



Transforming Government Spending: A New Era of Supply Chain Management (SCM) Legislation and Policies Aligned with South Africa's Constitution



**CIGFARO ANNUAL PFMA CONFERENCE
COASTLANDS UMHLANGA HOTEL,
KWA-ZULU NATAL**

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SAQA Recognised Professional Body

Aligning the New Public Procurement Act with **Sect 217(1)** of the Constitution: A New Era for Transparent and Efficient Government Spending

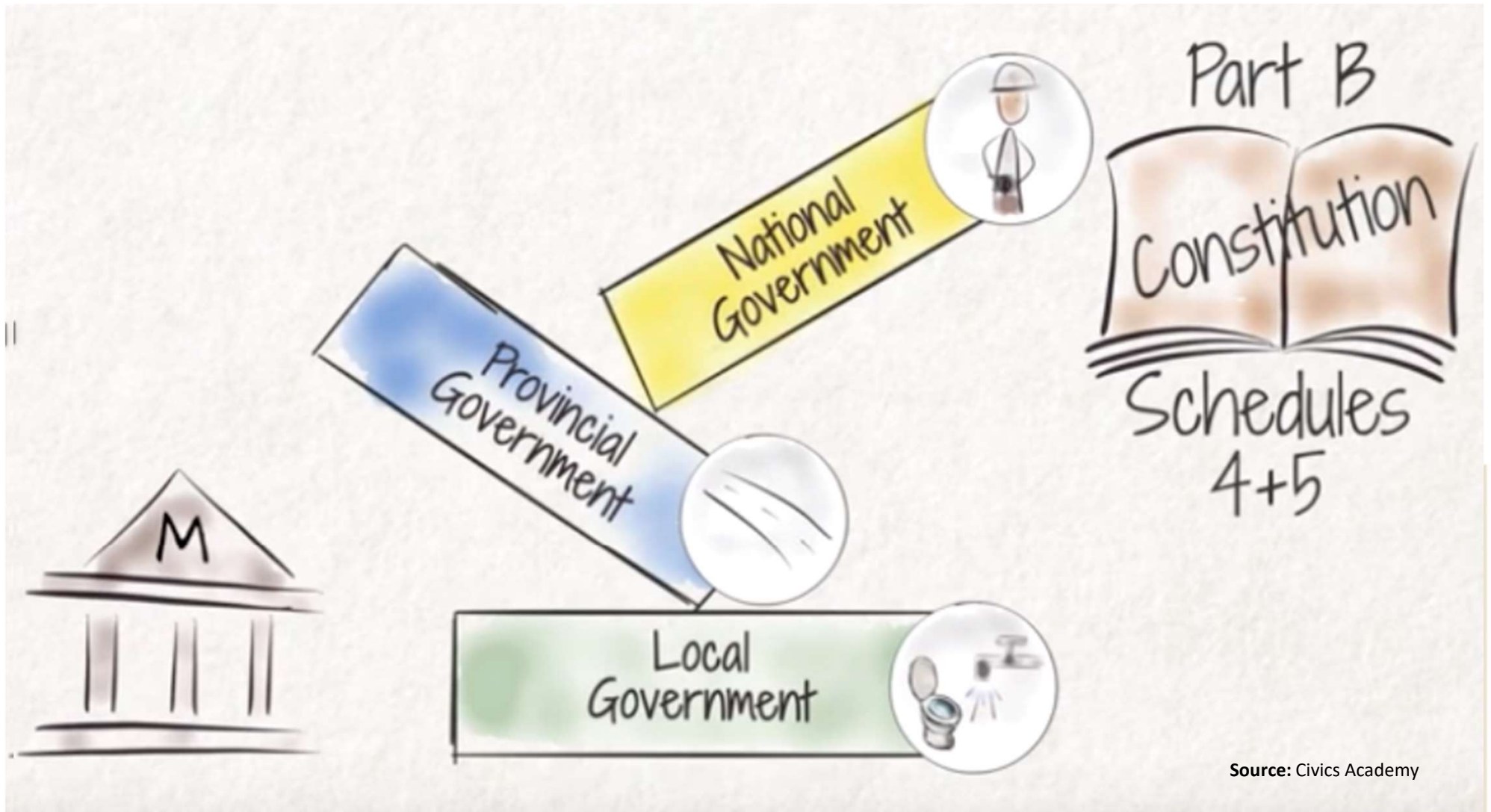
This presentation explores the recently promulgated Public Procurement Act and its alignment with Section 217 of the Constitution of the Republic of South Africa.



