



UNCAC Coalition

1st Regional Meeting of Asia-Pacific region

COVID-19 and its Implications: Experiences from Asia – Pacific Countries

Corruption and Governance Challenges in Handling the Covid-19 Pandemic: The Case of Nepal and Beyond

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Coronavirus Disease (COVID-19) Outbreak



It was initially reported to the World Health Organization (WHO) on December 31, 2019. On January 30, 2020, the WHO declared the COVID-19 outbreak a global health emergency. On March 11, 2020, the WHO declared COVID-19 a global pandemic

Coronavirus Disease (COVID-19) Outbreak In Nepal



- **The first case in Nepal was confirmed on 23 January 2020 when a 31-year-old student, who had returned to Kathmandu from Wuhan on 9 January, tested positive for the disease. That was the first Covid-19 case reported in South Asia**
- **A country-wide lockdown came into effect on 24 March 2020, and ended on 21 July 2020.**
- **As of 1 March 2021, the Ministry of Health and Population (MoHP) has confirmed a total of 274,216 cases, 270,471 recoveries, and 2,777 deaths in the country.**
- **In the meantime, 2,165,985 tests have been performed in 40 locations across the country.**

A case of Corruption- Procurement of Medical Equipment in Nepal

- Until March, when Covid-19 cases started to spike, the government had not rolled out any serious interventions even Department of Health Service (DoHS) has already initiated a public bidding process to procure medical equipment—two weeks after the first case of virus infection in the nation.

Nineteen private firms seeking to supply the equipment applied to make a bid though the Government was not in the action.

- The department only expedited the health-equipment procurement process in the third week of March, by when Covid-19 was raging across the country. To contain the spread of the virus, the government had announced a nationwide lockdown from March 24, 2020.



Department of Health Services

A case of Corruption- Procurement of Medical Equipment...

- High-level committee led by Deputy Prime Minister and Defense Minister to handle the Covid-19 didn't think it important to expedite the medical procurement process before. Instead, its members were focused on interfering with the ongoing bidding process—in order to serve their own ends. Consequently, it came under enormous pressure from the committee members, and the DoHS was forced to cancel the first bidding process.
- **After the cancellation of the tender on March 24, the day when the first nationwide lockdown was announced, the department summoned 11 private firms to initiate fresh procurement bids and asked them to submit their proposals within 24 hours.**

Finally DoHs selected to the OMNI was awarded the contract to supply medical equipment worth \$10,300,904.00. The other companies' bids were rejected because they would not be able to supply goods on time, according to the DoHS officials.

A case of Corruption- Procurement of Medical Equipment...

- But in the end OMNI couldn't supply the equipment as promised—despite having full government backing. By the contract's deadline, it was able to deliver only 10 percent of the total amount of goods they had promised to procure from China.



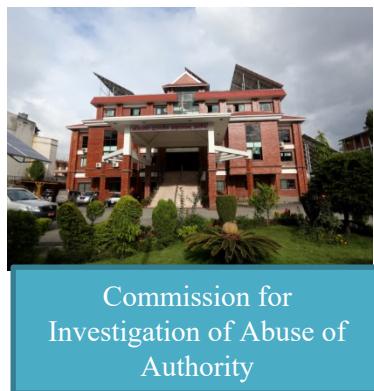
The price for the medical equipment procured by OBCI was almost three times higher than the usual market price. Under widespread criticism, the department, which later scrapped the procurement deal with OMNI;

The government was criticized accusing that they had a settings and a big pressure was raised from the public to scrap the contract with OMNI.

- **Later, the government roped in the Nepal Army to procure test kits. The government awarded the army the procurement deal because the army enjoys constitutional immunity even in cases of financial irregularities. Constitutionally, the judiciary and the army lie beyond the ambit of any anti-graft bodies.**

A case of Corruption- Procurement of Medical Equipment...

- Six months after the original procurement deal was scrapped, the Office of Public Procurement blacklisted OBCI for a year.
- **But before the public procurement office came after it, OBCI had already moved the Supreme Court, seeking to recoup their deposit, and to avoid possible action against them, including the blacklisting of the company. In response to a second writ petition filed by the controversial supplier, a single bench of apex court justice Purushottam Bhandari temporarily ordered the government not to blacklist the supplier.**
- But though the OBCI deal was scrapped, the politicians accused in the scam were spared. Furthermore, the Commission for Investigation of Abuse of Authority, which has been accused of shielding powerful leaders in recent years, has done nothing to hold wrongdoers accountable. According to CIAA the investigation into the procurement deal is still ongoing.



A case of Corruption- Procurement of Medical Equipment...

- For Nepal's authorities, it has long been the norm to hand out procurement contracts to those who curry favor with them. These malpractices occurred during previous crises too—in the [aftermath of the 2015 earthquakes](#) and during the subsequent [economic blockade imposed by India](#).

Some Cases of the Other Pacific Countries

- To highlight some anecdotal examples: In India, the press reported that a government portal set up to address grievances related to COVID-19 received over 167,000 complaints, which included grievances relating to bribery, embezzlement of funds, and harassment by government officials dealing with COVID-19.
- In Vietnam, the press reported on the sentencing of the head of Hanoi's Center for Disease Control and Prevention to 10 years in prison, after a court ruled that he and nine accomplices perpetrated a scheme to overstate the cost of imported COVID-19 testing systems.
- In Indonesia, the country's social affairs minister has been accused of taking bribes after anti-corruption agents discovered more than 14.5 billion rupiah (approximately USD 1 million), allegedly received as kickbacks from contractors supplying food aid parcels to people affected by COVID-19, stuffed into suitcases and other containers.

Some Cases of the Other Pacific Countries

- In the Philippines, the Defense Secretary admitted that COVID-19 vaccines used by members of the Presidential Security Group were smuggled into the country but said that this was “justified”; the press has reported a thriving market for illegal COVID-19 vaccines; and the president and other officials have denied allegations relating to vaccine procurement.
- In Myanmar, where the economy has reportedly been hit hard by a second wave of COVID-19 that has overwhelmed the health infrastructure, elected the National League for Democracy party in November 2020, only to experience a military coup in February 2021 that saw civilian leader Aung San Suu Kyi and hundreds of members of parliament placed under house arrest.

Discussions

Thank you