



## Investigations, vetting & systemic weaknesses

The procurement crisis presents an opportunity to implement reforms that go deep

**Moves to get to grips with the continued chaos and controversies surrounding health ministry procurement governance and practices should take a multi-focused approach. This issue of *Procurement Tracker Namibia* proposes what this could look like.**

Recent reports of sweeping corruption investigations around health sector procurement, as well as the presidential directive for hundreds of health officials to be vetted by the intelligence service, has once again underscored the apparent gross misgovernance of health-related procurement.

This is a long running tragedy which primarily impacts the majority of Namibians that rely on the state health system for their healthcare.

While the [ongoing corruption investigations](#) might identify individuals to hold accountable and the mass vetting might flag suspi-

cious conduct and associations across the board, what is needed is to institute deep practical reforms in line with what the [Public Procurement Act \(PPA\)](#) framework already prescribes, along with governance reform proposals coming down the pipeline.

### Deep dive

However, it seems obvious that what needs to happen first, parallel to the ongoing criminal probes, is for a wide-ranging investigation to be commissioned and conducted into why health ministry procurement has been such a stubborn and persistent governance challenge.

The objective of such an investigation should be to identify the systemic and institutional weaknesses that make healthcare procurement specifically vulnerable to waste, mismanagement, maladministration and corruption.

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The scope of such an investigation should encompass a review of historical procurement records to assess the nature of procurement decision-making over the last decade. The aim would be to soundly ground whatever reforms follow in appropriate evidence. A forensic audit is probably also long overdue, given that [the Auditor-General has flagged](#) the weaknesses and inefficiencies in procurement management over the years.

It should be noted that there are longstanding calls for such an investigation. [The Health Sector Public Expenditure Review of 2019](#) surfaced the need for such an audit. The review “identified a number of inefficiencies in health procurement as significant bottlenecks that contribute to the mismatch between Namibia’s health outcomes and significant health sector investments. The inefficiencies in pharmaceutical and clinical supplies procurement often result in sub-optimal purchase prices and stockouts of essential medicines, thereby disrupting service delivery, particularly at the local level and for underserved communities.”

That said, while a mass vetting exercise could become distracting and not necessarily successful, a forensic investigation would identify specific procurement decision-making and management positions and individuals for targeted vetting and life-style audits.

### Full transparency

One of the arguably easier ways to tackle waste, mismanagement and corruption in health procurement is to increase transparency within the system and around processes.

This is where compliance with existing provisions of the PPA framework should be urgently enforced.

Section 55(8) of the PPA and 39(1) of the regulations need to be optimally and urgently implemented by health authorities.

Section 55(8) of the law states: “The Board or public entity must promptly in a prescribed manner publish a notice of every procurement or disposal award together with the executive summary of the bid evaluation report.”

Section 39(1) of [the regulations](#) correspondingly states: “For the purposes of section 55(8) of the Act, a public entity must publish on its website and on any other print media widely circulated in Namibia a notice of every procurement together with the executive summary of the bid evaluation report within seven days of the procurement award.”

Enforcing these provisions as articulated should enable a lot more and better scrutiny of clinical and pharmaceutical product procurement.

The health ministry, like most state entities, have treated these transparency provisions as compliance-optional to date. This should no longer be tolerated.

Practically sharpening transparency mechanisms around health ministry procurement could have the effect of dissuading corrupt actors from engaging in such conduct.

This is where what is proposed through the [Public Procurement Amendment Bill of 2025](#) could prove to be instrumental, if enacted.

The bill states: “A public entity or the board must publish on the e-procurement system, within five days after the signing of the procurement contract, particulars relating to the procurement contract as prescribed; (2) Particulars relating to the procurement contract must include - (a) the title and reference number of the bid; (b) the name and address of the parties to the contract, including beneficial ownership of the supplier or vendor; (c) the procurement contract price; (d) commencement date of the procurement contract; (e) duration of the procurement contract.”

