



**POLICY  
BRIEF**

**CORRUPTION RISK  
ASSESSMENT**  
OF GOVERNMENT'S  
**COVID-19  
INTERVENTIONS**



# POLICY BRIEF

## CORRUPTION RISK **ASSESSMENT** OF GOVERNMENT'S **COVID-19** INTERVENTIONS

Compiled By:



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## EXECUTIVE SUMMARY

The Government of Ghana introduced several interventions during the initial phase of the COVID-19 pandemic. Key amongst which are the setting up of a COVID-19 Trust Fund, the Coronavirus Alleviation Programme (CAP) and the GhanaCARES “Obaatanpa” Programme. Due to the urgent nature of the response government put aside many of the existing laws to enable it to quickly implement measures to mitigate the negative impact of the pandemic on the people. Whiles government put in various policy measures to alleviate the impact of COVID-19 on the nation, very little attention was paid to the robustness of the interventions to the transparency and accountability test.

Ghana Integrity Initiative (GII) is a non-partisan, non-profit civil empowerment organization focused on addressing the globally recognized developmental challenge of corruption. Established in December 1999, has a vision of “a corruption-free society where all people and institutions act accountably, transparently and with integrity”. In the delivery of its mandate, GII undertook a Corruption Risk Assessment (CRA) with the object to assess the susceptibility of the Government’s COVID-19 socio-economic interventions to corruption and to provide appropriate policy recommendations to relevant state agencies on ensuring the integrity of social interventions with support from Centre for International Private Enterprises (CIPE). Over three thousand (3000) respondents including citizens who were also beneficiaries of the covid-19

interventions, public stakeholders and the private business were interviewed cutting across different sectors in eleven administrative regions in Ghana. GII utilised existing literature and recognised risk standards for conducting CRAs to document assess the various interventions.

Some key findings/conclusions and recommendations from the assessment are;

1. Communication on the establishment of the COVID 19-related funds reached 85,52% of the populace during the pandemic, with television and radio being the most effective channels of communication.
2. There was inadequate transparency with regards to the procurement processes related to COVID-19 interventions among the populace. About sixty-eight percent (67,90%) of the general populace and targeted institutions (Public sector institutions that were directly involved in the implementation of the interventions) were not aware of any arrangements in place to ensure compliance with the Procurement Act, 2003 (ACT 663). This is further compounded by the inadequate publication and accessibility of procurement contracts by the public sector agencies responsible.
3. No readily available audit report of the COVID-19 interventions has been conducted or published for public accessibility; although Article 187 (2-5) of the Constitution and Section 21(2)(3) of the COVID-19 Trust Fund supports the conduct of an audit after the financial year.





## **2.0 INTRODUCTION & BACKGROUND**

Corruption thrives in times of crisis and the ongoing global pandemic is no exception. According to the UN Secretary-General, António Guterres the response to the COVID-19 is creating new opportunities to exploit weak oversight and inadequate transparency, diverting funds away from people in their hour of greatest need. Coupled with that, is the adverse socio-economic impact of the pandemic on the lives of majority of the people, which has the likelihood of compelling them to engage in corruption for their survival.

Various risk assessments undertaken on COVID-19 interventions globally, by Transparency International and many development partners point to the fact that the pandemic has a disastrous effect on anti-corruption efforts. Across the world, Governments in an attempt to curtail the spread of the pandemic have taken drastic decisions on life saving measures, as a result, overlooking laid down principles, rules and regulations of procurement, such as verifying suppliers or determining fair prices. It is in the regard that it became critical to interrogate the resilience of the various policy measures Government of Ghana has initiated to alleviate the impact of COVID-19 on the nation, in order to integrate anti-corruption measures in COVID-19 recovery efforts.

It is against this background that the Ghana Integrity Initiative (GII) conducted the corruption risk assessment to evaluate the risk of corruption in Government's interventions, identify the systems in place to mitigate the risks of corruption and gaps that exist in the systems as well as best practices with the view to making proactive recommendations for corrective actions and to guide future Government response in similar situations.



## 3.0 FINDINGS

The Survey made the following findings:

1. The Government of Ghana has been transparent and disseminated information through weekly press conferences and presentation of appropriation accounts to Parliament, creating the illusion of citizen involvement, but real decision-making regarding procurement contracts has been opaque.
2. The overall governance risk is medium, with a high risk in integrity mechanisms, indicating that rules, regulations and standards have not been adequately complied with CRA raises red flags in the areas of integrity, accountability, and participation. Problems are mainly related to issues of accountability, the application of rules and procedures, and low levels of participation of independent governance and accountability institutions and beneficiaries in decision-making around public procurement.
3. High risk areas are predominantly around procurement of goods and services for the various interventions
4. There is a risk of corruption in the relationship between Central Government (which seems to have awarded all contracts) and suppliers who were mainly sole-sourced. This risk derives from the absence of appropriate mechanisms to regulate these relationships or the failure to consistently apply such mechanisms where they exist.