by Lawson Naidoo (Dr)

All cited works in this presentation are duly credited and acknowledged for their contributions to the content and information presented

South African Context



Source: Civics Academy


Why all the attention on public procurement?

- ❑ 9.5 trillion US dollars are spent by governments worldwide through procurement contracts (Estefan, 2014).
- ❑ Public bodies are big purchasers with huge budgets.
- ❑ Contributes between 16% and 18% to a country's GDP (Rolfstam, 2009).
- ❑ At least **42% of South Africa's national budget** is spent on public procurement (Chipkin, et. al. 2014),
- ❑ Citizens have an important role in ensuring that public money is safeguarded and used appropriately.

How much money was spent to build the new public school?

How did the government decide which company will get the contract?

Did the company deliver according to the contract?



\$9.5 trillion if stacked in dollar bills would reach to the moon and back

Key Challenges facing Public Procurement

- ! lack of (SCM) professionalisation
- ! procurement transgressions
- ! poor audit results
- ! few complaints

- ! high levels of corruption
- ! limited knowledge
- ! inadequate resources
- ! ineffective performance
- ! an absence of effective

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THE PRESIDENCY

23 July 2024

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It is hereby notified that the President has assented to the following Act, which is hereby published for general information:—

Act No. 28 of 2024: Public Procurement Act, 2024

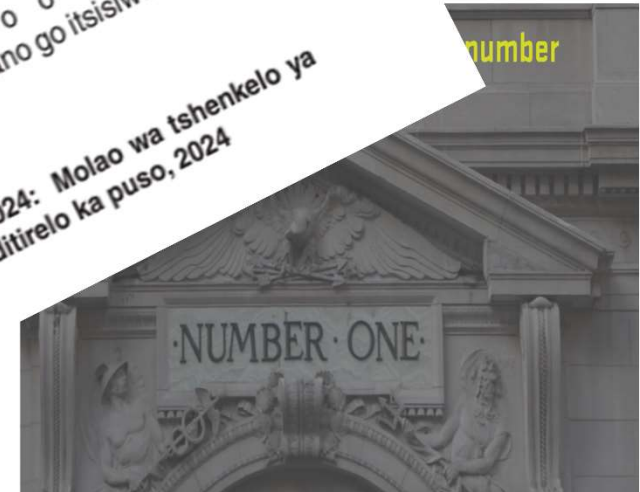
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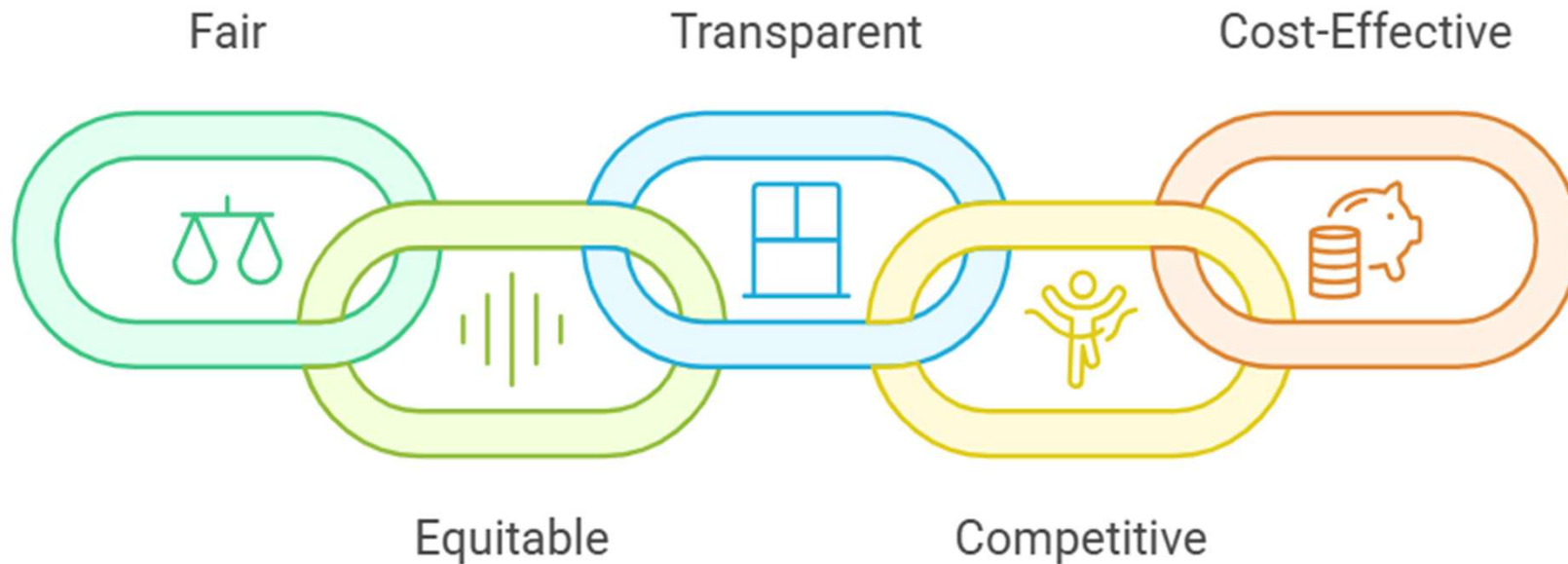
Go itsisiwe gore Moporesidente o dumetse Molao o o latelang, o o phasaladiwang fano go itsisiwe botlhe:—

No. 28 ya 2024: Molao wa tshenkelo ya dithoto le ditirelo ka puso, 2024



Recap of Section 217 (1)

Ensuring Fair and Effective State Contracting Practices



Key features of the Public Procurement Act (PPA)

Integrity

Maintains honesty and fairness in procurement practices.

Cost-Effectiveness

Focuses on maximizing value while minimizing expenditure.

