



UGATUZI

NEWSLETTER

The Official Newsletter for KDSP II • Volume 1.Issue 01. 2025

KDSP II : Making Devolution Work



Establishing
Effective Inter-
governmental
Relations in
Devolution

Transforming HR
Management in
Public Sector

Addressing
the menace of
Pending Bills in
Counties

Enhancing Own
Source Revenue
for Counties to
attain financial
independence

Establishing
Structured
Framework for
Participatory
Governance in
Counties

About KDSP II

What is KDSP II?

The Second Kenya Devolution Support program (KDSP II) is a four-year Program that aims to strengthen counties' performance in financing, management, coordination, and accountability for resources.

It is designed to build on the achievements realized under the first phase of the Kenya Devolution Support Program, implemented between 2016-2021.

How is KDSP II financed?

KDSP II is financed by the Government of Kenya through a loan facility from the World Bank to the tune of USD 150 Million.

How long will KDSP II be implemented?

The Program will be implemented over four years, from 2024- 2027.

How can Counties participate in the program?

To benefit from the program, Counties will need to sign a Participation Agreement providing for, among others, publishing of budget and expenditure data and prepare approved work plans, cash plans, and budgets consistent with the agreed methodology and standards.

Once signed, Counties are eligible to participate in the program.

What are the financing instruments under KDSP II?

The program has two financing instruments, that is, Program for Results (PforR) and Investment Program Financing (IPF).

The National reforms activities are financed by the Program for Results (PforR) and Investment Program Financing (IPF), while County reforms are financed under the Program for results (PforR) instrument.

What Kind of reforms are expected in the Counties?

Reforms in the counties are aligned to 3 key result areas (KRAs)

- Sustainable Financing and Expenditure Management
- Intergovernmental Coordination, Institutional Performance and Human Resource management
- Oversight, Participation and Accountability.

How are the reforms under the program implemented?

The reforms under the program are implemented by the 47 County Governments, supported by 19 National Ministries, Departments and Agencies (MDAs)

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Community involvement has been touted as key in ensuring sustainability and viability of projects implemented by both the National and County Governments. By properly engaging communities, Counties are more likely to establish projects that meet the needs and aspiration of the beneficiary communities. However, this hasn't been the case, resulting in abandoned projects commonly referred to as "White elephant projects"

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Enhancing Country Revenue Mobilization (Own Source Revenue) has now become a central focus if the devolution to achieve sustainable development and fiscal autonomy. Despite efforts to enhance financial management, many counties still struggle to tap into their OSR potential



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Implementation of Performance Management in Kenya's Public Sector can be traced back to the early 90s through introduction of reforms under the Structural Adjustment Programmes

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The Intergovernmental Relations Technical Committee (IGRTC)? Efficiently and effectively are two common words that you will hear often once you interact closely with Dr. Kipkurui Chepkwony, Chief Executive Officer of the Inter-Governmental

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The Council of Governors

We sat down with the Council of Governors C.E.O, Ms Mary Mwiti, for a thought provoking conversation on devolution, the KDSP II program and the reforms initiatives to be spearheaded by the Council.



Foreword by
Michael Loikenu Lenasalon
Principal Secretary
State Department for Devolution

It has been 15 years since the Country promulgated the 2010 Constitution ushering in Devolution.

During this period, the 47 County Governments have established institutional structures and systems required to deliver public services and ensure citizens participate in governance and development. While Counties have made remarkable strides in service delivery, there remains unique and systemic challenges undermining the full realization of the devolution dream.

I am of the strong belief that reforms of any nature are truly accepted and owned by the beneficiaries, if they are well communicated and understood. For this reason, effective communication should be at the core of any successful reform strategy if we are to achieve the desired results.

The State Department of Devolution is mandated to facilitate implementation of the devolved system of governance by developing the requisite Policies, Guidelines and Regulations in collaboration with the relevant institutions. As a state department, we remain focused in ensuring Devolution succeeds by providing Counties with the necessary technical and financial resources. This inaugural edition of the Ugatuzi Newsletter marks a significant milestone in our endeavor to continuously inform and educate the public and stakeholders on ongoing reforms in devolution. As a result, this edition provides an in-depth analysis on reforms initiatives being implemented under the KDSP II programme.

Strengthening Public Financial Management (PFM) systems in counties is a key area of reforms under the KDSP II program. Some of the notable reforms highlighted in this issue include the development of the Pending Bills Template by a multi-agency team led by the office of the Controller of Budget. This reform is aimed at mandating action plans for clearing pending bills by county governments.

The development of the Revenue Mapping Guidelines by the Commission on Revenue Allocation is equally highlighted. This reform will support counties to realize and maximize their Own Source revenue potential. All the above-mentioned reforms fall under Key result Area 1, with an objective of ensuring counties become financially self-reliant and improve their revenue Mobilization efforts.

Under Key Result Area 2, This edition highlights initiatives being carried out in transforming the management Human Resource Function in both levels of Government. Some of the notable initiatives implemented to this end include the review of the county organizational structures and update of HR records and payroll data in both the National and County Governments. The integration of HR records and payroll through the Human Resource Information System -Kenya (HRIS-KE) marks a transformative step in completely rooting out cases of ghost workers in the public sector.

Under Key Result Area 3, This edition highlights development of guidelines for establishment of Project Management Committees. This initiative is aimed at ensuring projects are inclusive and community driven.

I wish to convey my deepest appreciation to all Ministries, Counties, Department and Agencies that took part in the development of this Inaugural edition. I particularly single out the editorial team for their relentless efforts and hard work in ensuring the successful publication of this edition.

I have no doubt that the Ugatuzi Newsletter will be a critical tool to educate the public. Importantly, I expect this and future editions to elevate public trust in devolution as well as empower readers with accurate and reliable information on the progress and success of the KDSP II Program.

Once again, I welcome you to this inaugural edition. With your support, I see very bright prospects for the Ugatuzi Newsletter as an ideal platform to serve the devolution community.

Enjoy the Newsletter.

Statement by the National Program Coordinator



It gives me great pleasure to introduce this Inaugural issue of the Ugatuzi Newsletter. This publication serves as an important platform to inform and educate our stakeholders and the public on the progress and success of reforms initiatives under the Second Kenya Devolution Support program (KDSPII).

I view the Ugatuzi newsletter as a strategic information material to share insights and best practices drawn from agencies and Counties implementing reforms activities outlined in the Program. I firmly believe that the knowledge and experience shared by interviewees will enable readers to better understand and appreciate the program objective.

To ensure the public, stakeholders and Counties critically understand the reforms under the Program, it is crucial that we employ creative methods and use all available communications channels to spread the programs message.

It is for this reason that the Ugatuzi Newsletter was conceptualized. We aim to publish this Newsletter quarterly, providing up-to-date information on the status and progress of reforms being implemented under the program.

I wish to take this opportunity to convey my sincere appreciation to the Implementing Ministries, Counties, Departments and Agencies that participated in this edition.

As reforms implementers, we must be open to sharing our experiences and lessons. Through these perspectives, present and future reform implementers will learn from these insights and hopefully find home-grown solutions to challenges facing service delivery in counties.

I commend the effort and hard work of the entire editorial team. I invite readers to enjoy the articles and share with us their feedback. I believe the Ugatuzi Newsletter will positively reshape the national discourse on devolution.

Lastly, the ambition is in the doing. It is my view that the Ugatuzi newsletter will achieve its purpose to fundamentally enhance public awareness of the KDSP II Program. I hope you enjoy reading it as much as I do.