### 3.1 COVID-19 National Trust Fund

The establishment of the Novel Corona Virus (COVID-19) National Trust Fund and the formation of its Board of Trustees were transparent and publicly inaugurated on 29th March, 2020. This is illustrated by the research finding as 85.52% of the general respondents said they were aware of such a Fund. Only 12.88% of them said there was no Fund established and 1.60% said they were unaware of the said Fund. Meanwhile, in the case of respondents from target institutions, 95.07% of them indicated awareness of the COVID-19 pandemic Fund created by the government. Less than 1% (0.70%) and about 4.23% respondents indicated they were not aware of any Fund or did not know, respectively. Evidence from The Trust Fund has shown to be one of the most transparent entities of state which takes its mandate seriously.



### **3.2 \$10m loan to produce emergency PPE kits and gear**

Four companies have been selected (without tender) by the Ministry of Trade to produce the PPEs, which also included face masks, medical scrubs, hospital gowns and headgears. Checks conducted reveal that no tender notice for the above procurement was published as required by the Public Procurement (Amendment) Act, 2016 (Act 914) and the four companies are not registered with the PPA, offending Sections 43 and 44 of Act 914. However the issue of accountability will then be among the Ghana Exim Bank, Ministry of Trade and the four companies that were engaged as the facilities were contracted on commercial terms.

### **3.3 \$4.5m for Case Detection, Confirmation, Contact Tracing, Recording and Reporting**

Ghana budgeted \$1.2 million for 1000 contact tracers in its proposal to the World Bank. At the onset of the pandemic, the Ghana Health Service employed and trained 900 Contact Tracers to work on case detection, contact tracing and reporting, with 600 dropping out later due to various grievances, chief among them the irregular payment of their daily allowance of \$25 (GH¢150.00). A corruption risk arises over whether an employment contract regulated the work of the contact tracers, the terms of their engagement, how much was actually paid to them, for how long and why 600 of them dropped out. However, during the post validation engagement with the Ghana Health Service, the drop out of the 600 contact tracers was mainly due to the expiration of their contracts and lack of funds.

### **3.4 \$12.7m for Containment, Isolation and Treatment**

It is evident that Government has incurred expenditures on quarantine, containment, isolation and treatment of travelers and sick persons using 16 hotels, 4 hospitals and 3 facilities. The opacity of the procurement of the hotels, other service providers and the official costs presented by Government pose corruption risks. However, during the post validation engagement with the Ministry of Finance, it was evident that the process leading to the selection of the 16 hotels was carried out through a broader consultation with the Ghana Hotels Association but unfortunately this information is not publicly available.



### **3.5 \$0.7m for Social and Financial Support to Households**

According to the government, GH¢ 12.1 million and GH¢ 275.5 million was used to provide hot meals for the vulnerable and free water for all Ghanaians for three (3) months respectively, i.e. from April to June 2020 under the Coronavirus Alleviation Programme to support households and businesses. This line item is perhaps the biggest red flag in the procurement of interventions under the Corona Virus alleviation programme, with very little evidence provided to support the number of people fed (400,000), the period of the intervention, the way caterers were contracted and the unit cost of the food packages. There was no record of any tendering for caterers or food suppliers. The branding of some food items in partisan colours also presents a corruption risk as parties supporters could have been targeted as recipients over the vulnerable to promote their political agenda.

### **3.6 \$7.4million for Community Engagement and Risk Communication**

The Government established a National Information Contact Center (NICC) at the Accra Digital Center to provide information on COVID-19 and related matters. There has not been any information about how much Government spent on that set-up, as no figures have been released publicly so far, presenting a corruption risk.

### **3.7 \$3.6m for Health System Strengthening**

It is unclear how the Government has spent funds earmarked under this allocation from the World Bank funding

### **Support for Schools**

In June 2020, schools were partially reopened with only Basic Education Certificate Examination (BECE) and West Africa Senior Secondary Certificate Examination (WASSCE) candidates permitted to remain in school, provided they followed social distancing protocols. To ensure a smooth and safe re-opening of schools, the Government announced it had provided 18,000 Veronica Buckets, 800,000 pieces of 200-millilitre sanitisers, 36,000 rolls of tissue paper, 36,000 gallons of liquid soap and 7,200 thermometer guns to be distributed to schools. The Government also indicated in the 2021 budget statement that it provided hot meals for 540,000 final year students and teachers who sat for the 2020 WASSCE and BECE exams for three weeks. There is no full disclosure of who won these contracts, from which fund the contracts were awarded and whether the contracts went through the proper procurement processes.



Additionally, schools were fumigated, disinfected and mapped to a health facility for identification and treatment of suspected cases of Coronavirus. In September 2020, the Ministry of Education and Ghana Education Service collaborated with Zoomlion (a private company) to disinfect and fumigate over 850 high schools across Ghana to pave way for the reopening. Over 3700 junior and high schools in Greater Accra alone were fumigated (Ghanaweb, September 2020). As with almost all procurement during the pandemic, these contracts were not advertised according to law and were mostly sole-sourced to sanitation company Zoomlion. Very scanty information on some of these contracts is available on the PPA website.

