



HOW YOUTH CAN PARTICIPATE IN GOVERNMENT PROCUREMENT

Access to Government procurement
Opportunities (AGPO)

- ▶ Approximately 30-40 percent of the National Budget (1.8 Trillion KeS (21 B US\$) is dedicated to public procurement
- ▶ This represents a huge lucrative domestic market
- ▶ In Kenya, the big players have traditionally been large , experienced businesses predominantly owned by men
- ▶ The Kenya government recognizes this sector as potential for job creation and poverty alleviation
- ▶ In its 2008 development blue print -Vision 2030 and subsequent 5-year MTPs, the government recognizes Public Procurement as a **key** driver for realizing it's flagship projects

PUBLIC PROCUREMENT –A TOOL FOR ECONOMIC DEVELOPMENT

- ▶ Gaps and weaknesses created a need for a system backed by law
 - ▶ The 2001 regulations established a dispute resolution body and tender boards
 - ▶ In 2005, an Act of Parliament passed that created key institutions to regulate public procurement
 - ▶ The Constitution of Kenya enacted in 2010 defines the principle tenets of public procurement and envisaged an Act of Parliament that is aligned to the Constitution
 - ▶ In 2011 the Minister for Finance gazetted the Preference and Reservations Scheme that gives positive discrimination to disadvantaged group and provides a margin of reservations for Kenya owned businesses

AGPO BACKGROUND

- ▶ The Preference and Reservations Scheme (2011) was set up to promote **inclusive** economic growth and supplier diversity with a focus on disadvantaged groups which include women
- ▶ In 2013, following elections, the new Government came up with an affirmative action policy that **sets- aside at least 30 percent** of government contracts for businesses led by youth ,women and other disadvantaged groups
- ▶ These interventions are meant to **uplift** the status of women and other marginalized groups to enable them to participate fully in economic development

EMPOWERING YOUTH -LED SMES THROUGH PUBLIC PROCUREMENT

- ▶ Lack of capacity among supply chain managers in the implementation of the policy
- ▶ Lack of clear policy guidelines on “how to” implement the Scheme
- ▶ Poor response by women-led SMEs and other disadvantaged groups to tender opportunities
- ▶ Inability of the women-led SMEs to service government contracts compromises service delivery by public entities
- ▶ PPOA which is charged with monitoring the implementation of this policy is currently centralized

CHALLENGES FACED BY PUBLIC ENTITIES

CHAPTER 499 makes provision for the registration of firms, individuals and corporations carrying on business under a business name

Business can be registered as follows

1. Sole proprietorship
2. Partnership
3. Limited company

BUSINESS REGISTRATION

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- ▶ **.NAME SEARCH** & RESERVATION @ Huduma Centre
- ▶ The individual makes a written application to the registrar of business names
- ▶ If the name is available it will be reserved pending registration ,Names can only be reserved for thirty days.
- ▶ An applicant is advised to list 3 names that he/ she wishes to register .
- ▶ E.g Nairobi Hardware, Nai Hardware , Naijon Enterprises
- ▶ If the applicant is sure of a particular name (may be he/she considers it to be unique ..) he may
- ▶ The fee to conduct search for each name is 100 for 3 names is 300

SOLE PROPRIETORSHIP

- ▶ Once a business name is reserved the applicant will be required to fill a registration form and provide the following details and documents
- 1. Products / services ... what do you want to trade in eg. If Sukuma wiki ... indicate Food Stuff , if selling computers products ICT products .
- 2. PLOT NO... Indicate the LR... /
- 3. Building and street location
- 4. Postal addressP.o Box

REGISTRATION REQUIREMENTS

- ▶ Business name reservations letter
- ▶ PIN certificate
- ▶ ID copy

- ▶ 2. limited company
- ▶ 1. Name Search

ATTACHMENTS

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- ▶ Proposed company name for name search approval. Objectives of the Company. The nature of Business / activities the company shall undertake.
- ▶ Names of the shareholders in Full. Names of the Directors in full if different from the shareholders.
- ▶ Postal addresses, Email address and Telephone Number of the shareholders and Directors. Number of shares to be held by each shareholder.
- ▶ Proposed Physical address of the company and the Directors. The Physical Address includes road, plot number, town, county.
- ▶ Copy of ID / Passport of the Shareholders / Directors. Passport photos of the Shareholders / Directors.
- ▶ Copy of PIN certificate of the Shareholders / Directors

REQUIREMENTS FOR COMPANY REGISTRATION IN KENYA.

- ▶ Requirements
- ▶ National ID
- ▶ PIN
- ▶ Tax Compliance
- ▶ Business name registration certificate
- ▶ CR 12 for Ltd Co.

AGPO

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