



STATEMENT

**BY THE RIGHT HONORABLE SAARA KUUGONGELWA-AMADHILA, PRIME MINISTER OF THE
REPUBLIC OF NAMIBIA**

AT

**THE OPENING OF A WORKSHOP ON THE CHALLENGES FACING PUBLIC ENTITIES IN THE
IMPLEMENTATION OF THE PUBLIC PROCUREMENT ACT**

15 JULY 2019

NIPAM

- Directors of Proceedings,
- Honourable Ministers,
- Honourable Members of Parliament,
- Honourable Deputy Ministers,
- Secretary to Cabinet,
- Executive Directors,
- Members of the Media;

Good morning to you all,

1. It is a pleasure for me to officiate at this important workshop organised to discuss challenges facing Public Entities in the implementation of the Public Procurement Act.

2. Let me thank the organisers of the workshop and express appreciation to you all for making time available to attend this important workshop. The workshop is important as it gives us an opportunity

to review progress made so far in implementing the Public Procurement Act of 2015, identifying challenges encountered and map out the way forward to address the identified challenges so that we can optimise the benefits from the reformed public procurement system for our country.

3. Allow me to point out at the onset, some underlying reasons why our procurement law was reformed. These are:

- i) To promote integrity, accountability, transparency, competitive supply to and effectiveness in the procurement of assets, works and services;
- ii) To harmonise public procurement policies, systems and practices, maximise economy and efficiency in public procurement to obtain value for money and engender public confidence in the public procurement; and
- iii) To strengthen measures to better leverage the strategic importance of public procurement in achieving Government socio economic objectives.

4. The Public Procurement Act provides for public procurement regulations to be gazetted by the Minister of Finance to operationalise the public procurement law.

5. Further, the Law provides for the Central Procurement Board to conduct the bidding process for the award of contract for procurement or disposal of assets that exceed the threshold prescribed for public entities, to enter into contract for the procurement or disposal of assets on its own behalf or on behalf of public entities and to direct and supervise accounting officers in managing the implementation of procurement contracts.

6. In addition, a Procurement Policy Unit is provided for to provide policy implementation guidance, monitor the operation of the public procurement process. It is also mandated to report to the Minister on the performance of the public procurement systems including preparation of annual reports to table in the National Assembly.

7. Finally, there is a Review Panel provided for to adjudicate on applications for review.

8. The workshop is expected to review progress made and look into challenges encountered in the implementation process of the new Public Procurement System with a view to design measures to improve the situation.

9. I am informed that reports by the Procurement Policy Unit on the operation of the public procurement process will be made for the workshop to assess progress made and the impact thereof.

10. Further, the Procurement Act requires public entities to put in place internal procurement committees and internal procurement Units to conduct and manage internal procurements and to submit annual procurement plans to the Policy Unit.

11. I applaud public entities who complied with this requirement, but I am disturbed by reports that some public entities do not have internal organisational structures in place and some did not submit their annual procurement plans to the Policy Unit. This non-compliance needs to be rectified.

12. As indicated above, the Procurement Policy Unit is empowered under the law to monitor compliance with the Act and with the directives issued by the Minister.

13. The Policy Unit is, therefore, required to develop and implement procurement performance assessment system and institute contract audit and performance audit.

14. The workshop is therefore expected to assess the extent to which the Procurement Policy Unit has performed its role in this regard. Public entities are required to submit annual procurement plans to the Policy Unit for analysis and approval. It is expected from the Policy Unit to grant these approval in a timely manner to avoid delays in implementation.

15. Further it is expected that policy implementation guidance are issued to public entities to ensure consistency with policy objectives, aiming at economic development and benefits to the public, through local sourcing and job creation.

16. It is expected that the workshop will be presented with available public procurement statistics to determine the impact made so far on employment creation and empowerment of Namibians.

17. Recently, the Minister of Finance issued Procurement Directives requiring all public entities north of the cordon fence to procure meat, fresh produce, mahangu, beans, cereal and their by-products to levels and quality available in those areas. This arrangement should be replicated in the rest of the country and should extend to other products produced locally, both good and services.

18. Further, directives are required to reserve some public tenders for local companies, including local SME's and companies owned by women and youth. I urge all public entities to include these aspects in their procurement specifications. The Central Procurement Board and Policy Unit are expected to keep statistics for proper monitoring and evaluation.

19. It is also important that the delays in processing Procurement approvals and procurement bids are addressed. In fact, we should put in place timelines within which these approvals should be granted.

20. Further, Procurement Plans should be published to enable the potential suppliers to prepare themselves to participate in public bids and database of local producers and suppliers of products should be established.

21. For us to make progress in the implementation of the law, we need to strengthen our capacity at all levels of our institutions. I am glad to note that the Ministry of Finance through the Procurement Policy Unit hosted training of stakeholders on the implementation of the Public Procurement Act and is engaging institutions of higher learning to create a field of study on public procurement management. I urge stakeholders to finalise this consultative process for the training to commence at our public institutions.

22. As I indicated, for us to maximize our procurement system's impact, training in procurement management must go together with strong monitoring systems and enforcement measures to ensure accountability and transparency in the public procurement process. Our main aim should be to promote, facilitate and strengthen measures to implement our growth at home, empowerment and industrialisation policies including the empowerment of SMEs, women and youth by creating economic opportunities for them and enhancing their participation in the mainstream economy.

23. In this regard, the public funding and entrepreneurial support programmes provided by public institutions should be streamlined with efforts made under public procurement system to support the development of local enterprises.

24. Let us make maximum use of this workshop, share ideas in an open manner to overcome challenges in the implementation process in order to achieve the objectives of promoting efficiency, integrity, accountability, transparency in the public procurement system.

25. Finally, as required by the Public Procurement Act, let us ensure that performance agreements are concluded at all levels to ensure accountability in the implementation process.

26. It is now my pleasure to declare this workshop officially open.

I thank you!