**MEDIA STATEMENT**

**COMMITTEE ON DEFENCE AGREES TO MINISTER OF DEFENCE’S REQUEST TO PRESENT MTT REPORT IN THREE WEEKS’ TIME**

**Parliament, Wednesday, 25 August 2021 –**The Portfolio Committee on Defence and Military Veterans has accepted a request from the Minister of Defence and Military Veterans, Ms Thandi Modise, to present the report on the Ministerial Task Team’s (MTT’s) finding on the Department of Defence’s (DoD’s) procurement of Heberon medication from Cuba in three weeks’ time.

Giving background on the matter, the Chairperson of the committee, Mr Cyril Xaba, said the Office of the Auditor-General of South Africa (AG) briefed the committee in February this year on the DOD’s Covid-19 initiatives. He said the AG emphasised irregularities found in its investigation around the procurement of Heberon® Alfa R (Heberon), also known as Interferon B, procured from Cuba by the DoD for its personnel to the value of R260.59 million.

Of specific concern to the committee, according to Mr Xaba, were the AG’s findings that the importation did not carry the approval of the of South African Health Products Regulatory Authority (Sahpra), that an open-ended contract (under Project Thusano) was used, and that the contract was only signed after the first delivery had taken place.

The AG further found that up to 40% of the imported vials may have been compromised due to a break in the cold-storage chain. As a result, the committee held two engagements with the DoD and Sahpra on 17 and 24 February 2021. Key concerns raised by the committee during these engagements included the failure to do a needs analysis, the quantity of the medication imported, the non-involvement of the Chief Financial Officer (CFO) in the procurement process and the fact that the DoD proceeded with the procurement despite its application having been rejected by Sahpra.

The committee questioned the value to be derived from the DoD’s application to Sahpra to conduct further clinical trials on the drug, noting that previous tests had disapproved it for use for hospitalised Covid-19 cases. Based on these concerns, the committee stated that it is highly likely that the procurement of these medicines will be classified as irregular or wasteful expenditure.

Ms Modise told the committee that she has just joined the department and needs sometime to ensure that everything on the medicine’s procurement process is thoroughly scrutinised and properly investigated. She has assured the committee about her commitment to adherence to procurement policy. “No one is allowed to procure anything, no matter how important and urgent it may be, outside the procurement policy which is in place,” said Ms Modise.

Furthermore, the committee was supposed to receive an update from the Sahpra on progress regarding its investigations into the DoD’s Heberon procurement and transportation conditions, and an update from the AG on its findings on the DoD’s Heberon procurement. The committee has resolved to get the MTT, AG and the Sahpra reports all at the same time, at a date in October to be determined by the committee.

Mr Xaba said the committee’s oversight mandate is centred on ensuring good governance in the DoD. This includes ensuring that correct procurement processes are followed, that the department’s finances are well managed and that consequence management is implemented.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON DEFENCE AND MILITARY VETERANS, MR CYRIL XABA.**