Dr Samuel Nyaga
KDSP II National Program Coordinator

Editor's Notes



It is indeed a pleasure to welcome our readers to this inaugural issue of the Ugatuzi Newsletter. This newsletter was born out of a need to improve the level of public awareness and understanding of the KDSP II program. What the program is all about, what it aims to achieve and the expected impact.

When implementing any type of reforms, effective communication can substantially determine the success of the reforms program.

In my view, when Policymakers fail to adequately communicate and inform the public on any reform program, it leaves room for suspicions, mistrust and misinformation, resulting in resistance to change. The Ugatuzi newsletter is specifically designed to fill any information gap, making sure the public and stakeholders are adequately informed.

This edition represents a culmination of hard work and immense sacrifice. I am very grateful for the support we received from our colleagues at the State Department for Devolution, the National implementing agencies, Counties and the KDSP II National Program Coordinating Unit.

The idea of the newsletter is simple. We aim to publish a newsletter that's visually appealing, rich in intellectual content and timeless information that can be utilized and referenced by stakeholders and the public.

Everybody has a story to tell, and we intend to use this newsletter to document the reforms journey under KDSP II from start to finish.

It's said that you can communicate all you want with someone but if they don't understand you, it is silent chaos. We aim to avoid jargon and write in basic everyday language. This will allow every reader, irrespective of their social and educational standing, to read and understand every article published. In this edition, we exhaustively covered reforms topics being implemented. I'm quite delighted to have had an exhaustive discussion on the reforms efforts to transform management of Human Resource function in the public sector. Another notable choice article includes the initiatives being implemented by the Office of Controller of Budget to stem the Pending bills menace in counties. Additionally, if you are keen to learn what's being done to improve Own Source Revenue, then the detailed interview with CRA Chairperson CPA Mary Wanyonyi will delight you.

Our aspirations for the next edition remain straightforward: to tell the stories about KDSP II program in a manner that excites our readers and improve the level of public understanding of the program.

Wishing you a happy reading!

Kennedy Oliver Mwenda
Editor -in- Chief.

Acronyms

1. AGPO-Access to Government Procurement Opportunities	47. Risk Management
2. PPRA-Public Procurement Regulatory Authority	48. DSA : Department Directorate of Schools Audit
3. SRC-Salaries & Remuneration Commission	49. EAC : East African Community
4. CRA-Commission & Revenue Allocation	50. FS : Financial Statement
5. GESDeK-Governance for Enhancing Service Delivery and Public Investments in Kenya	51. FY : Financial Year
6. PASEDE-Public Accountability and Service Delivery in Kenya	52. GDP : Gross Domestic Product
7. AFD- French Development Agency	53. GESDeK : Governance for Enabling Service Delivery in Kenya
8. PFMRS-Public Financial Management Reforms	54. GHRIS : Government Human Resource Information System
9. Secretariat	55. GOK : Government of Kenya
10. TSC-Teachers Service Commission	56. HR : Human Resource
11. BEVOT-Biometric Enrolment and Validation of Teachers	57. GIPE : Government Investment and Public Enterprises
12. PSASB-Public Sector Accounting Standards Board	58. HRH Human Resources for Health
13. KRA-Kenya Revenue Authority	59. IHRIS : Human Resources Information System
14. MOH-Ministry of Health	60. HRM : Human Resource Management
15. MOE-Ministry of Education	61. IAD : Internal Audit Department
16. PPIP-Public Procurement Information Portal	62. IBEC : Inter-Governmental Budget and Economic
17. PEFA-Public Expenditure & Financial Accountability	63. ICPAK : Institute of Certified Public Accountants of Kenya.
18. MTR-Mid Term Review	64. ICT : Information Communication Technology
19. KISM-Kenya Institute Supplies Management	65. IFMIS : Integrated Financial Management
20. PPADA-Public and Asset Disposal Act (2015) and Regulations (2020)	66. Information system
21. AiA: Appropriations in Aid	67. IGFMD : Inter-Governmental Fiscal Relations
22. Annual Capacity Performance Assessment	68. Department
23. ASD : Accounting Services Department	69. IGSC : Inter-Governmental Steering Committee
24. BD : Budget Department	70. IGRTC : Inter-Governmental Relations Technical
25. BFEA : Budget, Fiscal and Economic Affairs	71. CommitDirector Generals
26. CASBs : County Assembly Service Boards	72. IMF : International Monetary Fund
27. CBK: Central Bank of Kenya	73. ISC : Inspectorate of State Corporations
28. CEC : County Executive Committee	74. IPSAS : International Public Sector Accounting
29. CECCM : County Executive Committee Member	75. Standards
30. CFSP : County Fiscal Strategy Paper	76. JSC : Judicial Service Commission
31. CGs : County Governments	77. JTC : Joint Technical Committee
32. CIDP : County Integrated Development Plan	78. KAM : Kenya Association of Manufacturers
33. CMA : Capital Markets Authority	79. KBA : Kenya Bankers Association
34. COB : Controller of Budget	80. KEMSA : Kenya Medical Supplies Authority
35. COG: Council of Governors	81. KEPSA : Kenya Private Sector Alliance
36. CPPMUs : Central Planning and Project Monitoring Units	82. KHHRAC : Kenya Health Human Resource Advisory Council
37. CPSBs : County Public Service Boards	83. KIPRA : Kenya Institute of Public Policy Research and Analysis
38. CPU : County Planning Unit	84. KISM : Kenya Institute of Supplies Management
39. CRA : Commission on Revenue Allocation	85. KNBS : Kenya National Bureau of Statistics
40. CRF : County Revenue Fund	86. KRA : Kenya Revenue Authority
41. CS : Cabinet Secretary	87. LSK : Law Society of Kenya
42. DGs : Cabinet Secretary	88. M&E : Monitoring and Evaluation
43. DG : Director Generals	89. MDAs Ministries, Departments and Agencies
44. DPG : Development Partners Group	
45. DP : Development Partners	
46. DPS & RMD : Debt Policy, Strategy &	

92. MED: Monitoring and Evaluation Department
93. MFAD : Macro & Fiscal Affairs Department
94. MOE : Ministry of Education
95. MOH: Ministry of Health
96. MPSGA : Ministry of Public Service, Gender And Affirmative Action.
97. MTEF : Medium Term Expenditure Framework
98. MTP: Medium Term Plan
99. NHIF: National Hospital Insurance Fund
100. NT: National Treasury
101. NHWA: National Health Workforce Accounts
102. OAG : Office of the Auditor General
103. OCOB : Office of the Controller of Budget
104. PAYE : Pay As You Earn
105. PDMO: Public Debt Management Office
106. PEFA : Public Expenditure and Financial
107. Accounsobile.
108. PFM : Public Financial Management
109. PFMA : Public Finance Management Act
110. PFMR : Public Financial Management Reform
111. PFMRS: Public Finance Management Reform Strategy
112. PIM : Public Investment Management
113. PIMIS : Public Investment Management Information
114. System
115. PPADA : Public Procurement and Asset Disposal Act
116. PPD: Public Procurement Department
117. PPP: Public-Private Partnership
118. PPRA : Public Procurement Regulatory Authority
119. PS : Principal Secretary
120. PSASB : Public Sector Accounting Standards Board
121. PSC : Public Service Commission
122. RMD : Resource Mobilization Department
123. SAGAs : Semi-Autonomous Government Agencies
124. SC : Steering Committee
125. SCAC : State Corporations Advisory Committee
126. SCOA :Standard Chart of Accounts
127. SCs State Corporations
128. SDP : State Department of Planning
129. SRC : Salaries and Remuneration Commission
130. SWG : Sector Working Group
131. TA : Technical Assistance
132. TSA : Treasury Single Account
133. TSC : Teacher's Service Commission
134. VAT : Value Added Tax
135. WISN : Workload Indicators of Staffing Need

KDSP II National Implementing Agencies

1	Public Service Commission
2	Commission on Revenue Allocation
3	The State Department for Public Service
4	The National Treasury
5	The Commission on Administrative Justice (Ombudsman Office)
6	Office of the Controller of Budget
7	Office of the Auditor General
8	The State Department for Devolution
9	The Council of Governors
10	The Intergovernmental Relations Technical Committee (IGRTC)
11	State Department for National Government Coordination
12	State Department of Public Service and Human Capital Development
13	Salaries and Remuneration Commission
14	Ethics and Anti-corruption Commission
15	The Senate
16	The Society of Clerks at the Table in Kenyan County Legislatures - SOCATT (K)
17	State Department for Social Protection and Senior Citizens Affairs

What are some of the Key reforms being implemented Under KDSP II?

