



PRESS STATEMENT
{For Immediate Release}

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**THE FINANCE BILL, 2024 AND THE PREVAILING ECONOMIC SITUATION
IN THE COUNTRY**

THE KENYA INSTITUTE OF SUPPLIES MANAGEMENT (KISM) is the national professional body for Procurement and Supply Chain Management Practitioners. The Institute is established pursuant to Section 3(1) of the Supplies Practitioners Management Act, 2007 to *inter alia* train, register, license, discipline and regulate the Procurement and Supply Chain Management Practitioners in Kenya.

THE INSTITUTE takes this opportunity to once again condole with the families who lost their loved ones during the protests over the *Finance Bill, 2024*. The Institute also joins fellow Kenyans in praying for the quick recovery of those injured or otherwise adversely affected during the protests.

REGRETTABLY, property was destroyed during the protests, at a time when the economic performance of the Country is affected variedly. For instance, according to the Africa Development Bank (AfDB), Kenya's public debt expanded from 66.7% of GDP in 2022 to 70.2% in 2023, driven by increased loan uptakes to finance the primary deficit and by exchange rate depreciation.

WHEREAS Kenya's GDP was projected to grow 5.4% in 2024 and 5.6% in 2025, driven by services and household consumption, with accelerated structural transformation and discipline in financial management, realizing a GDP growth of 7.3% could create 1.36 million new jobs and cut unemployment to 7%. Achieving this requires, among others, improving procurement and supply chain management systems and macroeconomic stability.

IN RECOGNITION of the decision by His Excellency the President of the Republic of Kenya to withdraw the *Finance Bill, 2024* and the various austerity measures that the Government has communicated;

EMPHASIZING THE CENTRALITY of procurement and supply chain management in the socio-economic development of our Country cannot be denied. It is estimated that public expenditure of up-to 26% of the GDP and 60% of the development budget is spent in this space. The Institute therefore wishes to make the following pronouncements:

1. The Institute welcomes the invitation by His Excellency the President of the Republic of Kenya to engage stakeholders, including professional bodies, on the Finance Bill, 2024.
2. The Institute is ready to share proposals aimed at sustainable development of the Country and will participate in the engagements with the professional bodies in line with its mandate.
3. The Institute encourages its members to continue safeguarding the expenditure of public finances by ensuring fairness, equity, transparency, competitiveness, and cost effectiveness of the procurement and supply chain management systems as required under **Article 227 of the Constitution**.

"Promoting Professionalism in Supply Chain Management"

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4. The Institute will continue to sensitize its members on the current emerging issues and their professional responsibilities in the advancement of the Institute's vision of ethical and competent Supply Chain Management Professionals in Kenya.

IN KEEPING with the fact that Procurement and Supply Chain Management Practitioners are on the expenditure side of public financial management, and are directly responsible for the implementation of the *Supplementary Appropriation Act, 2024*, the Institute proposes:

1. **Strengthening of Professionalization of Procurement and Supply Chain Management (P&SCM) for greater impact;** all public procurement should be undertaken by Professionals. Individuals who are not duly registered and licensed by the Institute shall not be allowed to practice, especially noting there are many jobless youths who have graduated with Certified Procurement and Supply Professional of Kenya (CPSP-K) qualification.

The Institute has embarked on compliance assessments and law enforcement to identify, discipline and remove from its records members who are not in good standing in accordance with the Law.

Further, there is need to strengthen a pool of resource persons to support the Country at the leadership level on Procurement & Supply Chain Management matters. This would entail issuance of advisories and strategic support in this critical area for socio-economic progress of the Country.

2. **Cost containment measures by reviewing the Country's Pricing Model;** where most procurement and supply chain management processes in the public sector have been cited as less cost-effective. There is need to mitigate inflation of costs to entrench the principle of **Value for Money** in public expenditures to save resources to **bridge the budgetary deficits**.
3. **Enhancing Utilization of Technology;** digitization of business processes and the rollout of the end-to-end electronic Government Procurement (e-GP) System should be fast-tracked by the Government and embraced by all players. Our members are already being sensitized to support the rollout.

Once operationalized, the e-GP should be integrated with the other e-Government Systems. This will enhance trackability of transactions, entrench efficiency, and will facilitate transparency and accountability in P&SCM processes, and aid in curbing corruption.

RELATEDLY, the Institute also supports the audit of the public debt in Kenya, a mandate of the Office of the Auditor-General (OAG) in line with the provisions of **Article 229** of the Constitution.

FINALLY, the Institute has prepared its **comprehensive proposals** to be submitted to the Government for consideration as it remains ready to work with all other state and non-state actors in the professionalization of the Supply Chain Management practice in the Country.

We deliver-as-one, and with all, in the service to the Nation!

SECRETARY/CHIEF EXECUTIVE OFFICER

Monday 8th July 2024

NAIROBI

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