes.*

The 2020/21 report is the second edition of the procurement performance systems report. Our last report, which also happened to be the first, covered the period 2017/18 – 2019/20. As per the requirement, the first report was tabled in the National Assembly during October 2021. Going forward, the PPU shall produce and present an annual report each year as per the dictates of section 7(1)(e).

The 2020/21 report presents an account of the overall implementation of public procurement focusing on the performance by key organizational structures for the implementation of the Act, i.e, the Procurement Policy Unit, the Central Procurement Board of Namibia (CPBN), and the Review Panel. The report also encapsulate performance by public entities in terms of key compliance requirements and other performance areas by the public entities.

Central to the activities of the PPU is the performance on programme activities of the Unit as informed and aligned to the Ministerial Strategic Plan (2017/18 – 2021/22) and the 2020/21 Annual Work Plan (AWP). The report also include performance information on procurement by public entities regarding their procurement activities.

## 2. PURPOSE OF THE REPORT

The report is produced in line with section 7(1) (e) of the Act i.e., *to monitor and report on the performance of the public procurement systems in Namibia, including the preparation of an annual report to be tabled in the National Assembly within six months after the end of each financial year and advise on desirable changes.*

This report is produced in line with the above-mentioned, to provide a general glimpse on performance and implementation of the Act during the reporting period 2020/21 as informed by the existing monitoring system at the PPU and activities of various stakeholders within the public procurement system. Lastly, the report serves to highlight the challenges experienced during the implementation of public procurement and recommendations to take advantage of existing opportunities existing to improve the overall public procurement system.

### 3. PROCUREMENT POLICY UNIT

During 2020/21, the PPU pursued a strategic objective i.e., Enhance efficiency of the Public Procurement system and compliance to the Public Procurement Act.

In line with the Ministry of Finance Strategic Plan and 2020/21 Annual Work Plan, the Procurement Policy Unit undertook the following programme activities:

- a) Public procurement compliance & performance assessment
- b) Capacity building
- c) Amendments to the Act
- d) Code of Good practice
- e) E-government procurement phase 1

### 4. INTERNAL PROCUREMENT STRUCTURES

The PPU received a total of 200 requests for amendments to the Internal Procurement Structures during the 2020/21 financial period. Thirty (30) of these requests, were rejected due to non-compliance to the directive and relevant legislative requirements.

### 5. ANNUAL PROCUREMENT PLAN

In terms of Section 25(4)(a) of the Act, Accounting Officers must - engage in procurement planning, plan each step of the procurement process and prepare annual procurement plan.

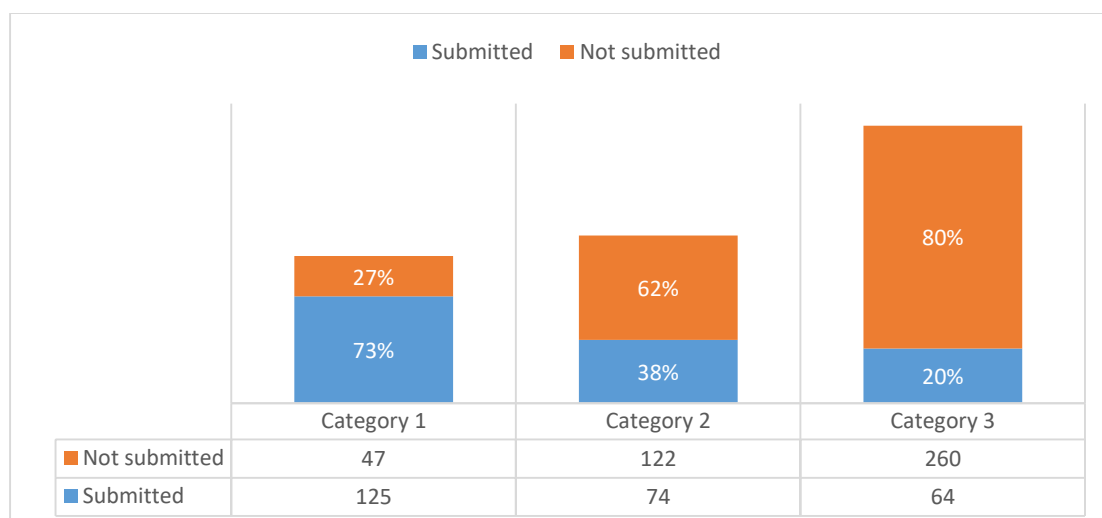
With regard to this requirement, the PPU received annual procurement plans as reflected in TABLE 2 below.

CATEGORY	2020/21
Category 1	43 out of 43 (100%)
Category 2	34 out of 49 (69%)
Category 3	58 out of 81 (72%)
<b>Total</b>	<b>135 out of 173 (78%)</b>