KRA 1: Support efforts towards enhancing financing to, and expenditure management by counties

Reform	Implementing Agency
Automation of Exchequer.	National Treasury
Development of a Revenue Forecasting Model Tool for Use by County Governments	National Treasury
Development of Counties Own Source Revenue (OSR) Mapping Guidelines	Commission on Revenue Allocation
Development of a County Pending Bills Action Plan Template.	Office of the Controller of Budget
Development of Project Stock Taking Guidelines	National Treasury Public Investment Management Department
Establishment of Single Project Management Unit	State Department for Devolution NPCU

KRA 2: Support national and county government initiatives towards strengthening intergovernmental coordination, institutional performance, and integration of HR and payroll data

Reform activity	Implementing Agency
Development and roll out of Human Resource Information System (HRIS-KE) system to replace IPPD	State Department for Public Service and Human Capital Development
Development of guidelines on HR and skills audit, model organizational structures for county departments and guidelines for determination of staff establishment/staffing norms.	Public Service Commission together with the State Department for Public Service and Human Capital Development
Implementation of intergovernmental joint action plans: Timely submission of annual summit reports	The Intergovernmental Relations Technical Committee (IGRTC)
Review county organizational structures, capacities, and Human Resource Management systems; approve staffing lists; and update HR records and payroll data.	Public Service Commission together with the State Department for Public Service and Human Capital Development
Conduct compliance checks on grading and salary structures.	Salaries and Remuneration Commission (SRC)

KRA 3: Support improvements in oversight, participation, and accountability.

Reform	Implementing Agency
Development of Draft guidelines on the establishment of Single Project Management Unit.	The National Treasury
Conduct County Project Stocktaking.	The National Treasury State Department of Devolution

Roll out County PIM framework; Environmental, Social, Health, and Safety Risk and Impacts Management. (ESHSRIM) Manual, Public Participation Guidelines, and Project Management Guidelines.	The National Treasury State Department of Devolution
Develop an Open Public Investment Database with citizen feedback interface.	State Department of Devolution
Develop guidelines for Project Management Committees, which incorporate gender, vulnerable and marginalized groups (VMGs, where applicable), and other disadvantaged groups.	State Department of Devolution
Carry out County Assessments on Climate Resilience of existing Infrastructure Assets.	State Department of Devolution The National Treasury
Development of frameworks and tools to strengthen county assembly oversight	The Senate
Framework to harmonize public participation between county assemblies and executives	Society of Clerks at the Table in Kenyan County Legislatures

What are some of the Disbursement Linked Indicators under the Program?

There are 7 Disbursement Linked Indicators in the program.

DLI 1	Average no. of days taken by National Treasury, Office of the Controller of Budget and Central Bank of Kenya to process county exchequer requisitions once submitted
DLI 2	Counties that have put in place governance arrangements to manage public funds
DLI 3	Counties that have increased their OSR by at least 5% annually, over and above the rate of inflation
DLI 4	Counties that have prepared and are implementing action plans to reduce the stock of pending bills and maintain it at minimal levels
DLI 5	Counties that have integrated their HR records, authorized staff establishment and payroll, and uploaded cleaned payrolls in the HRMIS
DLI 6	Counties are enhancing accountability for results through an integrated performance management framework
DLI 7	Counties with a public investment management dashboard with citizen feedback mechanisms



Establishing Effective Intergovernmental Relations in Devolution

The Second Kenya Devolution Support Program (KDSP II) is built on the foundation of Consultation and Collaboration. For The programme to succeed, each of the 19 implementing Government Ministries, Departments and Agencies and the 47 County Governments must discuss and consult at every stage of the program to realize the program development objective and define priorities.

The State department for Devolution sits at the center of the reforms program, with a Mandate to coordinate the program activities. We held a sit- down with the Principal Secretary Michael Lenasalon to understand his vision for the state department and the success the KDSP II program has achieved since its inception.

What is the mandate of the State Department for Devolution?

The mandate of State Department is to provide Policy direction for the devolved system of Government, promote harmonious intergovernmental relations, build capacity and provide technical assistance to county governments for effective service delivery in a devolved system of government.

How do you plan to lead the State Department to achieve this mandate?

To achieve long term success, it's important that we, as staff under the state department, have a clear understanding on what needs to be done and achieved. When I assumed office, I held a town- hall meeting bringing together all staff from the State Department. This engagement gave me an opportunity to listen to their views, their perspectives and understand the challenges they face while executing their roles. I equally took time to articulate my vision for the state department and highlight the key priorities to be achieved.

In my view, it's important to start inward and get the required buy-in from staff and stakeholders. Coherence of this nature ensures everyone understands the mission and clearly internalize what's expected from them individually.

My aim is to strengthen collaboration and partnership with all stakeholders in the devolution sector and enforce a healthy working environment where everyone feels valued and appreciated for their contribution.

Shifting focus on Second Kenya Devolution Support Program (KDSP II) , explain the role of the State Department ?

The State Department is responsible for implementation, management, and coordination of the KDSP II. Its important to highlight that the program was

developed through a consultative process involving multiple stakeholders with the State Department for Devolution taking lead.

KDSP-II is a successor to the first KDSP program. The process of designing KDSP II commenced in March 2023 culminating in its approval in December 2023. During the designing phase, several activities and initiatives were undertaken.

Firstly, a study was conducted targeting the 47 County Governments to assess the bottlenecks that were negatively impacting effective governance and service delivery. Once we identified the bottlenecks, we transitioned to designing the program.

We held various meetings and missions with various Ministries, Counties, Departments and Agencies and other stakeholders, including the World Bank. The program was later negotiated in November 2023 and approved by the World Bank in December 2023. During the process of designing, a concept note was developed and approved by the National Treasury. Additionally, a cabinet memo was passed through the cabinet marking the final approval.

What does the KDSP II program aim to achieve?

The program aims to strengthen County performance in the Financing, Management, Coordination and Accountability for Resources.

What are the key reforms under the KDSP II program?

- Timely Disbursement of funds to Counties for service delivery – Improve time taken for national Treasury, Central Bank of Kenya and the Office of the Comptroller of Budget to process County Funds.
- Resource Mobilization for Counties - Support counties to increase Own Source Revenue collected as planned.



- Pending Bills Management: Support Counties to keep their commitment within their resource availability (keeping the stock of the pending bill at a minimum.)
- Effective compliance and management of Development Partners funding. – Improve coordination of development partners funding.
- Strengthen Intergovernmental relations – improving coordination of functions and mandates for service delivery.
- Human Resource Management – Improve payroll integrity, budget control on staffing and consolidating HR data for decision-making.
- Improve accountability for Result through Integrated Performance Management – Improve performance management at the county level for better service delivery.
- Improve county Public Investment which are aligned to citizen service delivery needs.

What are some of the reforms initiatives currently being implemented by the State Department for Devolution under the KDSP II program?