Coupled with the provisions of the [Access to Information Act of](#)

[2022](#), the proposed procurement amendments would radically enable procurement transparency, as argued in [issue 31](#) of *Procurement Tracker Namibia*.

### Strengthened oversight

Against this backdrop, health ministry procurement will ultimately only improve with strengthened oversight from outside the ministry, as internal oversight has long been evident as weak and dysfunctional.

Previous investigations by the Procurement Policy Unit (PPU), in the finance ministry, have not improved things and Auditor-General’s reports appear to have fallen on deaf ears over the years. Part of the problem to date has been that the PPU is not a law enforcement entity, but merely advisory. In other words, it does not have real oversight and accountability management powers. Which is why the proposed Public Procurement Regulatory Authority, in the [Public Procurement Amendment Bill of 2025](#) looks to be a game-changer.

The authority will have the power to “monitor and enforce compliance with this Act, directives, standards, code of procedures and guidelines issued under this Act”.

It will be able to institute “contract audits in the course of the execution of an awarded contract; and ii. performance audit after the completion of the contract in respect of any procurement, when it is necessary”.

The authority can also “commission or undertake investigations and institute performance audits” and “inspect or cause to be inspected any conducted procurement activity”.

Where it determines non-compliance with the law, the authority can “ (a) issue fines as prescribed; (b) refer the matter with recommendations to the appointing authority of the staff member for appropriate action; or (c) refer any matter of non-compliance to the Namibian Police, Anti-Corruption Commission or any other competent authority for investigation, as appropriate, and must inform the public entity concerned”.

The bill further states that: “(5) If in the course of monitoring the Authority is of the opinion that disciplinary, civil or criminal proceedings ought to be preferred against a public entity, the Authority must refer the matter to the relevant authorities.”

These provisions all suggest a more robust policing of the public procurement system, which can specifically be brought to bear on health sector procurement.

That is if the bill is enacted.

### What we propose:

- The Whistleblower Protection Act of 2017 should be implemented urgently, as corruption is often exposed by insiders rather than investigations and health staff should be able to report wrongdoing confidentially and without fear of retaliation;
- The Access to Information Act of 2022 should be implemented, as transparency makes it much harder to manipulate procurement behind closed doors and allows oversight by parliament, civil society and the media;
- Enforce existing beneficial ownership disclosure provisions and enact supporting proposals to expose politically-exposed persons, public officials with hidden interests, and conflicts of interest;
- Implement e-procurement in clinical and pharmaceutical contracting to reduce opportunities for corruption and improve reporting and data gathering.

# How lawful is the Vitol deal?

**Much of the commentary around the deal has implicitly questioned whether it is legal. The fact is that it can be lawfully justified.**

A storm has erupted since it was revealed that the Namibian government has contracted an arm of Swiss-based Dutch international fuel trader Vitol to exclusively supply Namibia with fuel for three months, from July 2026.

Reports and commentators have rightly questioned whether the exclusive import deal entrenches Vitol's already dominant position, through subsidiaries and partnerships, in the Namibian fuel supply and retail markets. At the same time, the issue of legality or lawfulness has remained fuzzy in most public commentary and speculation.

That said, the question that begs to be answered is: Does the [Public Procurement Act \(PPA\)](#) framework provide for this type of contracting by the Namibian state?

And the short answer is: Yes.

Here's how.

The exclusive three-month fuel supply deal can be lawfully justified under sections 31, 33 and 36, and the accompanying regulations and guidelines, of the PPA. These sections define restricted bidding, request for sealed quotations and emergency procurement.

## Restricted bidding

According to the reporting, the Namibian government "sought" bids from fuel suppliers.

The PPA states under section 31 that restricted bidding may be used "(a) if a public entity has reason to believe that the goods or services are only available from a limited number of bidders", which appears to be the case in this regard.

The law further states that: "Where restricted bidding is used on the ground referred to in subsection (1)(a), the public entity must directly solicit bids from all known suppliers capable of supplying the goods or services."