## **4.0 POLICY RECOMMENDATIONS**

Based on the research findings, the following actions have been recommended for the Executive, relevant Ministries Departments and Agencies (MDAs) and Metropolitan, Municipal and District Assemblies (MMDAs), Parliament, accountability institutions (Audit Service, OSP, CHRAJ, Internal Audit Agency) and citizens for consideration and implementation by relevant stakeholders.

### **4.1 To government of Ghana**

1. Ensure full compliance of sections 79 and 80 of the Public Financial Management Act (PFMA) and Public Procurement Act to safeguard the public funds and deliver value for money.
2. Enforce Section (92) of the PPA Act which speaks to contraventions and penalties relating to procurement in instances of violations especially under emergency situations, to serve as a deterrent to public officers who may want to take advantage of the system.
3. Roll out a comprehensive communication effort through community radio and television to reach people in the local communities, using the appropriate languages.
4. Improve upon the sharing of information regarding the sources of funding and expenditures related to the COVID-19 pandemic.
5. Conduct special audits on the COVID-19 related funds and expenditures to detect and address leakages and systemic weaknesses that could negatively



impact the implementation of the interventions.

#### **4.2 To relevant Ministries, Departments and Agencies and MMDAs**

1. Organize periodic refresher courses targeted at building the capacity of officials of MDAs/MMDAs on the legal and regulatory framework (particularly the Procurement Act and PFM Act) that promotes efficiency, effectiveness and economy in public service delivery.
2. Ensure strict adherence to the requirement of publishing contracts and reports as stipulated in Section 79 of the Public Financial Management Act and Sections 31, 95 of the Public Procurement Act (PPA).
3. Put in place mechanisms to promote sharing of critical information with all staff of MMDAs to ensure compliance with the accountability requirements of their office.
4. The PPA Board must act to fulfill their duty of care and prevent the abuse of single source and restricted tendering in order to guarantee the protection of the public funds.
5. Strengthen and enforce internal control mechanisms of MDAs and MMDAs to ensure compliance with laid down rules, policies, procedures and legal framework regarding public procurement to prevent the abuse of the systems.

#### **4.3 To Parliament**

1. Ensure contracts with threshold requiring parliamentary approval are thoroughly reviewed to ensure compliance with the law and prevent corruption from occurring.
2. Sanctions for non-compliance with the legal requirements regarding approval regimes should be enforced without fear or favour.
3. Invite public officials and demand answers regarding all questionable single source and restricted tendering contracts.

#### **4.4 Accountability Institutions**

##### **Internal Audit Agency**

1. Internal Auditors must continue to scrutinize existing systems within state institutions to identify corruption risks and weaknesses and make appropriate recommendations for correction.
2. The Internal Audit Agency must be upgraded to the status of a Service to deliver on their mandate as an independent institution. This upgrade will give them



the power to carry out their mandate more effectively as their current status is restrictive and renders them ineffective.

#### 4.5 Citizens Groups

Request information regarding emergency procurements (that are susceptible to corruption) through the activation of the Right to Information (RTI) and Whistleblower legislation. The RTI Commission must activate the sanction regime under the law to compel all institutions to provide requested information to citizens.

### **SPECIFIC COVID-19 INTERVENTIONS RECOMMENDATIONS**

1. The Public Procurement Authority (PPA) should ensure full compliance with the requirement in Section 44 (2) of the Public Procurement Act 663 (as amended) that mandates Procurement Entities (PE) to place a public notice for comments from the public before any single source procurement is initiated.

2. The PPA should additionally develop regulations and guidelines concerning sole sourcing in Government procurement.

3. The Public Procurement Authority must ensure that all public procurement records are complete and accurate, and easily accessible to the public in a single place.

4. The Parliament should review the provision in Section 14 (3) of the Public Procurement Act 663 (as amended) that vests power in the Minister of Finance to direct the use of a different procurement procedure where the Minister determines that it is in the "national interest" to do so. Current practices show this does not guarantee that the procedure will be in line with principles of economy, efficiency, and transparency.

5. The Heads of the Civil and Local Government Services should see to the strict enforcement of the Code of Conduct for the Ghana Civil Service.

### **5.0 CONCLUSION**

The novel Corona virus (COVID-19) has had devastating effects on the global economy, and Ghana is no exception. The Government of Ghana has so far undertaken an estimated 20 different support interventions from three main funding sources –National Corona Virus Trust Fund, World Bank and the Corona Alleviation Programme. Of the 20 interventions assessed, eleven have high corruption risks, four have moderate corruption risks and five have low corruption





risks.

Strengthening existing anti-corruption efforts and advocating for measures to mitigate these risks is crucial to ensure that corruption does not become the norm, the integrity of public institutions is not compromised and peoples' trust in these institutions is protected. It is also important that the public has confidence in the Government's ability to mobilise and implement an effective crisis response system, which includes the effective management of the COVID-19 Fund and other relief initiatives, without weakening the integrity of existing public institutions.



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