Transparency

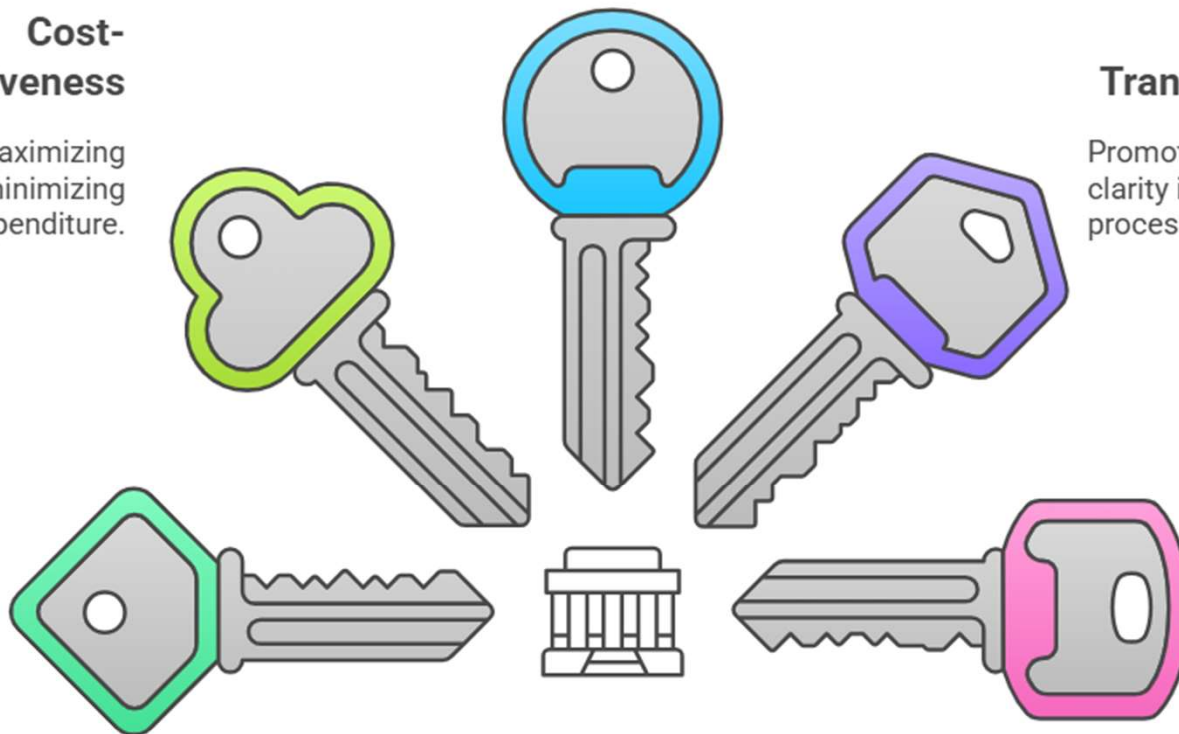
Promotes openness and clarity in procurement processes.

Efficiency

Ensures procurement processes are