The State Department for Devolution is implementing several reforms aimed at strengthening Devolution.

a) Enhancing Intergovernmental Relations and provide policy direction.

The State Department for Devolution is leading the development of Intergovernmental Sector Framework. It provides operation basis for all the devolved sectors to work together to realize their common objective of delivering services to the citizens. These sectors include Agriculture, Public Service, Trade, Water, etc for which the framework guides on related stakeholders to bring them together to execute their mandate via a coordinated approach. We are also working on the validation of the Compendium which entails the guidelines on the assumption of office of the Governor at the County level to provide for a seamless transfer of power when a governor exits.

To further enhance coordination and engagement between development partners in the devolution ecosystem, the state department convenes the Devolution Sector Working Group (DSWG) forums in every quarter. These forums provide a platform for information exchange and dialogue, ensuring efforts by all stakeholders are well coordinated, ensuring a unified approach to solving challenges impacting devolution. The State Department is also carrying out an audit of policies, laws and regulations to ensure they conform with the devolved system of government. This exercise aims to guarantee that all legal and policy frameworks align with the constitutional principles of devolution.

The State Department for Devolution is leading the development of Intergovernmental Sector Framework.” PS, State Department for Devolution

The State Department is facilitating the dissemination of the Devolution Performance Results Framework, a tool designed to assess the performance of devolved functions. The results derived from this framework will inform the State of Devolution Report by providing structured data to measure progress, identify gaps, and guide the support needed for effective implementation of devolved functions.

Finally, the State Department is involved in the development of framework for Performance of concurrent functions. The framework aims to prevent duplication of roles, ensure resource distribution, and improve service delivery in shared areas like health and agriculture.

b) Build capacity and provide technical assistance to county governments

The State Department is developing County Public Participation Guidelines. This is a comprehensive tool outlining how Counties and the State Department will engage with the public. The guidelines consolidate key procedures and processes for effective public participation, providing a standard reference for engagement and decision-making in policy formulation, legislation, planning, budgeting, and service delivery within the devolved governance framework. Importantly, these guidelines are not intended to replace existing county legislation on public participation but rather to complement and strengthen them where necessary.

To support the implementation of the Public Participation Guidelines, The State Department is also rolling out the Civic Education Framework, whose main purpose is to provide a structured instrument to guide the management and coordination of civic education across all levels of government.

The State Department is supporting all 47 counties in developing an Open Public Investment Database with a citizen feedback interface. This initiative seeks to enhance citizen engagement and accountability by providing dashboards through which citizens can access information,

track progress, and follow up on development projects implemented by county governments. The State Department is spearheading the roll-out of Project Management Committee Guidelines. The composition of these committees is inclusive, incorporating gender balance as well as representation of vulnerable, marginalized, and other disadvantaged groups. The establishment of these committees aims to strengthen public participation by ensuring that local communities are actively involved in the planning, implementation, and monitoring of projects that affect their lives.

Please highlight some of the key achievements realized since the KDSP II program began?

- 1.) Development of guidelines and framework to support counties in revenue enhancement, pending bills management, human resource, performance and public investment management. They include
 - Revenue forecasting model
 - Revenue mapping guidelines
 - Pending bills templates
 - Guidelines on HR and skills audit
 - Model organizational structures,
 - Project stock-taking and screening guidelines.
- 2.) Roll out of the Human Resource Information System (HRIS-KE).
- 3.) Conducted payroll Audit in all the 47 Counties
- 4.) All 47 counties signed participation agreements
- 5.) Annual Performance Assessment for FY 2023/24 was conducted for level 1 grant and all 47 counties qualified.

What are some of the challenges the program has faced since its inception?

An important challenge we have faced is the delay by the National Assembly in passing the County Governments Additional Allocations Bill. This negatively impacted the operation of the program and the subsequent disbursement of funds to counties. The passing of the bill and the subsequent sign off into law by the President now means that counties will be able to unlock the much-needed allocation from proceeds of loans and grants from development partners.



Due to fiscal consolidation and austerity measures impacting all levels of government, the program has not been spared from budget cuts and the resultant reduction in budgets due to other competing national interests.

What are some of the key lessons the State Department has learnt while implementing the program?

I think the most important lesson for us would be the need to continuously communicate and engage with our key stakeholders. The focus on structured approach to stakeholder management has ensured that implementing Ministries, Counties, Departments and Agencies (MCDAs) are aligned with the program Development objective.

Additionally, we have come to appreciate the need for effective teamwork between the National Program Coordination Unit and implementing MCDAs. This is without a doubt a key ingredient for success. The cultivation of teamwork has ensured the program has run smoothly with each stakeholder understanding and appreciating the different roles and responsibilities' each has in their respective domain.

Shifting gears to Devolution in general, Do you think Devolution has achieved its intent as established by the framers of the constitution?

It is too early to pass judgement on the success or fail-

ure of devolution. In my view, a lot still needs to be done by all players in the devolution space. This is not to say that Devolution has not achieved its intended objective, I mean, we have just celebrated 12 years since counties were formed. What is certain is that Devolution has completely changed the landscape of Kenya's political administration and strengthened our democracy.

Secondly, devolution has brought resources and development to the local level and particularly to counties that have been historically marginalized. Citizens in these counties now feel more in control over their political and development affairs. Healthcare in counties has witnessed massive improvement with construction of additional level 4 hospital and dispensaries, in addition to employment of doctors and medical staff

In education, Counties have invested heavily in infrastructure development with additional classrooms built to support Early Childhood Development Education and village polytechnics.

I can go on and on highlighting what has been done but what remains vital is that we are not where we should be regarding realizing the full success of devolution, but we are not where we were 12 years ago.

The recently released report by the Parliamentary Budget office showed that economies of 20 counties have more than tripled since the onset of devolution.



“We need to strengthen checks and balances in the counties by the County Assemblies and citizens.” PS, State Department for Devolution

As Kenyans, we must learn to appreciate progress and look back to where the country was pre-devolution and compare with the present.

What in your view, needs to be done to ensure Kenyans fully enjoy the fruits of devolution?

We need to strengthen checks and balances in the counties by the County Assemblies and citizens. County Assemblies must play a bigger role in overseeing the executive to ensure they deliver on the promises made. The newly assented County Public Finance Laws (Amendment) Bill, 2023 now give counties greater autonomy over their finances. Citizens should be involved in all stages of county public investment projects.

Secondly, adoption and integration of technology solutions by County Governments will streamline service delivery, improving greater planning and accountability of resources. With the level of ICT expertise in the country, there's absolutely no reason why counties cannot make use of the human resource capacity in our young people to develop local homegrown technology solutions to address their challenges.

Lastly, Counties face inadequate resources - both in terms of financing and administrative capacity. This

is a major issue undermining key service delivery. The State Department is addressing this challenge through capacity building programs and technical support.

As we come to the end this interview, what is your vision for devolution?

Devolution is here to stay. I can confidently call myself a child of devolution. Because of devolution, I received an education. Because of devolution, opportunities and resources that would otherwise never have reached my hometown of Samburu is now a reality. Devolution is giving communities the power to be heard and to determine their development priorities.

Your parting shot?

The country has made remarkable progress in implementing devolution. Let us all be cognizant of the philosophy that informed the creation of devolution.

Devolution was intended to bring services closer to the people, ensuring the youth, women, marginalized communities and minorities participate more effectively in decisions that affect their economic and political well-being.

What counts at the end of the day is that, despite the challenges that we face, we must all be aligned in our purpose to ensure devolution succeeds.