Table 1 Submission of Annual Procurement Plans by Public entities 2020/21

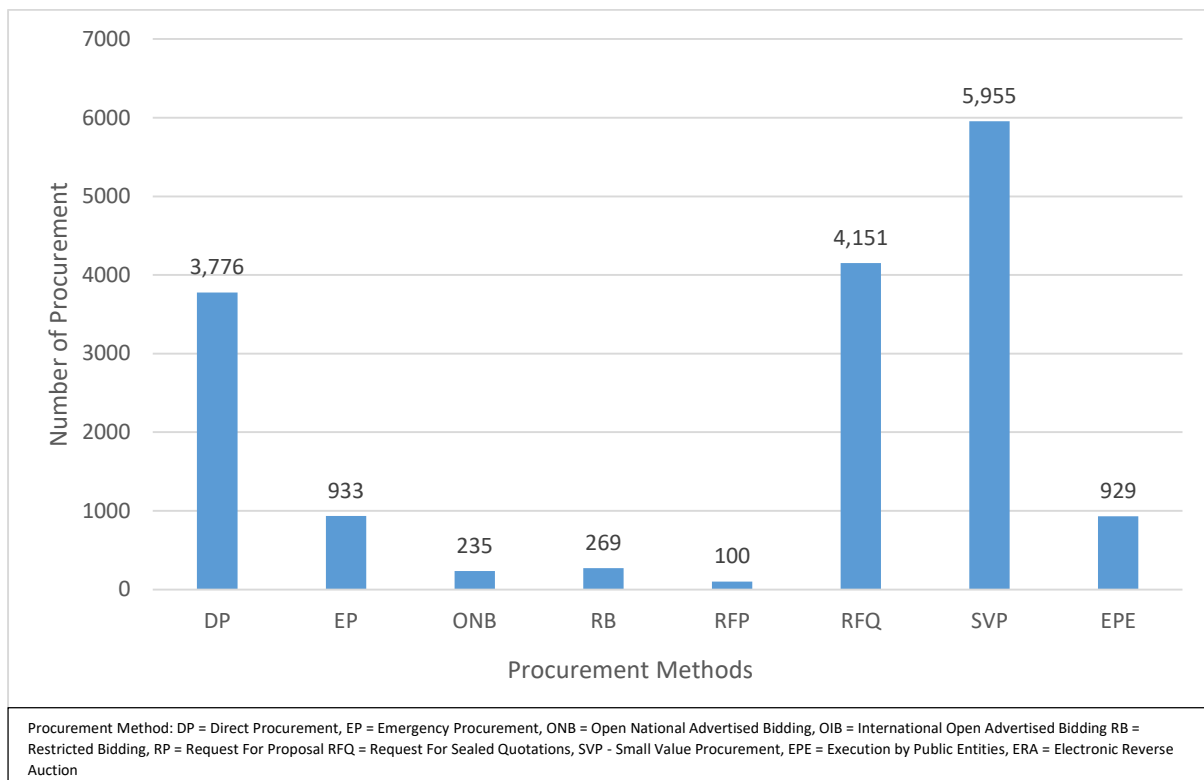
## 6. QUARTERLY IMPLEMENTATION REPORTS

In terms of paragraph 1.5.1 of the Public Procurement Guidelines 2017, public entities are required to compile and file with the PPU the quarterly reports detailing their implementation of their Annual Procurement Plan. Compared to development and submission of Annual Procurement Plans, submission of Quarterly Implementation Reports has been the highest area of non-compliance by the public entities. As per Graph 1 below, fewer reports are received for category 2 and 3 public entities. Category 1 public entities demonstrated the highest level of compliance on submission of implementation reports and 73% compliance with Category 1 and 2 combining for a compliance level of only 26%. While non-compliance on publication of reports continues to be low, overall compliance rose from 17% overall compliance in 2019/20, to 38% compliance in 2020/21.



Graph 1. Quarterly Implementation Reports received

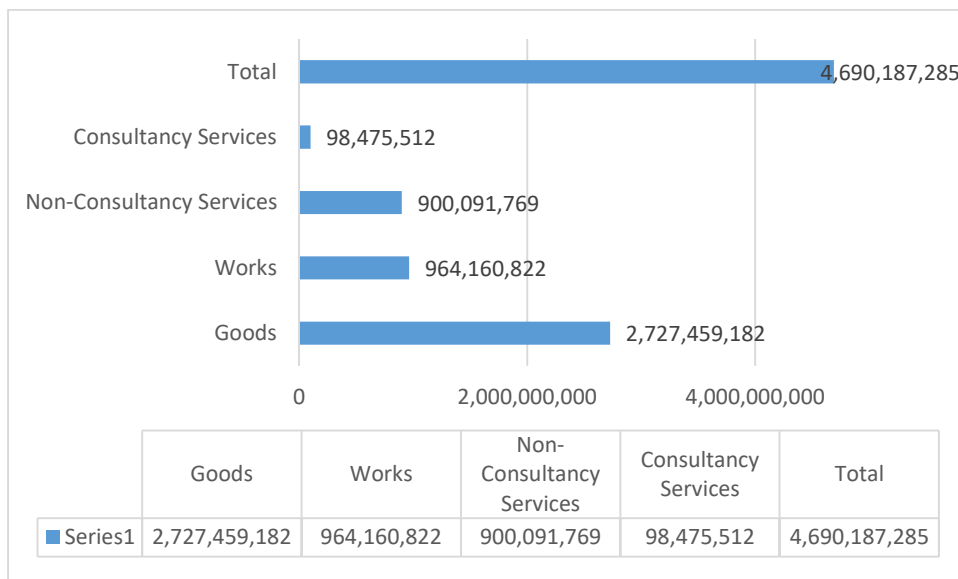
## 6.1 PROCUREMENT METHOD USED



Graph 2. Frequency of procurement methods used 2020/21 FY

Based on the 263 reports received from public entities during 2020/21, a total of 16348 procurement were conducted to the value of N\$4,690,187,285. Among these, Small Value Procurement (SVP) method dominated at 36 percent followed by the Request for Sealed Quotation (RFQ) method (at 25 percent) and Direct Procurement method (DP) (at 23 percent). Open advertised method being the default method accounted for only 235 procurement, i.e., 1 percent of all procurement conducted. Needless to say public entities continue to utilise the least competitive methods of procurement. A close look into the specific reports unveils that public entities are making use of non-competitive methods without justifications for deviating from the competitive method of open national bidding. This phenomenon has a direct impact to the achievement of outcomes expected of competitive procurement processes of procurement.

