



KEYNOTE ADDRESS BY HON. CPA JOHN MBADI NG'ONGO, EGH CABINET SECRETARY, THE NATIONAL TREASURY AND ECONOMIC PLANNING DURING THE 3RD EDITION OF THE SUPPLY CHAIN NATIONAL DIALOGUE ON 26TH NOVEMBER 2024 AT SAROVA WHITESANDS RESORT, MOMBASA

Salutations

- The Governor of Mombasa County, His Excellency, **Abdulswamad Sharrif Nassir**,
- The Principal Secretary, The National Treasury and Economic Planning, **Dr. Chris Kiptoo, CBS**,
- **Mr. John Karani, M.B.S.**, Chairman, KISM Council
- Chairmen & Presidents of Supply Chain Agencies in Kenya and the African Region
- Members of the KISM Council
- **Mr. Kenneth Matiba**, Chief Executive Officer, KISM
- All Invited Chief Executive Officers (CEOs) and Accounting Officers,
- KISM Members, Partners and Stakeholders

Distinguished Guests, Ladies and Gentlemen, Good morning!

1. It is a great pleasure to be here today at the **3rd Edition of the Supply Chain National Dialogue**. I thank KISM leadership for the invitation.
2. The theme of this year's dialogue, "**Empowering National Supply Chains for Innovation, Resilience, and Global Competitiveness**," is particularly timely as we navigate the complexities of the global economy. **A robust and efficient supply chain is the backbone of any nation's economic growth and development.**
3. The Procurement and Supply Chain Profession plays a pivotal role in upholding the principles of fairness, equity, transparency, and competitiveness enshrined in Article 227 of the Kenyan Constitution.
4. As we gather here today, we must acknowledge the significant challenges that our procurement and supply chains face. From global disruptions to domestic bottlenecks, these challenges have highlighted the need for resilience, innovation, and strategic planning.
5. My Ministry recognizes the critical role of procurement and supply chain management professionals in delivering public services efficiently and effectively. We are committed to creating a conducive environment that promotes ethical and transparent procurement practices. Through professional bodies such as KISM, we aim to strengthen governance, accountability, and value for money in public procurement.

Ladies and Gentlemen,

6. As you are aware Procurement and Supply Chain Management profession has faced challenges such as lack of standardized practices, ethical lapses, and limited technical expertise. These issues have hindered our ability to contribute fully to the nation's economic growth.
7. Further Public procurement is still perceived to be more susceptible to transparency and accountability deficiencies when compared to other areas of government.
 - a) **First**, Corruption and fraudulent practices continue to plague public procurement in Kenya. Acts such as bribery, embezzlement, and tender rigging undermine transparency and fairness, hindering the efficient allocation of public resources. We must break free from these unethical practices and strive for a more transparent and accountable procurement system."

At the National Treasury, we have made available resources for an end to end e-Government Procurement System to be used across all sectors. I urge all stakeholders to embrace it as one of the measures we are putting forward to enhance transparency and accountability in public procurement.

- b) **Second**, promotion of good governance in public procurement is paramount for our socio-economic progress as a Country. The resources we have must be applied in a prudent and effective manner for the benefit of all citizens of Kenya.

To this end, the Government appreciate the joint initiative between KISM, EACC and the Media Council of Kenya on sensitising the public and stakeholders on the need to uphold ethics and integrity in the public procurement systems.

- c) **Third**, inefficiency and delays through; red tape, government bureaucracy, and long delays in service delivery. These inefficiencies can be frustrating for both suppliers, government agencies, as well as the Kenyan citizens who need efficient service delivery.

I call upon KISM in its mandate, to ensure that we have licensed and trained practitioners in all our public institutions. There will be serious repercussions for any government agency or ministry that will be found hiring unlicensed procurement and supply chain practitioners.