“Devolution has brought resources and development to the local level and particularly to counties that have been historically marginalized.” PS, State Department for Devolution

STATE DEPARTMENT FOR PUBLIC SERVICE AND HUMAN CAPITAL DEVELOPMENT

Transition from the Integrated Payroll and Personnel Database (IPPD) to the Human Resource Information System - Kenya (HRIS-Ke)

Transformation of any kind is intended to make it possible to do things that have never been done. Improving public sector human resource management in the digital age requires new ideas, innovation and models to be implemented to enhance the delivery of public goods and services

The development and operationalization of the Human Resource Information System Kenya aims to radically redesign and strengthen management of the HR functions in the public service.

Developed by the State Department for Public Service, the HRISK-e system integrates the human resource records and payroll. This is expected to completely address issues of Ghost workers and the ever-ballooning Wage bill.

To learn more about the HRISK-e system, we made the trip to 11th floor, Harambee house for a wide-ranging discussion with Dr. Jane Imbunya, Principal Secretary, State Department for Public Service.

In this Interview, we get to find out the motivation behind this reform initiative and the expected impact on HR management in Public Sector. If we are being honest, with a solid experience in curriculum development, design and instruction, Dr. Imbunya, has her work cut out rewriting the rules of HR management in the public Sector.



Dr. Jane Kere Imbunya. Principal Secretary - State Department for Public Service and Human Capital Development

1. For the reader to appreciate why we needed this particular reform, take us through the situation before this transition?

The Human Resource Information System-Kenya (HRIS-Ke) is a Human Resource Information System (HRIS) developed by the State Department for Public Service for utilization by the Ministries, Departments, County Governments and Agencies (MDCAs).

The main objective of HRIS-Ke is to provide a One-Stop-Shop for management of all Human Resource (HR) functions in the Public Service. It is a web-based application aimed at providing HR services to management, public servants and relevant stakeholders.

Before the transition, the IPPD system was the main tool for payroll processing in Kenya's public service. While it improved payroll data management and reduced duplication, it had significant shortcomings:

- (i) Stand-alone Installations: It was a desktop-based system installed on individual MDCAs computers, restricting access to HR data outside those locations and making coordination difficult.
- (ii) Limited Scope: IPPD covered only payroll processing, personnel budgeting, and staff register. Most HR processes were still handled manually, leading to inefficiencies.

- (iii) No Direct Employee Interaction: The system was designed only for trained HR officers, with no features for employees to interact directly with their records; and
- (iv) Tedious data consolidation: Due to manual merging of data on a monthly basis.

Additionally, many institutions used separate, unconnected HR systems, weakening overall control of HR data and wage-bill management in the public service.

2. What factors necessitated the transition from IPPD to HRIS-Ke?

Several factors made the transition essential. The need for:

- (i) Web-based one-stop portal for HR services: To replace standalone desktop systems with a centralized, web-based platform and to move beyond payroll-only processing to a system supporting the full HR lifecycle from recruitment to exit.
- (ii) Data consolidation for analytics and decision making: To address fragmentation by creating a single source of HR data for better decision-making, planning, and budgeting.
- (iii) Improved Employee Experience: To offer self-service features so staff can access and manage their own records, such as payslips

and personal details, online;

- (iv) Seamless and real-time data integration: To enable seamless exchange of data with systems like IFMIS, KRA iTax, SHIF, NSSF among others, for more efficient processing and reporting;
- (v) Provide uniform norms and standards for payroll processing in the Public Service.
- (vi) Real-time auditing: To strengthen oversight, transparency, and accountability through real-time audit capabilities.

3. Did you face hurdles during this transition? If so, how did the team navigate these challenges?

Delay in funding resulted in roll-out delay of the re-engineered payroll system as planned in the implementation plan.

4. What are some of the lessons you have learnt from this transition process?

Teamwork including Interagency collaboration was critical in project completion.

5. What agencies were involved in making this transition a success and what roles did they play?

The Principal Secretary, State Department for Public Service, established an Inter-Agency Team comprising ICT Officers responsible for system development and a Business Process Team tasked with documentation of business rules and processes.

This team brought together representatives from the following Ministries, Departments, Agencies (MDAs) to lead the re-engineering of the Payroll Module for use across public service institutions:

- (i) State Department for Public Service and Human Capital Development;
- (ii) Public Service Commission;
- (iii) State Department for ICT and the Digital Economy;
- (iv) State Department for Basic Education;
- (v) State Department for Lands and Physical Planning; and
- (vi) Huduma Kenya Secretariat.

To enhance inclusivity and technical input in the development process additional key stakeholders were co-opted into the team along the development process. The experts included officers from the State Department for Devolution, Public Finance Management Reforms as well as representatives from County Executives and County Assemblies. Additionally, Code of Conduct and Change Management topics during capacity building were handled by officers drawn from different MDCAs.

7. Retirees in Kenya face challenges in accessing their pensions, often involving lengthy delays, bureaucratic hurdles, and potential underpayment. How will this system address this challenge?

The administration of the Non-Contributory Government of Kenya (GoK) Pension Scheme has long been hampered by manual, paper-based processes. This has led to several challenges as highlighted.

As part of the ongoing modernization and re-engineering of public service processes, the Ministry has prioritized the development of a comprehensive Pensions Tracking Module in the HRIS-Ke.

This module is expected to address longstanding inefficiencies in the pensions processing ecosystem, by digitizing workflows, improving turnaround times, and enhancing service experience for retiring public servants. It will specifically:

- (i) Automating Pension Workflows: Moving from manual processing to a streamlined, digital system to reduce errors, eliminate duplicative tasks, and speed up approvals;
- (ii) Centralizing and Digitizing Records: Maintaining complete, accurate employee service histories in one system to ensure data is easily accessible for pension processing;
- (iii) Real-Time Tracking: Allowing HR teams and relevant agencies to track the status of pension claims and approvals electronically, reducing uncertainty and bottlenecks;
- (iv) Integration with the Pensions Management Information System (PMIS): Enabling seamless data exchange with the National Treasury to improve accuracy, consistency, and security while minimizing document loss;
- (v) Improved Compliance and Service Delivery: Enforcing standardized, transparent, and efficient processes across MDCAs, helping to eliminate bureaucratic hurdles; and
- (vi) Faster Turnaround: Reducing the time it takes to verify and process claims, offering retiring public servants a smoother, more dignified exit experience.

8. The Government is keen on integrating the Human Resource Information System – Kenya (HRIS-Ke) with key government financial platforms. Take us through the rationale of this initiative and which platforms will be linked?

This Ministry, in collaboration with key institutions such as the National Treasury (IFMIS), Kenya Revenue Authority (KRA), Central Bank of Kenya (CBK), Social Health Authority (SHA), National Social Security Fund (NSSF), and Higher Education Loans Board (HELB), has undertaken a comprehensive integration of the HRIS-Ke payroll system with major public financial management systems.

This integration aims to improve payroll integrity, stream-



Participants take a group photo during a HRIS-Ke Workshop held at the Kenya Wildlife Service Training Institute in Naivasha

line payment processes, ensure timely and accurate remittances of statutory deductions, and enhance overall efficiency in public service delivery.

The initiative is in line with the Government of Kenya's public sector reforms and seeks to eliminate inefficiencies caused by fragmented systems.

9. What progress has been made so far in realizing this integration?

Currently, secure RESTful APIs have been developed to enable system-to-system communication, and standardized data exchange templates have been established to ensure consistent integration. Successful end-to-end testing of the system has been completed, and comprehensive training has been conducted for Human Resource Management Officers managing the HRIS-Ke Payroll Module as well as Accounts personnel in MDCAs.

Additionally, stakeholders have endorsed the integration framework, system architecture, and the Go-Live plan. The structured Go-Live transition plan represents the next critical phase of implementation.