streamlined and resource-effective.

Transformation

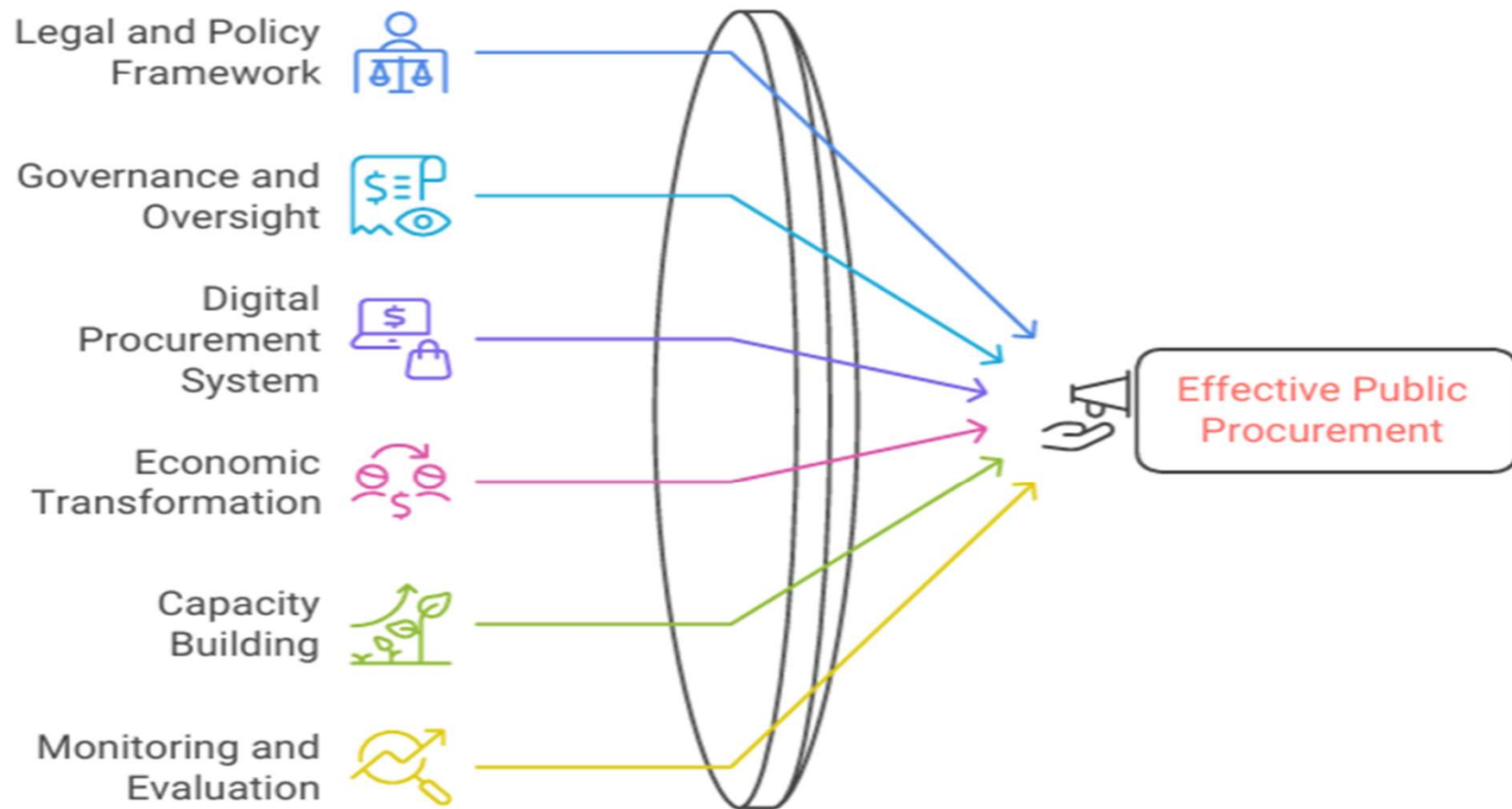
Encourages economic participation and diversity in procurement.



