

EMERGENCY PROCUREMENT

Covid-19 corruption exposed in SA and Nigeria



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EMERGENCY procurement rules were flouted to purchase goods unrelated to the emergency, says the writer. | IAN LANDSBERG File: African News Agency (ANA)

IF THE COVID-19 pandemic revealed one thing, it is how corruption can undermine the procurement of goods and services by government agencies during emergencies. The pandemic highlighted the lack of ethical resilience in public procurement systems, exposing gaps in anti-corruption mechanisms, trust, and procurement integrity.

Emergency procurement mechanisms, although necessary for a rapid and effective response during a crisis, pose significant corruption risks that undermine public trust, waste public resources, and hinder effective crisis responses. Emergency procurement refers to a variety of situations – not limited to emergencies – that permit deviation from standard competitive procurement procedures. This deviation introduces flexibility and speed into the procurement process through the relaxation of procedural and other controls. However, the removal or weakening of these controls often makes emergency procurement vulnerable to corruption and other risks.

Corruption in emergency procurement manifests in bribery, the embezzlement of public funds, conflicts of interest, the unethical exchange of confidential information, and the steering of contracts and resources in favour of specific parties. During the pandemic, this was accompanied by the fraudulent deviation of procured goods to the black market, the use of newly registered companies owned by politically connected individuals, and repeated contracts (for varied goods) to the same contractors. Emergency procurement rules were flouted to purchase goods unrelated to the emergency, alongside price gouging and contractor fraud, including non-delivery, substandard or partial delivery.

No country escaped the corruption

that plagued public financial management systems.

To mark African Anti-Corruption Day on July 11, this piece highlights some of key corruption challenges in emergency procurement faced by South Africa and Nigeria during the pandemic, as well as the interventions that may limit the risks of corruption in such procurement.

With decentralised procurement systems, both countries had to confront challenges in the selection of contractors. Approaches used to select contractors in emergencies (framework contracts, negotiations, and direct awards) create distinct corruption risks for emergency procurement. For example, framework contracts reduce competition over the long term and may lead to market closure as new suppliers often cannot be added after the selection process. Thus, emerging or more agile suppliers may be locked out of the market for the duration of the framework (usually three to five years), undermining competition for that period.

Negotiations also heighten corruption risks by increasing opportunities for bribery. Direct awards create the most corruption risks due to the absence of competition and transparency, which act as guardrails against procurement corruption.

The absence of competition may lead to price gouging or extortionate pricing. During the pandemic, this risk materialised in South Africa, where suppliers of personal protective equipment increased prices to the extent that

competition authorities had to intervene. Nigeria also recorded reports of excessive pricing, as well as the theft of donor funds and food parcels.

Emergency procurement also led to operational, financial, and informational challenges. In both countries, these included moving procedures online, cancelling in-person bid meetings (often used for contractor clarification), obtaining exemptions for contractors to work during stay-at-home orders, and adapting public sector processes.

The absence of viable e-procurement systems created challenges when officials had to work from home, accept digital signatures and conduct virtual bid openings. Difficulties in overseeing contracts, alongside the exponential increase in the number of contracts, resulted in fraud and improper execution of contracts.

Another challenge was determining when to resume normal procurement processes to prevent emergency procurement rules being used for longer than necessary. Although South African regulators issued guidelines to remove blanket approval for reliance on emergency procurement rules after a certain date, approvals were not lifted overnight or uniformly across all contracting authorities.

Emergency procurement reduces the availability of procurement information, and this undermines procurement integrity. In Nigeria, although the Nigeria Open Contracting Portal was supposed to contain information on Covid-19 procurements, few federal

agencies used the platform, and the information it contained was reported to be incomplete.

Political culture may increase corruption risks in emergencies. For instance, procurement may be influenced by political leaders and public officials. During the pandemic, contracts were awarded in cases involving conflicts of interest and political abuses were exacerbated by the increased discretion granted to officials. In South Africa, despite the foresight and controls put in place by the National Treasury, several large contracts were awarded to politically connected individuals and to companies in which procurement officials had an interest.

Although emergency procurement carries significant corruption risks, these risks can be reduced or mitigated.

An important way to address the increased corruption risks during emergencies is through advance planning, which can also help to improve outcomes. In other words, Nigeria and South Africa must develop a crisis response strategy that is properly socialised within the public sector.

Any emergency has social, economic, environmental and recovery dimensions that must be planned for. Planning is about developing a procurement strategy to curb wasteful spending and may include joint emergency planning exercises between relevant public agencies and suppliers likely to be at the forefront of crisis responses. It must also include clarity on roles and approvals, inter-agency coordination, data management, coordination with domestic manufacturers of emergency goods, increased civil society monitoring and oversight from supreme audit institutions.

There is also an urgent need to fully deploy e-procurement systems. During the pandemic, countries with limited e-procurement capacity struggled to adapt when in-person activities were restricted. E-procurement systems are also useful in collecting the data that could be used to review contracts once an emergency is over.

It is imperative that South Africa and Nigeria – and many other African countries – implement the systemic, strategic and operational reforms needed to ensure that future emergencies or disasters can be addressed rapidly while minimising losses caused by corruption.

This article is based on Williams's paper 'Emergency procurement and corruption in South Africa and Nigeria: Lessons from the Covid-19 pandemic', in the Journal of Anti-Corruption Law (2025).