11. What timeline has been set for completion of this transition and full roll out?

It is envisioned that rollout of integration for Ministries /Departments & County Assemblies is July 2025.

12. What should we expect once this integration is completed? What impact do you expect to see?

Once implemented, the integration will enable seamless data exchange between systems, automate payroll by-product processing, and facilitate real-time remittance tracking and compliance with statutory obligations. Public servants will also benefit from faster access to services such as automated Tax Compliance Certificates.



Once implemented, the integration will enable seamless data exchange between systems, automate payroll by-product processing, and facilitate real-time remittance tracking and compliance with statutory obligations. Public servants will also benefit from faster access to services such as automated Tax Compliance Certificates.



COUNTY CAPACITY BUILDING AND TECHNICAL ASSISTANCE

Establishment of Project Management Committees (PMCs)

Community involvement has been touted as key in ensuring sustainability and viability of projects implemented by both the National and County Governments. By properly engaging communities, Counties are more likely to establish projects that meet the needs and aspiration of the beneficiary communities. However, this hasn't been the case, resulting in abandoned projects commonly referred to as "White elephant projects"

To address this issue, the KDSP II Program identified PMCs as a critical structure that will deepen public participation at project implementation phase, ensuring transparency, accountability, community ownership, and sustainability of development projects.

We sat down with Kennedy Nyambati : Director , County Capacity Building and Technical Assistance for an insightful discussion on how the State department for Devolution is supporting counties Establish Project Management Committees and the anticipated impact will have on raising the level of community involvement.



Group photo during a Project Management Committee Training at Acacia Resort, Wote, Makueni County



Kennedy Nyambati, the Director, County Capacity Building and Technical Assistance, photo taken during the interview at Teleposta towers 22nd floor

1. What brought about the need for establishing Project Management Committees under KDSP II?

The Constitution 2010 articulates accountable, participatory and responsive government at all levels. The County Government Act CAP 265 together with other devolution laws provide the legislative framework that mandates the counties to engage communities in planning, budgeting and monitoring of service delivery.

In Kenya, both at the national and county governments levels, one of the key approaches to implementing development initiatives is through projects, a good portion of which are infrastructure projects being at least 30 percent of the development public budget (also referred to as “capital budget). In the public sector, success or failure in project management largely determines the extent to which the public budget is successfully executed. Hence a need for project management committees across the various public sectors.

Project management involves engaging project teams and stakeholders for public projects. Transparency, accountability, stakeholder involvement, and political support are significant determinants to the success or failure of a project. In many project set-ups, these constituent components are achieved through an effective project management team or committee.

Looking back 15 years in the implementation of a devolved system of government, there are persistent challenges in project implementation across the 47 counties. This is evidenced by the existence of projects which are incomplete, abandoned, or underutilized yet public funds have been utilized. These challenges are largely attributed to inadequate community involvement in project implementation and monitoring. KDSP II identified PMCs as a critical structure that will deepen public participation at the implementation phase, ensuring transparency, accountability, community ownership, and sustainability of development projects.

2. Take us through the structures of the Project Management Committees to be established?

The PMC may be established for different levels of projects. For example, ward-level projects are smaller and tend to have a shorter duration, ideally within one financial year, and therefore the PMCs term is short and its responsibilities less complex; flagship projects usually target a wider community population at the sub-county or county level and may be more complex, take multiple years, and be multisectoral in nature. This requires stronger representation, with higher qualification criteria for members due to the complex nature of the project.

For projects with one project phase/
one contractor/one ward/town:

The Project Management Committee should be composed of not less than seven and not more than 11 members of the community including women, men, and youth representatives. There should also be consideration of required skills e.g members who understand the field or project sector, for instance retired service providers or para-technicians, at least two Development Committee members who represent the area/village or cluster development committees that were originally involved in identification and selection of the project and oversee other development work in the county, Representation of persons with disabilities and Representation of organized groups such as the faith-based organizations (FBO), business associations, or relevant sectors.

For projects with two or more development elements/contractors/cites (flagship project), i.e., program based PMC

The program-based PMC should ideally have a maximum of 15 members of the community amongst whom are regional (sub-county/county level) representatives and the project site committees.

A member of PMC should demonstrate and have qualities of a good leader such as being visionary, truthful, accountable, and respectful, and others as may be defined by the electing community.

One cannot be in a PMC of two ongoing projects within the same period.

Establishment of PMCs

PMCs are established through the following process:

- The public elect community representatives that form the PMC in a public forum that is hosted by the public administration officials in collaboration with technical officers from the implementing department
- The County Executive Committee Member (CECM) in charge of the function of public participation will then issue appointment letters detailing the terms of reference to the elected members.
- The directorate in charge of the public participation function will convene the first meeting of elected PMCs for induction and the development of a PMC work /action plan detailing the timelines for PMC capacity building and PMC reporting.
- To lead its operations and activities, the PMC elects its Chair and Secretary from among the elected members.

The PMC is operational under the guidance of the public administration/participation directorate which supports it to undertake various responsibilities, e.g responding to all other stakeholders including technical departments. Training To equip them for their roles and responsibilities and to ensure their effectiveness.

3. What are the roles of each level, from the village to the ward?

Village/Local Level: PMCs provide day-to-day project activities oversight, ensure flow of project information, document complaints received from the community, challenges and project progress, mobilize local resources, and act as the first grievance redress point.

Ward Level: Provide coordination and linkage to technical teams, document broader implementation progress, consolidate reports, and liaise with county departments.

4. What is expected of community members incorporated in the PMC's?

The community are expected to:

- Represent community interests
- Oversee and monitor project implementation at that specific project site
- Share project information and updates
- Participate in civic education and grievance redress
- Provide regular reports and feedback to county authorities
- They act as intermediaries between the contractor, county and the community to ensure inclusive and transparent project implementation delivery.
- The membership is voluntary in nature where members work for the public good.

5. How are these PMCs enshrined in Law? What are their legal foundations?

PMCs derive their legal basis from:

The Constitution of Kenya, 2010 – particularly on devolution, public participation, and transparency.

County Governments Act, Cap, 265

Public Finance Management Act, Cap, 412

Public Procurement and Assets Disposal (PPAD) Regulations, 2020, especially Sections 108,109 and 110, which recognize community involvement in service delivery for sustainability and accountability.

6. What factors will be key in judging how well counties have established their respective committees?

- Adherence to the legal and procedural guidelines for PMC formation
- Inclusivity and diversity in membership
- Effective training/induction/sensitization for PMC and county technical officers on their roles and responsibilities during the project implementation.
- The projects documentation and reporting mechanisms



- e) The Community feedback and satisfaction
- f) Evidence of PMC influence on project outcomes and sustainability.

7. How do we ensure the committees have the right technical capacity to undertake their functions?

- a) Through structured capacity building and induction training led by the Directorate of Public Participation in collaboration with technical departments.
- b) Training/sensitization of the PMCs on project management, understanding the project BQs, GRM processes, social safeguards, sustainability planning, and monitoring tools.

8. What are some of the counties that have done exceptionally well in establishing these committees and what can other counties learn from them?

Every county has established its unique model in managing county resources including projects where citizens are involved from village resource distribution units in Samburu to sub county units in Mombasa. However, Makueni and Homabay counties stand out and are leading the pace.

Counties like Homabay and Makueni have demonstrated strong and excellence PMC practices; such as

- Structured PMC elections at a public forum
- Joint monitoring meetings with technical teams
- Community empowerment in approvals and grievance redress.

Other counties can learn from their integration of PMC reports into budgeting and payment approvals, and from their strong documentation practices.

All the projects both Donor funding and county projects have established PMCs.