## 6.2 PROCUREMENT EXPENDITURE BY CATEGORY OF PROCUREMENT



Graph 3. Value of Procurement (in N\$) by procurement category

From Graph 3 above, Goods procurement is the most dominant category by public entities during 2020/21 at N\$2.7 billion (29 percent) followed by Works and Non-consultancy Services all at 10 percent. The least of the procurement category is consultancy services which accounted for merely 1 percent of the total value of all procurement conducted by public entities (excluding procurement conducted by the Central Procurement Board of Namibia on behalf of other public entities).

## 7. PUBLIC PROCUREMENT DURING THE PERIOD 27 MARCH – 04 MAY 2020

Due to the global outbreak of Covid-19, His Excellency the President of Namibia declared a State of Emergency in Namibia on 18 March 2020. In light of the above, the Minister of Finance issued a directive dated 27 March 2020 suspending all procurements except those of essential goods, works or services required to mitigate the spread of Covid-19. This directive was effective from 27 March 2020 to 4 May 2020, after which a new directive dated 06 May 2020 was issued. This directive lifted all restrictions of the initial Directive, except the implementation of the Open International Bidding process. The gist of the Directive of 27 March 2020 was to put off all public procurement activities. In line with this objective, no new procurements were to be carried out, furthermore all public procurements which were in



process were to be frozen until such time that the hold was lifted. Finally, only procurements for essentials required to mitigate the spread of Covid-19 were permissible. To assess compliance to the above, a report was prepared on the implementation of public procurement by all public entities during this period.

The objectives of the request was to monitor compliance to the Directive against the backdrop of risks particularly rife during emergency situations. In particular, the request sought to obtain information on goods, works and services which were acquired during the period; the reasons for such procurement; the unit and the total price of the goods and quantities procured as well as the procurement procedures used.

Following a request for information, only 60 public entities responded. Submissions from public entities indicated that a total of 1060 individual procurements valued at N\$102,823,859.87 were carried out during 27 March to 04 May 2020 as per the chart below:

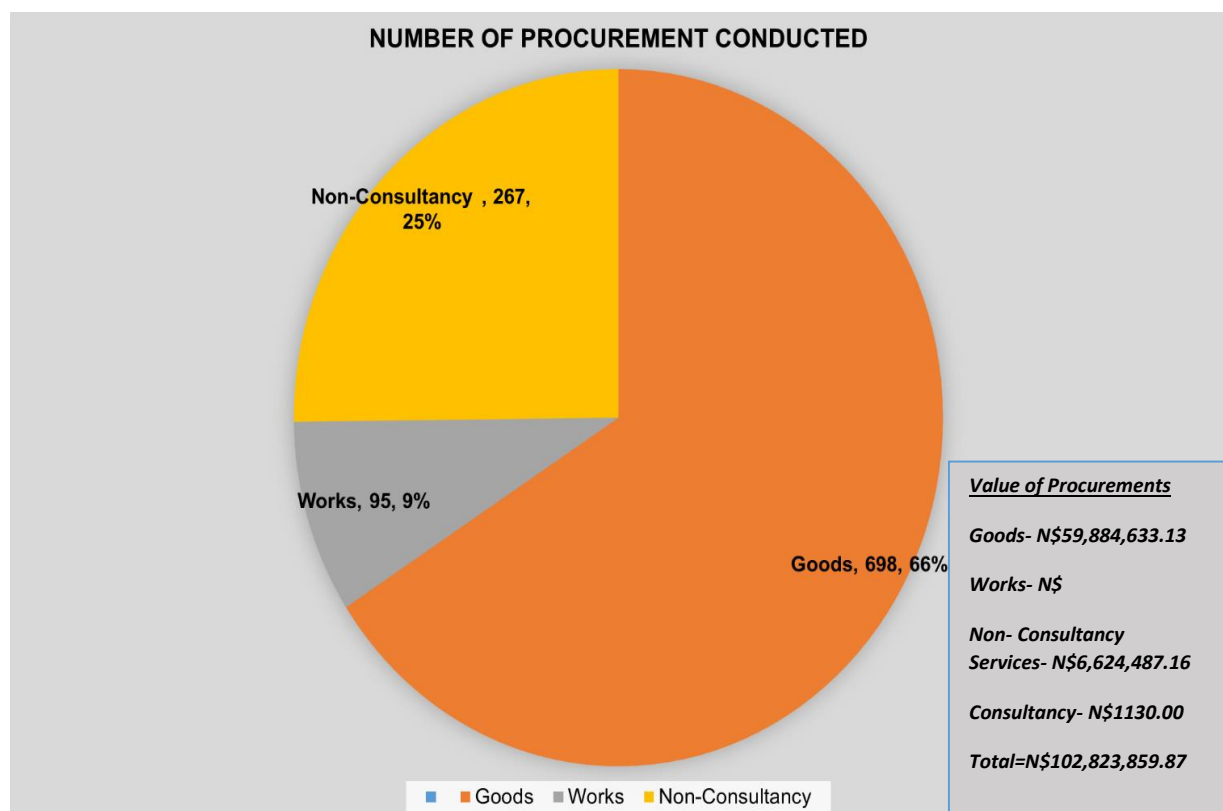
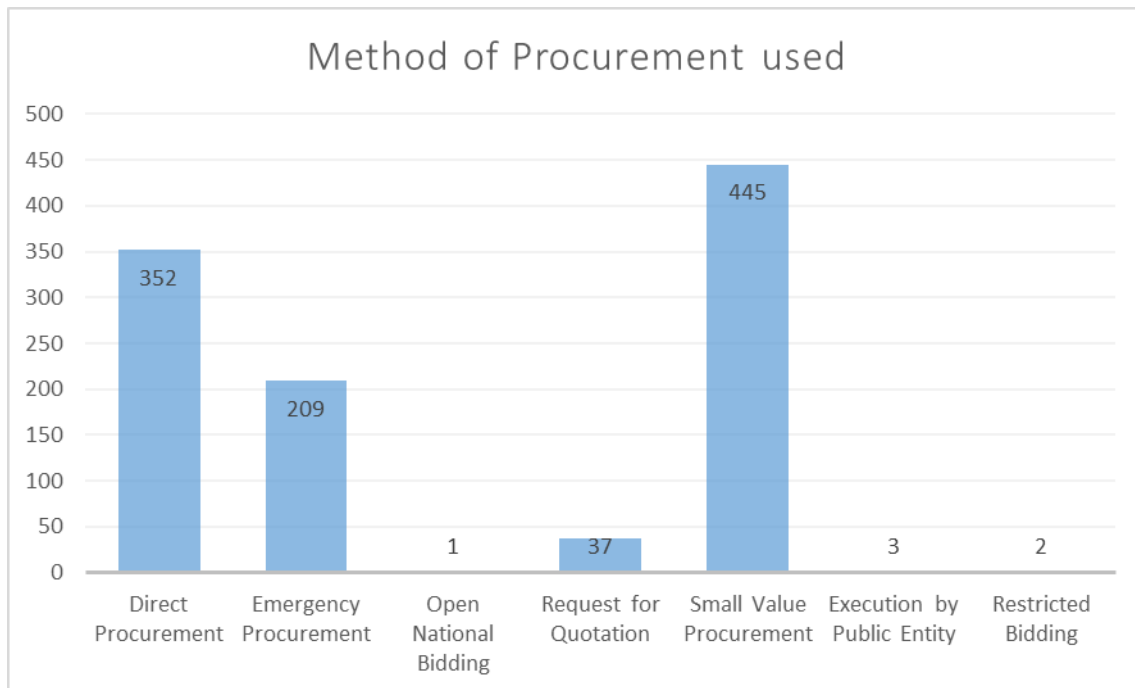


