



OFFICE OF THE
DEPUTY PRESIDENT

**KEYNOTE ADDRESS OF H.E RIGATHI GACHAGUA, EGH,
DEPUTY PRESIDENT OF THE REPUBLIC OF KENYA,
DURING THE 2ND SUPPLY CHAIN NATIONAL DIALOGUE
AT SAROVA WHITESANDS HOTEL, MOMBASA COUNTY,
NOVEMBER 13-17, 2023**

The Principal Secretary, The National Treasury, Chris Kiptoo;

The Director, Public Procurement Directorate, Erick Korir;

Our Host, Governor Abdulswamad Shariff Nassir;

**Chairman Public Procurement Regulatory Authority
Jimmy Kahindi;**

**The Public Procurement Administrative Review Board
George Murugu;**

Public Procurement Regulatory Authority CEO Patrick Wanjuki;

The Kenya Institute of Supplies Management Chairman John Karani;

The Kenya Institute of Supplies Management Ag CEO Nicholas Wafula;

Distinguished Guests;

We officially open the Second Supply Chain National Dialogue, a few days after our President, H.E William Ruto inaugurated the Pending Bills Verification Committee.

This is to validate what the Government owes suppliers of goods and services.

Pending bills is one of the biggest challenges in the Supply Chain. It is also a rife threat to sprouting private enterprises, which we are encouraging in building a strong economy from the bottom of the pyramid.

It is for this reason that we should be proud today that the President decided to verify the about 600 billion Kenya Shillings worth of pending bills for payment to unlock the investment potential of the country.

This will not only revive enterprises and spur economic growth, but also enhance confidence in private sector doing business with Government.

To streamline the Supply Chain Sector, such conversations of diverse stakeholders are critical in identifying salient issues and recommending operational, legal and policy reviews.

Distinguished Guests;

This is the first Supply Chain National Dialogue under the Ruto Administration. Supply Chain is a critical component under the Five Pillars of the Kenya Kwanza Plan.

As per the theme of the conference, the Government is interested in knowing how the Supply Chain will contribute to achievement of the Plan in Agriculture, Micro, Small and Medium Enterprise Economy, the Housing and Settlement, the Healthcare, and the Digital Superhighway and Creative Economy. This is of great interest to us.

For instance, we are undertaking reforms in the Agriculture Sector to put more money into the pocket of the farmer.

For full realisation of this, the supply chain has a direct contribution to lowering the cost of production. A long and bureaucratic process in procurement and supply of farm inputs piles the cost unto the farmer. Cheaper farm inputs means farmers produce more to a surplus for export.

Distinguished Guests;

Similarly, there should be a streamlined supply chain linking the supplier directly to the consumer.

Furthermore, the supply chain must align its operations to seize and capture emerging opportunities.

Kenya was one of the first African Union Member States to sign, ratify and transact under the Africa Continental Free Trade Area Agreement. With 47 African States having signed and deposited instruments of ratification of the Trade Pact, this links Kenya to a market of over 1.3 billion people across the continent.

It is time to restructure our operations for the benefit of our people. For instance, the small-scale tea farmer in Imenti, Meru, or Nyankoba, Nyamira, should enjoy the economies of scale in the two-way supplies under the Trade Pact.

This has to trickle down into the other Pillars of the Plan.

Distinguished Guests;

Supply Chain offers an opportunity to everyone to do business, especially with the Government. However, emerging enterprises may be locked out of tenders because of limited financial muscle.

Although our country has been ranked among the top in financial innovation, Micro, Small and Medium Enterprises face a 2.2 Trillion Kenya Shillings funding deficit. This is one of the reasons more than 80 percent of potent MSMEs wither before their third birthday.

President Ruto established a Ministry on MSMEs and Cooperatives to ease access to financial support and spur growth from the bottom. It is a lifeline for MSMEs, which may not access funding from mainstream financial institutions.

Most of the MSMEs require between 100,000 Kenya Shillings and One million Kenya Shillings. The Hustler Fund is bridging the financial gap with varied products, including the Hustler Group Fund.

But this financial inclusion will make sense if we actualise the tendering processes to also favour upcoming enterprises, which may not have a rich track record. Women, the youth and people living with disabilities must benefit in a big way if we are to uplift the hustler to the high table.

That is why the Supply Chain must ensure tendering processes are inclusive.

Distinguished Guests;

We cannot have an inclusive Supply Chain that does not value Integrity. We cannot have an inclusive Supply Chain that does not regard transparency and non-interference.

The Supply Chain Sector has the key to birthing the next generation of millionaires from the bottom. This is through encouraging and fully implementing a transparent and fair tendering and procurement process.

In the face of Digital Technology, doing business with the Government should be highly open for public scrutiny, with monitoring and follow-up mechanisms.

As we work to end corruption from the Supply Chain, we need to move to the Digital Space in all procurement process-from tendering to delivery of Goods and Services.

With more innovation, as we move to incorporating Artificial Intelligence, minimising human interaction in e-Procurement will save the public billions of shillings lost to corruption.

We have the capacity to implement fool-proof systems. We have adequate laws and we are ready to strengthen them where there are gaps.

Distinguished Guests;

We cannot keep complaining that we lose billions of shillings to corruption. The Government has allocated tax-payer's resources to institutions to root out this vice.

I would like to appeal to the public to also support the relevant agencies in evidence-based complaints on corruption. We must not normalise corruption, no matter how small it is.

We all have a stake in clean deals in the Supply Chain.

On this note, I look forward to a robust and specific action points for our consideration.

I Now Declare the Second Supply Chain National Dialogue Officially Open.

ASANTENI SANA