This speaks to what has been reported on the matter, with [one early report stating](#): "The ministry says it had formally invited members of the industry to participate under the proposed terms and received a number of submissions from both local and international suppliers."

## Emergency procurements

The PPA in section 33 states that: "(1) A public entity may procure goods, works or services using the direct procurement method in cases of emergency."

It continues: "(2) The scope of the emergency procurement is, as far as possible, limited to the period of the emergency, so that appropriate competitive procurement methods may be utilised after the conclusion of the emergency period."

It's clear in this case that the emergency period is considered to be July to September 2026.

Furthermore, "(3) For the purposes of this section, "emergency", includes a situation where -

(a) the country is either seriously threatened by or actually con-

fronted with a natural disaster, catastrophe, or war; (b) life or the quality of life or environment or national interest or public interest may be seriously compromised."

The Namibian government has repeatedly framed the Vitol deal as an emergency that could potentially become a "catastrophe" in which "life or the quality of life or environment or national interest or public interest may be seriously compromised".

## Direct procurement

Going hand-in-hand with emergency procurement is direct procurement, with the PPA stating under section 36: "(1) A direct procurement method allows a public entity to procure goods or services from a single source without competition."

The law continues: "(2) A direct procurement is permitted - (a) where only one supplier has the exclusive right to manufacture the goods or to supply the goods, works or services to be procured, and no suitable alternative is available."

The Namibian government has argued that "no suitable alternative is available" due to Vitol not requiring government "guarantees or financial assurances".

The government's framing of the steep fuel cost increase due to geopolitical turbulence as an emergency would enable it to engage in a direct procurement transaction with Vitol to exclusively supply the country's fuel needs for a specified emergency period.

## Supporting regulations

According to sections 17 of the [PPA regulations](#): "In a case of emergency procurement as contemplated in section 33 of the Act, a public entity must limit the procurement of goods, works or services to the quantity and duration needed to deal with the emergency."

And section 18 states: "Before choosing direct procurement as a choice of procurement method as contemplated in section 36 of the Act, a public entity must ascertain whether - (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."

Under these provisions, the Namibian government can lawfully justify its decision to award an exclusive three-month fuel supply contract to Vitol.

That said, the fact that there has been so much questioning and speculation around the deal indicates that access to information remains a challenge.

In this regard, emergency procurement is not exempt from reporting requirements, and section 39 of the regulations state that "a public entity must publish on its website and on any other print media widely circulated in Namibia a notice of every procurement together with the executive summary of the bid evaluation report within seven days of the procurement award."

# Public procurement in numbers

The following data has been gathered from information available through the e-Procurement Client System operated by the Procurement Policy Unit in the Ministry of Finance .

## Annual Procurement Plans 2026/2027

By 10 June 2026, weeks before the end of the first quarter of the 2026/2027 government financial year, **only 53 annual procurement plans for 2026/2027** were viewable via the [e-Procurement Portal](#) of the Procurement Policy Unit (PPU).

By then, **176** public entities should have submitted their annual procurement plans to the Procurement Policy Unit (PPU).

This means only about **30%** of public entities had submitted their plans to the PPU for the **2026/27 financial year**.

According to **Section 25 (4)(a)** of the Public Procurement Amendment Act of 2022, public entities must submit their plans to the PPU **“at least three months before the commencement of each financial year”**.

This means plans have to reach the PPU **by the end of December of every year**, as the financial year of the government ends at the end of March the following year.

Of the 53 procurement plans viewable via the e-Procurement Portal **only 8** were submitted to the PPU before the end of December 2025.

That means **only about 5%** of all 2026/2027 annual procurement plans **were submitted on time**.

The 2026/2027 financial year will be the **10th year of implementation** of the Public Procurement Act of 2015 framework, which has been implemented since the start of the 2017/2018 financial year.

Over the 10 years the public service **has failed to achieve an adequate level of compliance** with the handling of annual procurement plans.