Chart 1. Number and value of Procurement Conducted

The supply of hygiene products were in the majority of goods procured. These are mainly hand sanitizers/disinfectants, hand gloves, masks, gun thermal detectors and tap-buckets for use in the protection against Covid-19. At 66 percent numerical dominance, goods were also

the most valued category of procurement at N\$59,884,633.13, followed by works despite being numerically, the least of all categories of procurement. Numerically, Non-consultancy services was the second dominant category of procurement accounting for 25 percent of the procurements although the least in monetary value at only N\$6,624,487.16 (equivalent of 6.4 percent).



Graph 4. Methods of Procurement Used

According to Graph 1 above, Public Entities dominantly used the method of Small Value Procurement (SVP) accounting for 42.4 percent of the procurements. Direct Procurement Method (DP) is the second most used method at 33.6 percent followed by Emergency Procurement (EP) at 19.9 percent, and Request for Quotation (RFQ) at 3.5 percent. This is likely due to the state of emergency that was declared in Namibia on account of the outbreak of Covid-19. The Restricted Bidding (RB), Execution by Public Entities (EPE) and Open National Bidding were insignificantly utilised at a combined use of 0.6 percent. Effectively, 95.2 percent of procurements were conducted through direct procurement as 1009 of the 1060 procurements did not involve any form of competition as not more than one bidder participated.

In terms of the Public Procurement Act, 2017 (Act No.15 or of 2017), section 27 provides for ten (10) procurement methods among which includes Emergency Procurement method (Section 33, Public Procurement Act, 2015). Subject to conditions, emergency procurement method provides for the use of direct procurement, which is procurement without competition. Furthermore, regarding direct procurement, Regulation 18 of Public Procurement provides conditional requirements for the use of such method:

*(a) goods to be procured cannot be procured using other procurement methods as contemplated in section 27 of the Act;*

*(b) the supplier is able to perform in terms of the procurement contract to be entered between the parties;*

*(c) the quality and technical aspect of the proposal of the supplier meet the requirements of the public entity; and*

*(d) the price to be paid to the supplier is fair and reasonable.*

While emergency procurement is meant to enable swift contracting and delivery of goods, works and services during emergencies by shortening the procurement process, the above caveats aims to ensure that the spirit of competition, value for money, and above all; fairness, transparency and integrity is maintained.

Against the provision of Section 27 and Regulation 18, it has been found that for numerous procurements during the period 27 March to 04 May 2020, public entities did not comply to the requirements of the law and regulations on public procurement and as such compromised the key principles of competition, transparency and, integrity of these procurements. This is particularly so for a number of direct procurement of common goods such as sanitizers and masks, which could be obtained from a number of suppliers in the market.

## 8. PUBLIC PROCUREMENT COMPLIANCE AUDITS

In terms of the sections 6(1)(a) and 7(1)(e), the Procurement Policy Unit has the responsibility for monitoring compliance with the Public Procurement Act, 2015, directives, code of procedures and guidelines issued under the Act; and also the function to report on the

performance of the public procurement systems in Namibia. Procurement Policy Unit undertook ten (10) procurement audits during the period of 2020/21 financial years namely to establish whether the provisions of this Act have been complied with at the following public entities: Nampower, Namwater, City of Windhoek, Namibian Competition commission, Trasnamib, Ministry of Finance, Otjozondjupa Regional council, Tsumeb Municipality, Otavi Municipality and Otjiwarongo municipality.

## 9. PUBLIC EDUCATION AND TRAINING

In terms of Section 7(1)(f), the PPU has the function to prepare and conduct training programme and approve training curriculum on public procurement as proposed by training institutions for staff members, contractors and suppliers concerning procurement.

During the period of 2020/21 financial year the Procurement Policy Unit conducted 32 trainings as per table 2 below.