The Government appreciate the KISM for initiating compliance checks, compliance audits, revamping its disciplinary committee and sustained campaigns on compliance enforcement.

d) **Fourth**, political influence in procurement decisions has led to awards being made based on political considerations rather than merit. I know you face lots of pressure with, “the call from above” being used to influence your decisions.

I urge you to take an active role in procurement compliance. This will protect you against any accusations that may arise, regardless of who makes “the call from above”.

While at it, I agree with the KISM’s position to adopt a whole-of-PFM cycle approach in enhancing accountability and promotion of good governance.

Negative stereotyping of procurement and supply chain management professionals is not the right way to go, rather professionals should be accountable for acts and omissions within their responsibilities.

Ladies and gentlemen,

8. My Ministry recently invited the public to provide their input in the amendments to the Public Procurement and Asset Disposal Act 2015. I am happy to note that as practitioners through KISM and some of directly, provided good input, views and proposals which our teams are currently collating.
9. However, this should not stop here, I encourage you to also join other professional bodies to present your views during the public participation at the National Assembly Committee.

10. For the record, I wish to appreciate the great work the Kenya Institute of Supplies Management is doing particularly:

- a) Being the first professional body in Country to operationalize the **Recognition of Prior Learning Framework**. This is helping in onboarding practitioners with experience gained over the years, who may not be having qualifications to be members of the Institute.
- b) Opening the **Kenya College of Supply Chain Management** to offer structured capacity building programmes aimed at enhancing professional of the practise.
- c) Creating **nine (9) regional chapters** in the Country to make its services accessible.
- d) Growing its **membership to over 25,000 from 9,000** in the past few years.
- e) **Automating** the registration and licensing processes for responsive service delivery to its members, among others.
- f) Promoting the **Certified Procurement and Supply Profession of Kenya (CPSP-K)** qualification as the pathway for KISM membership effective January, 2025. This will aid the profession in solidifying its position in the Country and catching up with the other professions.
- g) Training over **30,000 stakeholders** in the past 3 years on diverse topics that enhances prudent application of public resources.
- h) Continuously engaging the Government to share policy proposals including the **review the Scheme of Service for SCM professionals**. This is a matter I will personally step in to support so that the Procurement and Supply Chain Profession can be at par with the other professions in the Country.

11. I am aware KISM is currently, working on its new Strategic Plan for the year 2025-2029. I am looking forward to reading it and how it aligns with the delivery of the Government Agenda.
12. As the world evolves, it is important for us to be cognisant if the fact that we are in a global village. We have to take a keen look at the global trends in the supply chain such as sustainability and environmental, social, and governance considerations in the supply chain.
13. The global supply chain market is valued at approximately \$28.9 billion in 2022, and is expected to grow to about \$45.2 billion by 2027. Technological advancements such as Artificial intelligence, block chain and cloud computing are among the global trends in supply chain. Climate change continues to pose an existential challenge to our economy.
14. I commend KISM for its unwavering dedication to professionalizing the supply chain management sector. Your efforts in training, capacity building, and advocacy have significantly contributed to the advancement of this critical field.
15. I am aware KISM among other professional bodies have concerns on the stoppage of financial support from the National Treasury. Looking at the magnitude of your work, the progress made so far and the future outlook, we should have a conversation around this matter.
16. Finally, it is my hope that you will have meaningful deliberations in improving service delivery to Kenyans and be agents of positive change. I looking forward to receiving and discussion with KISM the proposals and outcome of this Conference as we seek to be agents of positive change. We shall do our part to make a difference.
17. The National Treasury will continue to engage all professional bodies including KISM on matters of national interest. This will positively influence policy development of effective and efficient service delivery.
18. It is therefore my humble duty and pleasure to **declare this 3rd Edition of Procurement and Supply Chain National Dialogue, 2024 officially opened.**

God bless Kenya! Thank You.

Hon. CPA John Mbadi Ng'ongo, EGH
Cabinet Secretary,
The National Treasury and Economic Planning