For the case of Homabay county, not only do they have the PMCs for project investment but also other county programs such as, seeds distribution and county bursary distribution.

The community is well involved in all the processes and their input and feedback are highly taken into consideration.

Have policy and legal instruments that support their PMCs facilitation.

Other counties that have done good in establishing and operationalized PMCs include but not limited to the following counties: Elgeyo Marakwet, Trans- Nzoia,

9. What is the role of SDD (State Department for Devolution) in this reform initiative?

The State Department for Devolution (SDD) provides policy direction, coordination, technical assistance, capacity building, and leads the national rollout and sensitization of counties on the PMC Guidelines with funding support from KDSP II. It also ensures uniformity in application and facilitates learning across the 47 counties.

10. What are some of the challenges recorded so far while implementing this reform initiative?

- Resistance due to fear of political interference or role duplication
- Inadequate capacity among PMC members

- Weak linkage between PMCs and technical departments
- Inconsistent PMCs training and facilitation
- Limited projects progress documentations in some counties.

11. What will counties gain by establishing these committees?

- Improved project implementation and accountability
- Increased community ownership and project sustainability
- Enhanced transparency and reduced corruption
- Better alignment of projects with community needs
- Strengthened public participation frameworks.

12. How do we plan on insulating these committees from political interference?

- PMCs are elected by the community, not appointed by political leaders
- Membership rules disqualify politically affiliated individuals or those already serving in other PMCs
- Oversight is handled through structured coordination under the public participation directorate, not political offices

13. There have been fears that these committees usurp the role of MCAs. What would be your response to this?

- PMCs do not replace or usurp the role of MCAs. Instead, they complement them by:

- Providing grassroots oversight
- Enhancing the effectiveness of budget execution
- Ensuring transparency in project delivery
- MCAs remain key in legislation, budget approval, and representation at policy levels, while PMCs work at implementation level.

14. How will the KDSP II program ensure the future sustainability of these committees?

- Institutionalizing PMC roles within county public participation policies
- Transitioning PMCs into Project Sustainability Committees post-project
- Ensuring counties adopt standard reporting, training, and feedback mechanisms
- Building capacity of counties to maintain support structures even beyond KDSP II funding.

15. What are some of the opportunities you foresee in the future as far as PMC are concerned?

- Institutionalization of community-based monitoring and evaluation (CBME)
- Integration of PMC reports in county planning and budgeting
- Strengthening social accountability frameworks
- Enhancing citizen empowerment and trust in government
- Use of PMCs to inform data-driven development planning at the local level



One of the projects inspected by the Project Management Committee in Homabay



Group photo of participants during the 2nd World Bank Implementation Support Mission for KDSP II at lake Naivasha resort.

OFFICE OF THE CONTROLLER OF BUDGET (OCOB)



County Pending Bills Action Plan Template

The stock of Pending Bills in Counties continue to pile up negatively impacting public service delivery and disrupting business operations.

The county law on Public Finance Management stipulates, "Debt service payments shall be a first charge on the County Revenue Fund." The provision obligates the accounting officer to ensure this is done to the extent possible to prevent the county government from defaulting on its debt obligations.

Despite this, the Pending Bills remain a nagging

concern in the counties. While the CoB has made appropriate recommendations to address the pending Bills issue, there has been delayed implementation, which has seen a recurrence of these issues from one financial year to another.

"Participating counties that have prepared and are implementing action plans to reduce their stock of pending bills and maintain it at minimal levels will qualify to receive additional grants under KDSP II, as it is a Disbursement Link Indicator." Controller of Budget Margaret Nyakang'o told us when we sat down for a wide-ranging discussion about reforms being undertaken by OCOB in addressing the Pending Bills menace.



Controller of Budget Margaret Nyakang'o during the interview at Bima House, 12th Floor, Harambee Avenue

Please provide us with background on developing the Pending Bills Template reform initiative. How did this come about?

The Office of the Controller of Budget (OCOB) is established under Article 228 of the Constitution of Kenya (2010). It is mandated to oversee the implementation of the budgets of the National and County Governments by authorising withdrawals from public funds under Articles 204, 206, and 207 of the Constitution and to report on the implementation of the budgets every four months. Further, Article 228 (5) of the Constitution requires the Controller of Budget not to approve any withdrawals from public funds unless satisfied that such withdrawals are authorised by law. In executing this mandate, the Controller of Budget (CoB) is also guided by the public finance principles articulated under Article 201 of the Constitution, which require that public funds be used prudently and responsibly.

The OCoB publishes Quarterly Budget Implementation Review Reports in line with its mandate. These reports have often pointed out issues that hamper effective budget implementation. They include

high levels of pending bills, weak internal controls, underperformance of own source revenue collection, low absorption of development expenditure budget and a high wage bill, among others.

While the CoB has made appropriate recommendations to address these issues, there has been delayed implementation, which has seen a recurrence of these issues from one financial year to another. Further, the CoB has observed continued complaints from contractors and suppliers on delayed payment of bills by county governments, and the stock of pending bills has been increasing, affecting the supply of goods and services to counties. The growth of pending bills adversely affects public service delivery and disrupts the business community. In addition, critical commitments such as remittances of pension deductions from civil servants and county governments' contributions to the pension funds have lagged behind.

TABLE 1 shows the trend of county governments' pending bills from FY 2019/20 to 30th June 2025. The increasing stock of pending bills in county governments threatens fiscal discipline and the sustainability of the devolved system of governance. County governments are experiencing a high level of pending bills despite

the legal requirement that this should be the first charge on the budget. Regulation 55(2)b of the Public Finance Management (County Governments) Regulations, 2015 stipulates that “the finalised and signed contracts are budgeted for first before new projects are considered by the Accounting Officer of the county government entity”. The Public Finance Management (PFM) Act 2012 provides for disciplinary measures against public and Accounting Officers who fail to settle pending bills. Section 156 (4) (d) of the PFM Act, 2012 on prompt payment of pending bills by Accounting Officers indicates that an accounting officer engages in improper conduct if they fail without reasonable cause to pay eligible and approved bills promptly in circumstances where funds are provided.

Based on the above background, the CoB sought support from KDSP II to develop the Pending Bills Action Plan for county governments. The Pending Bills Action Plan is under the Key Results Area (KRA) 1 on Sustainable Financing and Expenditure Management. This KRA supports efforts toward enhancing financing and expenditure management by counties. The OCoB received the “No Objection” letter on the Concept Note for developing a county pending bills action plan template from the World Bank on 29th November 2024.

The CoB constituted a Multi-Agency Technical Team to develop the Plan and engage stakeholders in its development. The Pending Bills Action Plan Templates were developed, and in March 2025, a validation workshop involving the county governments was held in Naivasha. The Pending Bills Action Plan templates were pre-tested in ten counties, namely; Elgeyo Marakwet, Kajiado, Kilifi, Meru, Tana River, Migori, Bomet, Lamu, Nandi, and Kisumu.

The Templates constitute of;

- 1. Pending Bills Universe Template**
This template will capture the entire stock of verified pending bills as of the beginning of the financial year.
- 2. Pending Bills Action Plan Template**
County governments will use this template to capture the pending bills payment plan for the financial year. It shows which specific bills will be settled in each quarter.
- 3. Pending Bills Tracking Template**
This template will report the progress made in settling pending bills every quarter. The county must provide reasons for non-adherence with the Pending Bills Action Plan.

The Templates were endorsed by the Finance, Planning, and Economic Affairs Committee of the Council of Governors on 9th June 2025 and subsequently approved by the Intergovernmental Budget and Economic Council (IBEC) during the 27th Ordinary Session on 23rd June 2025.

What problem are we trying to cure with the Pending Bills Templates?