**Table 2: Name and number of public entities and d bidders trained during 2020/21**

<b>Name(s) of Public Entity/s trained</b>	<b>Subject(s) of training</b>	<b>Number of staff trained</b>
Social Security Commission	Internal Procurement Structures	24
Social Security Commission	Bid Evaluation Committee	24
Deloitte	CSV	29
Municipality of Tsumeb	Internal Procurement Structures, Procurement Planning and Accounting Officers responsibilities	19
Otavi Town Council	Internal Procurement Structures, Procurement Planning and Accounting Officers responsibilities	13
OPM	Internal Procurement Structures	20
Municipality of Otjiwarongo	Internal Procurement Structures, Procurement Planning and Accounting Officers responsibilities	19
Mof Bid Evaluation Com	Bid Evaluation Committee	12
PPU Staff	Review Panel Processes and procedures	14
PPU Staff	Review Panel Processes and procedures	11
CPBN	Induction Training	9
Air Namibia	Procurement Methods	5
Trans Namib	Bid Evaluation Committee	21
Many PE	Induction Training	220
Many PE	Induction Training	500
NILALEG (Project under MET)	Induction Training	9
MGEPEWS	Induction Training	20

<b>Name(s) of Public Entity/s trained</b>	<b>Subject(s) of training</b>	<b>Number of staff trained</b>
MoDVA (Junior staff)	Induction Training	10
MoDVA (Managers)	Induction Training	12
MoF IT	Induction Training	24
MURD Induction for Regional Councillors	Induction Training	91
MURD Induction for Local Councillors	Induction Training	104

During 2020/21, the PPU switched its training approach from large group trainings to public entity-level trainings, thereby affording public entities an up-close learning opportunity. As such the number of trainees dropped largely due to this as well as covid-19 pandemic, considering the limited number that could be trained at each individual entity training session under the covid-19 induced rules. During this period, a total of 30 entity-based trainings were conducted, benefiting 653 people. Furthermore, two online trainings were conducted benefiting 720 people.

## 10. CAPACITY BUILDING STRATEGY

During 2019/20, the PPU developed the Capacity Building Strategy for 2020/21, to guide implementation of capacity building activities for public entities. The purpose of the strategy is to establish a framework aimed to address prevailing procurement issues which exists as a result of capacity constraints in the procurement system, by addressing PPU's capacity, public entities capacities and bidders' capacity challenges.

## 11. PUBLIC EDUCATION AND AWARENESS

The PPU has developed a Public Education Strategy 2020/21 with the aim to educate the general public on matters of public procurement. The Strategy entails the use of various means and platforms to disseminate public information, educate, and raise awareness on all matters related to public procurement. Such includes the use of information leaflets, posters, booklets for dissemination and social media platforms. The PPU implemented the Public Education and Awareness Strategy during 2020/21 as follows:

Frequently Ask Questions	NBC notices	Bid Evaluation	Bid Opening	Bidding procedures	Bidding process	Bidding Documents	Consultation on Amendment on the Act	Did you know	Local sourcing Directive	Media Statement	e.GP info. session	Trainings	General Notices
32	6	2	2	31	1	5	6	45	1	1	1	6	2

Table 2. Number of messages/posts on PPU Facebook page – 2020/21

The strategy also includes broadcasting adverts through the local broadcasters and radios which among others include; Nyanyi FM, Kati FM, Wato FM, Hartklop FM, Kaisames FM and National radio, with information to be disseminated in different Namibian languages.

## 12. CAPACITY BUILDING FOR THE PROCUREMENT POLICY UNIT

In order to enhance PPU internal capacity, staff member of the PPU have taken up studies with the Chartered Institute of Procurement and Supply (CIPS). CIPS is a lead institute on procurement with its qualifications being recognized as setting the global standard for procurement and supply chain education worldwide. The staff members under PPU with financial support of the Ministry, registered for Diplomas studies, and are expected to write examinations as per the (CIPS) calendar. This course is expected to improve the knowledge of the PPU staff members in matters of procurement in general. In addition, the PPU has held fifteen (20) training sessions internally aimed at capacitating staff on various subjects pertaining to public procurement in Namibia.

### 13. COLLABORATION WITH INSTITUTIONS OF HIGHER LEARNING FOR THE PROVISION OF QUALIFYING TRAINING ON PUBLIC PROCUREMENT

During 2018, the PPU engaged in a collaboration with the University of Namibia (UNAM), University of Science and Technology (NUST) and Namibia Institute of Public Administration and Management (NIPAM) to develop curriculum studies in public procurement. The collaboration was expected to culminate in the development and provision of accredited qualifying training at certificate, diplomas, and bachelor degree and honour degree level in the field of public procurement, by the year 2020. The development of qualifying training in public procurement is an importance step in the process of professionalization and creation of a development path for procurement practitioners and procurement cadres in Namibia.

A proposal for certification programme in Public Procurement through local universities was initiated and on 04 March 2021, the PPU held the signing of a cooperation agreement and launched the procurement management programmes on the academic training calendars of NUST, UNAM and NIPAM. This milestone is part of the greater effort to respond to capacity development and training needs within the procurement function. It will culminate into the delivery of short course, ranging from 5 days to six months; one-year level 4 qualified certificates; advanced diploma in procurement supply; three-year Bachelor of Procurement Management and post graduate diploma in procurement management at the above institutions.

### 14. PUBLIC ENTITIES USER GUIDELINE

In order to enhance efficiency and effectiveness of public procurement by the public entities, the PPU developed a public entities user guide. The purpose of this Guide is to provide guidance to public entities (PEs) on how to prepare and complete the bidding document as approved by the Procurement Policy Unit (PPU) for procurement category of Goods (SBD – Goods).