Public Procurement Act 28 of 2024

Let's start the "alignment discussion"

Proposed Framework for Implementing the Public Procurement Act No. 28 of 2024 in Alignment with Section 217 of the South African Constitution



Challenges & Implementation

Considerations

1

Capacity Constraints

Many government entities lack the necessary procurement expertise.

2

Resistance to Change

Some stakeholders may resist new regulations, particularly those aimed at curbing corruption and procurement manipulation.

3

Technological Adaptation

The transition to e-procurement systems will require investments in digital infrastructure and training.



Proposed Roadmap and Solutions

1

Capacity Building

Establish national and provincial procurement training initiatives.

2

Stakeholder Engagement

Conduct public awareness campaigns on the benefits of the new Act.

3

Digital Transformation

Roll out an integrated e-procurement system accessible to all government departments.

4

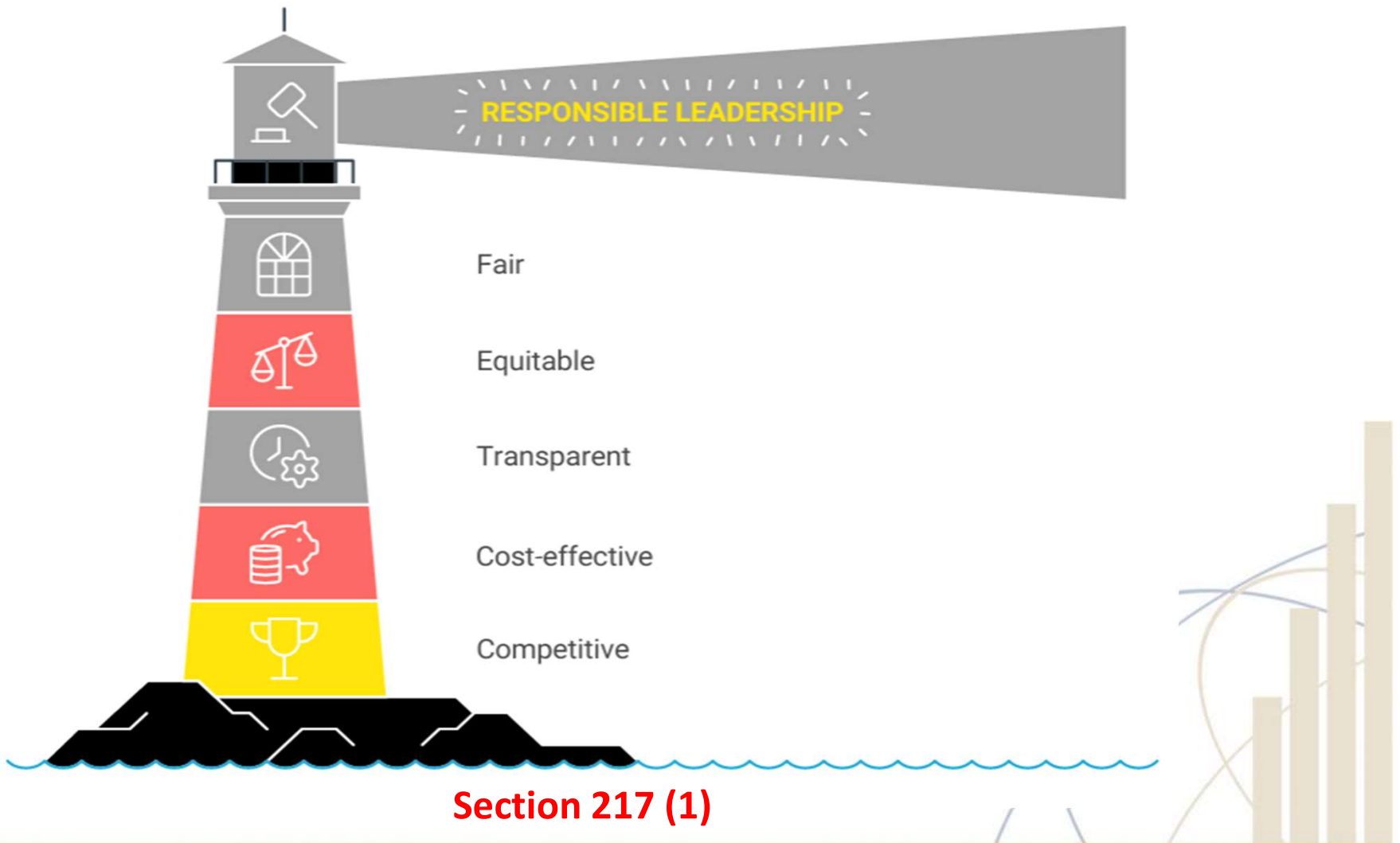
Enhanced Monitoring

Establish a dedicated oversight body to track the implementation of the Act.



“The RESPONSIBLE PUBLIC SERVANT”

Achieving an Effective & Efficient Public Procurement System



CLOSING REMARKS

The Public Procurement Act marks a new era in South Africa's Africa's procurement landscape by reinforcing the principles principles enshrined in Section 217 of the Constitution.

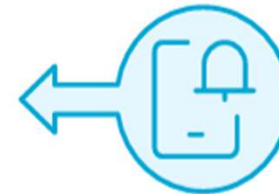
By committing to ethical and efficient procurement practices, we practices, we can ensure that public resources are used to uplift to uplift our communities and promote sustainable economic economic growth.



Thank You for your time...

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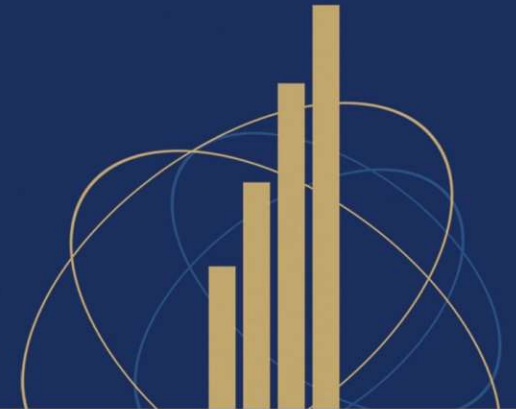


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Thank You!



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