



## **REPUBLIC OF KENYA**

### **MINISTRY OF PUBLIC SERVICE AND GENDER**

**KEYNOTE ADDRESS BY PROF. MARGARET KOBIA, PH.D., MGH,  
CABINET SECRETARY, MINISTRY OF PUBLIC SERVICE AND  
GENDER DURING THE OPENING SESSION OF 2<sup>ND</sup> ANNUAL KEPSA  
SUPPLIER DIVERSITY SUMMIT TO BE HELD ON OCTOBER 14, 2020  
AT 9.00AM**

**THEME: MATUMAINI JANGANI – HOPE DURING THE PANDEMIC**

**Ms. Eva Muraya, Board Chair- KEPSA Gender & Youth Sector**

**Ms. Carole Karuga, Chief Executive Officer – KEPSA,**

**KEPSA members,**

**Government officials present,**

**Development partners,**

**Ladies and Gentlemen.**

1. It is my pleasure this morning, to preside over the 2<sup>nd</sup> Annual Kenya Private Sector Alliance Supplier Diversity Summit and thank you for continuing with this noble initiative that was inaugurated in May 2019.
2. At the onset, let me appreciate the great partnership between the Government and KEPSA, as we continue to work together to ensure inclusive business in a conducive business environment. Our

interventions as public and private sector entities have over the years contributed in driving the economic growth, wealth creation and overall development of our nation.

3. I also note with great appreciation that this summit in particular, seeks to accelerate advocacy for greater supplier diversity for increased market linkages for more women, youth and Persons with Disability owned enterprises with the public sector, private sector and development agencies supply chains.
4. This fits well within the Government continued emphasis on improving the socio-economic wellbeing of women, young people and Persons with Disability. The Third Medium Term Plan of the Kenya Vision 2030 in the social pillar clearly stipulates that gender, youth and vulnerable groups are among the six sectors that drive the socio-economic growth of our country.

### **SUPPLIER DIVERSITY AND COVID 19**

5. The world at large including Kenya is going through extraordinary times due to challenges posed by the COVID-19 pandemic. The focus of this summit therefore, is indeed timely and significant given the adverse effects of the pandemic on small and medium enterprises. As documented, a pandemic such as the COVID 19, deepens existing economic inequalities, seriously affects engagement in economic activities especially in the informal sector which is dominated by women.
6. According to the Kenya National Bureau of Statistics Survey on Socio Economic Impact of Covid-19 on Household carried out May this year,

women owned businesses were found to be the most affected by the pandemic. Similarly, a survey undertaken by KEPSA on the impact of COVID 19 pandemic showed that 82% of women owned or led businesses were negatively affected by the Pandemic.

7. In this context, the theme of this summit '**Matumaini Jangani**' – ***Hope during the PANDEMIC*** is ideal and resonates well with Government of Kenya post Covid-19 pandemic recovery strategy.
8. The Micro Small and Medium Enterprise Sector which represents 40% of the Gross Domestic Product has been significantly disrupted. Specifically, MSMEs have experienced various challenges including; falling demands for goods and services, supply chain disruptions, the tightening of credit conditions, the limited effects of stimulus packages due to informality, and increased uncertainty of the business operating environment.
9. At the onset of the Pandemic, under the directive of His Excellency the President Hon. Uhuru Kenyatta, the Government put in place measures to cushion Kenyans from the socio- economic shocks.
10. Despite limited fiscal capacity, the Government has launched measures to address the socio-economic challenges, these include:
  - **Increasing employment** – measures taken include: hiring of 5,000 additional health workers, allocation of Ksh 5 billion to hire local labour for the revamping of roads, footbridges and other infrastructure, allocation of Ksh 10 billion for the National Hygiene Programme to engage the youth in restoring public hygiene standards, and allocation of Ksh 6.5 billion to the Ministry of Education to hire 10,000 teachers and 1,000 ICT interns to support digital learning;

- **Strengthening local manufacturing** – measures taken include: allocation of Ksh 600 million to purchase locally manufactured vehicles, allocation of Ksh 6.5 billion to support the improvement of school infrastructure, including the acquisition of 250,000 locally fabricated desks;
- **Supporting businesses to withstand the economic downturn** – measures taken include: reduction in the corporate income tax rate from 30% to 25%, allocation of Ksh 3 billion as seed capital for the SME Credit Guarantee Scheme and allocation of Ksh 10 Billion to fast-track payment of outstanding VAT refunds and other pending payments, allocation of Ksh 1.5 Billion to assist flower and horticulture producers to access international markets, allocation of Ksh 2 Billion for soft loans to hotels and related establishments through the Tourism Finance Corporation (TFC);
- **Providing Kenyans with direct financial support/relief** – measures taken include: provision of 100% Tax Relief for persons earning gross monthly income of up to Ksh 24,000, reduction in individual income tax rate from 30% to 25%, reduction in VAT from 16% to 14%, allocation of Ksh 10 billion for cash transfers to the elderly, orphans and other vulnerable members of society, allocation of Ksh 3 billion for the supply of farm inputs to 200,000 small scale farmers through e-vouchers, and allocation of Ksh 2 billion recovered from corruption proceeds to support the most vulnerable members of society); and
- **Protecting livelihoods by safe-guarding the environment** – measures taken include: allocation of Ksh 850 million to rehabilitate

wells, water pans, and underground tanks in the Arid and Semi-Arid areas, and allocation of Ksh 1 billion for flood control measures and Ksh 540 million for the Greening Kenya Campaign.

## **CALL TO ACTION AND COMMITMENT**

11. Every crisis presents an opportunity, and this crisis is no exception. The key question now facing the country is: **how can Kenya leverage this moment to spur its development – instituting or accelerating reforms to improve its citizens’ lives and transform its global competitiveness?** How can we ensure that we do not “waste” the opportunity that the crisis presents?
12. This summit should inspire us in our drive to overcome adversity posed by the economic downturn especially by ensuring women, youth and Persons with Disability owned enterprises are not left behind in the inclusive supply chains.
13. As you deliberate on the objectives of this summit, it is my hope that our actions will ultimately determine and demonstrate the benefits of inclusive sourcing chains including economic recovery and survival strategy now and beyond the COVID 19 pandemic.
14. Allow me also to commend KEPSA members, SME-Supplier chain practitioners, Government agencies, policy makers in public procurement, and academia for being part of these discussions today. This clearly demonstrates unity for a purpose of seeking to **build back better** and **stronger**. The outcomes of this summit will definitely broaden the horizons and opportunities for women and youth in

business and will contribute enormously in accelerating their participation in procurement opportunities.

15. My Ministry remains commitment to our engagement with the private sector and other strategic partners in building back a stronger economy that puts women, young people, Persons with Disability and other disadvantaged groups at the heart of the economic recovery strategies for a better Kenya, because we all matter.

**Thank You**