The Public Entity User’s Guide has been designed to:



- (i) give insight or guidance on the information, and approaches as required by the Board/PEs to be completed in the Bidding Document (BD);
- (ii) simplify the Employer or PE's preparation of a specific BD for procurement of Goods and Related Services;
- (iii) reduce the PE's preparation time and efforts;
- (iv) facilitate and simplify the Procuring Agent's/Public Entity Bid Evaluation Committee (BEC) evaluation and comparison of Bids and Contract award; and
- (v) minimize the time required by the CPBN for the prior review and approval of bidding documents.

## 15. THE BIDDERS GUIDE

The PPU further developed a Public Procurement Bidder's Guide for the Procurement of Good and Services. The Bidders Guide is a simplified document aimed to provide bidders with relevant and important information and serves as an easy reference source imperative for bidders' success.

The Public Procurement Bidders' Guide has been designed to:

- (i) Provide guidance to bidders on how to prepare and complete bidding documents in line with the provision of the Public Procurement Act (15 of 2015);
- (ii) Provide briefs on submission, opening, and evaluation of bids and on the award of contracts of bids;
- (iii) Reduce the Bidders' preparation time and efforts; and
- (iv) Minimize the number of rejected bids as a result of lack of understanding of the bidding documents.

## 16. AMENDMENTS TO THE ACT

The Public Procurement Act, 2015 (the Act) came into operation on 1 April 2017 to regulate all procurement processes within public entities. As with all new legislation, the Act brought

about a few challenges affecting its implementation. As part of the mandate of the PPU given under section 6(1)(b) which includes *the reviewing of the procurement system and proposal of mechanism for improving the implementation of government policies by public entities*; the PPU commenced the review process in 2018.

During 2020/21, the PPU held public consultations (i.e., the general public, business community, public entities and Regional political heads) on the amendment of the Public Procurement Act, which were successfully completed during March 2021. Final proposed amendments to the Act will be submitted for consideration by Top Management of the Ministry of Finance during June 2021.

## 17. LOCAL SOURCING DIRECTIVE

The Government of the Republic of Namibia recognise the importance of public procurement as an instrument of empowerment, industrial development and social transformation. As such the Public Procurement Act, 2015 aims to promote, facilitate and strengthen measures to effect empowerment and industrialization policies including; employment creation, sourcing of goods manufactured in Namibia, empowerment of Namibian Small and Medium Enterprises (SMEs), women and youth through affording them opportunities to participate in the mainstream economy.

In line with the above, on 14 December 2020, the PPU issued a revised policy directive on local sourcing which compel public institutions to prioritize procurement of even more readily available Namibian products. This directive replaced the March 2019 Directive on the same subject which similarly sought to ensure public entities sourced locally, unless such capacities have been exhausted.

## 18. MONITORING OF IMPLEMENTATION

In order to monitor the implementation of the directive, the PPU revised the templates for Annual Procurement Plan (APP) and Quarterly Procurement Implementation Report. These have facilitated availability of data on procurement which are planned for implementation in line with the Directive as well as procurement which have eventually been implemented in

line with the directive, from the reports. The first report on the implementation of the local sourcing Directive is due to for release during the first quarter of 2021/22 financial year.

## 19. CODE OF GOOD PRACTICE

During 2020/21, the PPU developed a draft Code of Good Practice as provided through section 70 of the Public Procurement Act, 2015. The Code of Good Practice is expected to give effect to the implementation of developmental and empowerment policies of Government by providing the overall framework for implementing National Preferences and Exclusive preference to local suppliers in terms of the public procurement Act, 2015. The finalised Codes of Good practice will be submitted to the Ministry of Finance top management before being gazetted.

## 20. INVESTIGATIONS

In terms of section 7(1)(q) of the Act, the PPU is mandated to:

*(q) to investigate at its own accord or as instructed by the Minister any matter relating to procurement to establish whether the provisions of this Act have been complied with;*

In light of the above function, during 2020/21, the PPU conducted 4 investigations to establish whether the provisions of the Act have been complied with, and made recommendations thereon. Reports in respect of each investigation was drafted and submitted to the Minister of Finance.

## 21. DIRECTIVES, INSTRUCTIONS, GUIDANCE NOTES AND MANUALS

In terms of Section 7(1)(h) the PPU has the function “*to prepare, update and issue directives, instructions, guidance notes and manuals, including any other incidental documents for mandatory use by public entities;*”. Furthermore, in terms of section 4(2) of the Act, “*The Minister may, with or without condition, as the Minister may determine, grant a general or specific exemption by way of a directive for specific types of procurement or disposal from the application of certain provisions of this Act that are not practical or appropriate for the purpose for which such goods are let, hired or disposed of,*

*including goods, works and services being procured.*” During 2020/21 the PPU received 50 requests for exemption in which 44 were granted while 6 were declined.

Furthermore, during 2020/21, nine (9) directives were issued as follows:

1. General exemption to all Public entities with regard to the service of document as per regulation 57 of the regulations to the Public Procurement Act, in light of Covid-19;
2. Directive on all public entities with regard to public procurement in light of the state of emergency declared due to Covid-19;
3. Directive to all Public entities with regard to public procurement in light of the stage of emergency declaration due to covid-19;
4. Directive to all Public entities with regard to public procurement in light of the stage of emergency declaration due to covid-19;
5. General exemption to all Public entities with regard to disposal of assets // in terms of section 64 of the Public procurement act, act 2015;
6. Local Sourcing directive issued in terms of section 73 of the public procurement act, Act 15 of 2015. Preferential procurement;
7. General exemption to all Public entities with regard to service of documents as per regulation 57 of the regulation to the PPA, Act no 15 of 2015 in light of Covid-19;
8. Scheduled Public procurement compliance monitoring;
9. Amendment to the Procurement Internal structure by Public entities.

