



REPUBLIC OF NAMIBIA

MINISTRY OF FINANCE AND PUBLIC ENTERPRISES

Tel.: (00 264 61) 209 9111
Fax: (00 264 61) 230 179

Enquiries: Mr. F. Brand (061-209 9404)

Head Office,
Moltke Street,
Private Bag 13295,
WINDHOEK

18 April 2023

Our Ref.: Your Ref.:

**TO: HON. MINISTERS
YOUR WORSHIP THE MAYORS
CHAIRPERSONS OF REGIONAL AND LOCAL COUNCILS
CHAIRPERSONS OF ALL GOVERNING BODIES**

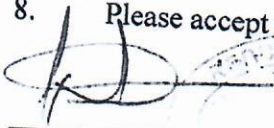
Attention: All Accounting officers

SUBJECT: EXEMPTION DIRECTIVE ISSUED IN TERMS OF SECTION 4(2) OF THE PUBLIC PROCUREMENT ACT, 2015, AS AMENDED FROM THE THRESHOLDS APPLICABLE FOR OPEN NATIONAL BIDDING IN RESPECT OF GOODS, WORKS AND SERVICES RESERVED UNDER ANNEXURES 2, 3 AND 4 OF THE CODE OF GOOD PRACTICE ON PREFERENCES IN TERMS OF SECTION 72 OF THE ACT

1. The above-captioned subject matter refers.
2. Section 4(2) of the Public Procurement Act, 2015 (Act No. 15 of 2015) as amended ("the Act") provides that:
"The Minister may, with or without condition, as the Minister may determine, grant a general or specific exemption by way of a directive for specific types of procurement or disposal from the application of certain provisions of this Act that are not practical or appropriate for the purpose for which such goods are let, hired or disposed of, including goods, works and services being procured."
3. Pursuant to the above, I hereby, in terms of section 4(2) of the Act, grant an exemption to all public entities from the application of section 30(a) read with regulation 3(a) and Annexure 2 to the Public Procurement Regulations, 2017, in respect of the thresholds applicable for open national bidding method vis-a-vis open international bidding method in relation to goods, works and services reserved for local suppliers in terms of section 72 of the Act read together with Paragraph 6 and Annexures 2, 3 and 4 of the Code of Good Practice on Preferences.
4. This exemption applies in instances where the goods, services and works specified in Annexures 2, 3, and 4 of the Code of Good Practice on Preferences are available from

local suppliers provided that such local suppliers meet the qualifications criteria in terms of section 71(3) of the Act and the goods, works and services meet the minimum local content requirement as per Annexure 9 of the Code of Good Practice on Preferences. This exemption is subject to the condition that the value for money principle is always attained by ensuring that the prices offered are fair, reasonable and competitive.

5. For certainty, when the value of the procurement exceeds the thresholds for open national bidding in Annexure 2 to the Regulations, the goods, works and services in Annexures 2,3 and 4 of the Code of Good Practice on Preferences must be procured from local suppliers irrespective of the thresholds, provided that, subject to the principle of value for money, such local suppliers meet the qualification and requirement as per paragraph 4 above.
6. This directive does not exempt public entities from the application of section 8 of the Act. This means that where the value of the procurement exceeds the applicable thresholds for public entities as per Annexure 1 to the Regulations such procurements should be conducted by the Central Procurement Board of Namibia as per section 8 of the Act.
7. All public entities are once again reminded to implement the Code of Good Practice on Preferences in order to ensure that the objectives of the empowerment and industrialisation policies of the Government are realised.
8. Please accept the assurance of my highest consideration.


IPUMBU SHIIMI, MP
MINISTER

