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MEDIA STATEMENT

IDEAS calls for full disclosure of COVID-19 procurement contracts; Global study on fiscal transparency rates Malaysia as 'limited accountability'

Kuala Lumpur, 27 May 2021 - The Institute for Democracy and Economic Affairs (IDEAS) called on the government to ensure transparency regarding the procurement contracts related to the tackling of the COVID-19 pandemic, especially in light of RM 70 million allocated by the government towards the National COVID-19 Immunisation Programme (NIP), which was channelled for its data integration and vaccination appointment system, which includes the online AstraZeneca vaccination appointment system and the subsequent technical difficulties encountered by the system during the start of the second opt-in yesterday.

IDEAS noted a press statement released by the COVID-19 Immunisation Task Force (CITF) on 27 April 2021 which stated that the government had allocated RM 70 million for data integration and the online AstraZeneca vaccination appointment system. Questions must now be raised about how such a substantial amount was spent in light of the appointment system being unable to cope with the high number of appointments made during the second opt-in of the AstraZeneca Vaccination Programme yesterday.

IDEAS Chief Executive Officer Tricia Yeoh comments, "The public disclosure of all procurement contracts related to tackling the pandemic will be crucial to the overall success of the government's efforts in dealing with this crisis. Such disclosures can provide confidence to the public that the government is doing their best to procure the best suppliers and contractors for key services, goods and public works. It will also demonstrate the government's commitment towards accountability to the taxpayers. The poor performance of the website's booking system yesterday was appalling, reflective of poor technology and caused tremendous frustration to a population already overwhelmed by the COVID-19 crisis. This should not have happened for a nationwide exercise of such grave importance."

In line with this, the **International Budget Partnership's (IPB) COVID-19 Module** released on 25 May 2021 ranked Malaysia's levels of accountability and transparency with regards to its COVID-19-related fiscal responses to have been '**limited**'. This global survey, of which IDEAS was a participant, evaluates the levels of transparency, oversight and public participation in government's fiscal responses to the COVID-19 crisis.

The survey rates countries in terms of six performance categories, starting with **substantive** and followed by **adequate, some, limited** and **minimal**. The evaluations were based on 26 questions concerning the largest COVID-19 related stimulus packages passed by governments around the world up to 31 December 2020. The survey looked at specific types of data or information governments should have made publicly available, or actions they should have undertaken, to ensure adequate oversight and public

participation. The answer options were presented as a series of “tick boxes,” with the more boxes ticked meaning the more information provided, thereby meaning the better a country’s scoring would be.

The survey’s assessment of the levels of accountability and transparency in the Malaysian government’s fiscal responses to the COVID-19 crisis was based on three areas, namely transparency, legislative oversight and public participation. Malaysia received a relatively good score for transparency (**‘some’**), with the survey showing that the Malaysian government had disclosed **substantive** amount of information on their policy measures, including adequate and useful information targeted towards certain marginalized groups (particularly low-income and vulnerable groups) concerning the package’s intended effects and eligibility criterias. However, Malaysia scored poorly in terms of oversight and public participation, with a ranking of **limited** and **minimal** respectively. The survey covered stimulus packages released before 31 December 2020, particularly the PRIHATIN Economic Stimulus Package (PRIHATIN).

Commenting on the results, Sri Murniati Yusuf, Manager of IDEAS’ Public Finance Unit, says, “the result indicates that the government made commendable efforts to publish information on the stimulus packages, including through the LAKSANA reports and specific micro pages on stimulus packages. However, the results also suggest that the government must improve oversight and public disclosure in a number of other areas, including revealing the sources of financing, the use of extra-budgetary funds, and procurement exercises.”

“Disclosures on procurement are especially important during this time since national crises often require governments to expedite the procurement process and, therefore, enlist the use of non-competitive procurement methods such as direct negotiations. While the usage of direct negotiations is understandable during this period, the government must ensure the process is transparent by disclosing the contracts to the public,” she adds.

“Concerning the ‘limited’ scoring in relation to the legislative oversight category, it should be noted that the survey did not cover the emergency proclamation made in January 2021, which would have no doubt exacerbated Malaysia’s poor performance in this area. The government must release contract information immediately to improve Malaysia’s scoring. At the time where global accountability has been generally lacking, Malaysia should aim to rank alongside countries that maintain legislative oversight and have acceptable levels of accountability.”

Yeoh concluded by noting, “Public trust in government is particularly low at the moment. I have to repeat what we and other civil society organisations have repeatedly stressed: reconvene Parliament now, even if virtually. Reopening parliament and disclosing procurement contracts will contribute to the success of Malaysia’s national vaccination programme and pandemic management.”

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For global result of Open Budget Survey (OBS) Special COVID Assesment, please visit <https://internationalbudget.org/covid/>

About IDEAS

The Institute for Democracy and Economic Affairs (IDEAS) is a nonprofit research institute, dedicated to promoting solutions to public policy challenges, focussing on three overarching missions – advancing a competitive economy, ensuring trust in institutions and promoting an inclusive Malaysia. IDEAS is Malaysia's first independent think tank, free of personal interests and partisan influences. For more information, visit www.ideas.org.my.

For enquiries, please contact:

Amir Ridzuan Jamaludin
Assistant Manager, External Relations
+603 2070 8881/8882
amir@ideas.org.my

Sri Murniati,
Manager, Public Finance Unit
+603 2070 8881/8882
unie@ideas.org.my