## 22. EXEMPTIONS

*In terms of Section 4(2) of the Public Procurement Act, 2015, The Minister may, with or without condition, as the Minister may determine, grant a general or specific exemption by way of a directive for specific types of procurement or disposal from the application of certain provisions of this Act that are not practical or appropriate for the purpose for which such goods are let, hired or disposed of, including goods, works and services*

*being procured.* During 2020/21, the Minister received seven (7) requests for exemptions from applications of certain provisions of the Act.

## 23. LEGAL ADVISE

In terms of the section 7(1)(d), the PPU has the function *to advise public entities on all public procurement policies, principles and practices;* During 2020/21, the PPU provided legal advice 100 public entities on various aspects of public procurement and its implementation.

## 24. E-GOVERNMENT PROCUREMENT PHASE 1

The PPU is undertaking the initiative to develop an e-procurement system for Namibia in line with section 7(1)(b) and (c) of the Act which provide for the PPU among others:

*to advise the Minister on policy for introducing e-procurement as a means of simplified and transparent procurement; and*

*to prepare guidelines regarding procurement matters, including e-procurement, the letting or hiring of anything or the acquisition or granting of any right for or on behalf of public entities, and the disposal of assets;*

In implementing the above, the PPU has stipulated the planned and required Electronic-Government Procurement (E-GP) system, including the relevant guidelines and regulations required for its implementation.

As part of Phase 1, during the period of 2020/21 the PPU managed to launch and roll out the E-government procurement Phase 1 and train public entities. The EGP was launched for OPM, MOF, CPBN; User manual and guidelines were also issued during quarter four of 2020/21 financial.

## 25. AFRICAN DEVELOPMENT BANK (AFDB) SUPPORT

The government of Namibia has received funding in form of a grant from the African Development Bank (AFDB) towards the cost of the Institutional Strengthening for Public-

Private Partnerships Project. Part of the funding will be committed towards the recruitment of three (3) individual consultants to support the Procurement Policy Unit over a period of six (6) months in the following:

- Monitoring and Evaluation - To develop a full Monitoring and Evaluation Plan/Framework, which includes: Tools for assessing the impact of the procurement system on the socio economic policy objectives of the Government and; Tools for measuring performance of the public procurement system.
- Development of investigation tools, for institutional strengthening for the Public-Private Partnerships (ISPPP) Project in the Procurement Policy Unit.
- Development of the public training materials.
- Advertisements for recruitment of the above consultants is scheduled to close during April 2021.

## 26. PUBLIC PROCUREMENT DECONGESTION PROJECT

During 2020/21, the PPU embarked on a Public Procurement Decongestion Project, an undertaking which was born out of the Recommendations by the High Level Panel on the Namibian Economy (HLPNE), constituted by HE, the President of the Republic of Namibia, Dr. Hage G. Geingob in 2019. The HLPNE was constituted to provide a turnaround strategy for the revival of the Namibian economy.

High-level Panel on the Namibian Economy report issued in 2020 (HLPNE 2020) recommended among others for:

- Increase efficacy at CPBN
- Increase local procurement
- Amend the PPA
- Simplify bidding documents
- Preferential treatment to local manufacturers, providers and local construction companies
- Automate processes

The Decongestion Project set the following objectives:

- Increased efficiency and effectiveness of the CPBN and PPU
- Simplify documents and requirement use in public procurement
- Improve operational efficiencies of CPBN and PPU
- Foster closer working relationships amongst key stakeholders in public procurement

In order to implement the recommendations and deliver the above objectives, a Decongesting Committee constituting of staff members of the PPU and CPBN was appointed to steer its implementation. In this regards, 15 subprojects were identified and assigned champion implementers to deliver on them, the projects are:

1. Amendment of the Public Procurement Act
2. Development of Training Programme for staff
3. Develop Framework for Assessing Public Entities Capabilities
4. Implementation of the Framework for Assessing Public Entities Capabilities
5. Develop Monitoring and Evaluation guide
6. Develop Codes of Good Practice
7. Capacity assessment of PPU and CPBN staff
8. Development of a Performance Audit Strategy
9. Development of a Capacity Development Strategy for PPU and CPBN staff
10. Crafting of a Capacity Development funding Proposal
11. Implementation of Automation Strategy (E-Government Procurement)
12. Development of a Communication Plan and Stakeholder Awareness
13. Simplification of Standard Bidding Documents
14. Development of Public Entity User-guide
15. Development of Template for Standard Bidding Documents

*Table 3 Procurement Decongestion Project Implementation Progress (by 31 March 2021)*

<b>Project Milestones</b>	<b>Project Period</b>	<b>Progress</b>	<b>Notes</b>
1. Amendments to the Act	Sept 20 - Aug 21	38%	Finish public consultations by 31 March 2021, then incorporate feedback and submit to Cabinet.
2. Training programme	Aug 20 – Sep 20	100%	Completed based on capacity assessment and strategy
3. Framework for Assessing public entities procurement capabilities	Oct 20 - Apr 21	80%	Incorporate feedback from the pilot exercise and submit final version for approval.
4. Monitoring and Evaluation guides	Aug 20 - Apr 21	75%	Obtain approval for final draft.
5. Recruitment of staff	Sep 20 – Mar 22	76%	39/51 (76 percent) of CPBN Vacancies filled; while 13/17 (76 percent) of PPU vacancies filled
6. Code of good practice	Aug 20 - Jul 21	63%	Present to MoF Top Management and then Gazette updated Codes
7. A reference guide to the Act	Sep 20 - Apr 21	67%	Legal directorate at PPU to approve the final draft
8. Capacity Assessment	Oct 20 – Nov 2020	100%	Completed and results used to develop training program and strategy
9. Performance audit strategy	Sep 20 - Nov 21	67%	Seek audience with Auditor General to discuss cooperation and eventual MoU.



Major Milestones	Project Period	Progress	Notes
10. Implement the framework of assessing PEs procurement capabilities	Nov 20 – Apr 21	80%	Capacity Assessment Framework was piloted at Namwater, City of Windhoek and Nampower. Documented the lessons learnt from the pilot and incorporated into the final Framework.
11. Capacity Development Strategy	Mar 21 – Feb 21	100%	Strategy has been completed as informed by outcome of the Capacity Assessment.
12. Capacity Development – Funding Proposal	Mar 21 – Apr 21	40%	Capacity Assessment and Strategy Developed, report for funding proposal to be prepared next.
13. Automation Strategy – E-Procurement Pilot	Sep 20 - Mar 21	100%	E-GP Portal has been piloted for CPBN, MoF and OPM.
14. Standard bidding documents	Aug 20 – Sept 21	30%	Input requested from public entities. Consultancy to revise, simplify and align SBD's and develop outstanding SBD's.
15. Public Entity user guidelines	Aug 20 – Jun 21	40%	Draft guideline developed, outstanding guides still to be developed to be included.
16. Bidder guides	Oct 20 – Feb 21	75%	Bidders guide are completed, and awaiting final approval.
17. Prepare templates for SBDs	Jan 21 - Feb 21	100%	Templates completed, presented and authorized by the PPU.
<b>PROJECTED COMPLETION TOTAL</b>		<b>72%</b>	

## 27. CENTRAL PROCUREMENT BOARD OF NAMIBIA

In terms of Section 8, there is to be established a Central Procurement Board of Namibia (CPBN), with among other objectives is to:

*(d) to conduct the bidding process on behalf of public entities for the award of contracts for procurement or disposal of assets that exceed the threshold prescribed for public entities;*

During 2020/21, the CPBN conducted twenty (20) procurement on behalf of eleven (11) public entities to the value of N\$6,716,641,475.91 as follows:

<b>Method of Procurement</b>	<b>Value of Procurement Award (N\$)</b>
Open National Bidding	4,786,807,229.09
Open International Bidding	899,777,464.64
Direct Procurement	1,030,056,782.18
	<b>6,716,641,475.91</b>

The CPBN further awarded 21 contract extensions to six (6) public entities valued at N\$958,561,666.38 while nine (9) bids affecting three (3) public entities were cancelled by the Board.

## 28. REVIEW PANEL

In terms of Section 58 of the Public Procurement Act, 2015, the Review Panel has the function to adjudicate on application for -

*(i) review;*

*(ii) suspension, debarment and disqualification of bidders and suppliers; or*

*(iii) any other matter that the Minister may refer to the Review Panel for its consideration.*

During 2020/21, received 55 applications of which 54 were adjudicated with one case withdrawn. The cases range from grievances of non-compliance in the procurement process to applications to debar and suspend bidders from participating in public procurement.

## 29. CHALLENGES

The public procurement system still faced some significant implementation challenges namely:

- 29.1 The outbreak of Covid-19 Pandemic affected the implementation of some of the key functions of the Procurement Policy Unit, such as the compliance audit and training programs. Due to limitations as a result of the pandemic, gatherings were not possible nor physical visitations to public entities to enable conducting of audits as well as training.
- 29.2 Continued use of non-competitive methods by public entities without justification;
- 29.3 Lack of an integrated public procurement system to provide data;
- 29.4 Limited compliance on production and publishing of Annual Procurement Plans and procurement implementation reports;
- 29.5 Delays in crafting and implementing requisite regulations;
- 29.6 Absence of a public procurement performance assessment mechanism;
- 29.7 Slow uptake and compliance with ministerial directives and requests;
- 29.8 Lack of instrument for assessing impact of the procurement system on the socio-economic policy objectives of the Government;
- 29.9 Absence of key bidding documents and standard contracts;

## 30. RECOMMENDATIONS

- 30.1 PPU to continue to educate public entities on the correct use of procurement methods to support achievement of the objectives of the Public Procurement Act;
- 30.2 The E-GP system should be fast tracked to support need for information on the procurement system and performance;
- 30.3 PPU should publish on a regular information of non-compliant public entities to prompt compliance action;
- 30.4 In order to reduce the misapplication of the direct procurement method under guise of conducting procurements on an emergency basis, the PPU, in terms of

- section 7(1)(p), should provide guidelines or information briefs on the correct procedures for undertaking emergency procurement and direct procurement;
- 30.5 PPU to develop mechanism for assessing of the impact of the procurement system on the socio-economic policy objectives of the Government;
- 30.6 PPU to facilitate the drafting of requisite regulations to ensure full implementation of the Public Procurement Act;

## 31. CONCLUSION

Public procurement system has improved year-on-year since 2019/20. The level of compliance on the establishment of internal procurement structures recorded the most improvement with all public entities recorded as having structures in place. Major improvement has also been recorded on the development and submission of Annual Procurement Plans and Quarterly Implementation Reports which improved from 55 percent to 78 percent and 17 percent to 38 percent year-on-year respectively. Despite the above, compliance by public entities remain low including response to request for submission of reports and adherence to directives.

The emergence of Covid-19 presented enormous challenges to activities of various stakeholders within the procurement system including key activities of the PPU. Despite these, the system has made enormous strides particularly through implementation of the Public Procurement Decongestion Project which saw a total of 15 sub-projects being implemented. The financial year also saw featured the commencement of training programmes on public procurement by institutions of higher learning as well as implementation of other capacity building activities including that of staff of the PPU.