The main objective of the pending bills templates is to ensure commitments by county governments are kept within available budgets, bills are paid on time, and the stock of pending bills is kept to a minimum.

Are there important timelines attached to these reforms to be adhered to?

County Governments are required to start implementing the Pending Bills Action Plans from FY 2025/26. Therefore, counties should submit their plans to the

Table 1: Trend of County Governments Pending Bills (Kshs. Billion)

Period/FY	Pending Bills Stock (Kshs. Billion)
FY 2019/20 as of 30th June 2020, Eligible Pending Bills as reported by OAG	45.04
FY 2020/21 as of 30th June 2021	97.59
FY 2021/22 as of 30th June 2022	158.75
FY 2022/23 as of 30th June 2023	159.27
FY 2023/24 as of 30th June 2024	181.98
FY 2024/25 as of 30th June 2025	176.90



Participants take part in group discussion during a workshop on development of pending bills template at Lake Naivasha Resort.

CoB at the beginning of the f2025/2026 Financial year to facilitate tracking and quarterly monitoring.

Which other agencies were involved in developing the pending bills template, and what were their roles?

Other agencies included:

The National Treasury: The National Treasury strengthens financial and fiscal relations between the national and county governments by coordinating and overseeing intergovernmental fiscal relations to ensure harmony in public financial management. The National Treasury, through the IFMIS department, will customize the system to adopt the pending bills templates.

The Commission on Revenue Allocation: The Commission defines and enhances revenue sources for county governments, and it provides technical support to county governments on revenue enhancement, leading to improved resources to settle commitments.

The Attorney General: The Attorney General was consulted on drafting the pending bills’ action plan and provided advice on matters of law.

The State Department for Devolution: This is the agency through which, the World Bank funded this activity and is the lead implementing agency for the KDSP II programme in the country.

The Public Sector Accounting Standards Board (PSASB) is responsible for setting financial accounting and internal audit standards for public sector entities. This includes establishing standards for accounting, financial systems, and internal auditing and promoting good governance, internal controls, and risk management.

The Council of Governors (CoG) offers a collective voice on policy issues, promotes inter-county consultations, and shares information on the counties’ performance in executing their functions.

The 47 County Governments: They are the implementing entities for the Pending Bills Action Plans, and they were key during the development, validation, and pilot testing of the pending bills templates.

Intergovernmental Budget and Economic Council (IBEC): It facilitates consultation and cooperation between the National and County Governments on finance, budget, the economy, and planning. The IBEC acts as a forum for the two levels of government to address intergovernmental fiscal relations and promote effective public finance management

“Numerous initiatives have been taken, all aimed at addressing the menace of pending bills in both the National Government and counties.”

- Controller of Budget Margaret Nyakang'o

How would you describe the problem of pending bills facing counties presently?

The increasing stock of pending bills in County governments, as shown in Table 1, threatens fiscal discipline and sustainability. The accumulation of pending bills adversely affects the delivery of public services and disrupts the business community. This has affected the business community's confidence in transacting with the government, impacting service delivery and economic growth. Pending bills have slowed down county development programs, negatively impacting service delivery and economic growth.

Why is it important for counties to adopt and use these templates?

It is vital as it will help track pending bills. Participating counties that have prepared and are implementing action plans to reduce their stock of pending bills and maintain them at minimal levels will qualify to receive additional grants under KDSP II, as it is a Disbursement Link Indicator.

What challenges have you faced so far in developing these templates?

County governments delayed providing information to pilot test the templates and providing timely feedback. This was addressed by conducting virtual meetings to walk the officers through the templates.

Also, there exists an issue with verifying the pending bills as directed through a Court process in Kitale regarding the composition of the pending bills verification committee. The IBEC has yet to provide direction on how the pending bills will be verified, noting that the Office of the Auditor General has yet to issue guidelines on establishing pending bill verification committees.

Numerous initiatives have been taken, all aimed at addressing the menace of pending bills in both the National Government and counties.

How is this initiative different from others?

This initiative is unique in that it includes a disbursement link. Implementing county governments will gain access to grants if they can reduce the stock of pending bills. The pending bills payment plan will also be embedded into IFMIS to ensure consistent and timely payments to suppliers and contractors.

How sustainable is this initiative? How will the template address the accumulation of pending bills in future?

This will be sustainable as it has government approval. Approval by the IBEC and the CoG is crucial in ensuring that the 47 county governments implement the action plan for the pending bills. The process has adopted a multi-stakeholder approach, bringing together all interested parties to address the problem of pending bills.

COMMISSION ON REVENUE COLLECTION



Revenue Mapping Guidelines

A 2018 National Treasury study showed that nearly 90% of counties had not fully utilized their potential for Own Source Revenue (OSR), collecting less than 40% of their estimated revenue potential. A CRA 2022 report suggests that if optimal fiscal instruments were used at their full potential, counties would be able to generate Ksh 260.6 billion.

To realize this potential, the Commission on Revenue Allocation is supporting the 47 counties in development of the Own Source Revenue (OSR) mapping Guidelines.

We sat down for a conversation with the Chairperson, Commission of Revenue Allocation CPA Mary Wanyonyi to learn more on this reform initiative.



The Commission on Revenue Allocation (CRA) Chairperson, CPA, Mary Wanyonyi-Chebikati

Give us a brief background on the mandate of CRA as far as Counties Own Source revenue is concerned?

The Commission on Revenue Allocation (CRA) is an independent constitutional commission established under Article 215 of the Constitution of Kenya, 2010. While its core mandate revolves around equitable sharing of national revenue between the national and county governments, CRA also plays a vital role in enhancing Counties' Own Source Revenue (OSR). Here's a brief background on its mandate in that regard:

- a) **Advisory Role on Revenue Enhancement**
Under Article 216(1)(b) of the Constitution, CRA is mandated to recommend measures to enhance revenue collection and fiscal responsibility in both levels of government. This includes advising counties on how to improve their performance in generating and managing OSR.
- b) **Support in Developing Legal and Policy Frameworks**
CRA collaborates with county governments to develop, review, and standardize legal instruments, such as rating bills and fee/tariff policies. This ensures counties have appropriate frameworks for effective and lawful revenue collection.
- c) **Capacity Building and Technical Support**
CRA provides technical assistance and capacity-building programs to help county staff improve OSR administration. This includes training on revenue automation, data management, and enforcement.
- d) **Research and Best Practices**
The Commission undertakes studies and disseminates best practices on OSR mobilization. It also supports benchmarking and peer learning among counties to foster innovation and efficiency in revenue generation.

- e) **Monitoring and Evaluation**
CRA tracks county revenue performance and provides policy advice based on data and trends. It supports the use of evidence-based planning for expanding the OSR base and improving compliance.
- f) **Collaboration and Intergovernmental Engagement**
CRA works closely with stakeholders like the National Treasury, Council of Governors

(CoG), and development partners to promote harmonization of OSR practices and systems.

In summary, while CRA does not directly collect its own source revenue, it plays a critical role in enabling counties to realize their fiscal potential through technical advice, policy development, performance monitoring, and institutional capacity strengthening. This aligns with its broader goal of promoting equitable development and sustainable public finance management in the devolved system.

Take us through the progress made by the Commission in developing the Revenue Mapping Guidelines?

The Commission has undertaken a comprehensive and phased process to develop the Revenue Mapping Guidelines aimed at enhancing own source revenue (OSR) generation across the 47 county governments. The key milestones achieved include:

- a) **Development of Terms of Reference (TORs)**
CRA formulated clear TORs for the technical team responsible for steering the development of the guidelines. These TORs defined the scope, roles, and expected deliverables.
- b) **Baseline Data Collection (Desktop Analysis)**
detailed desktop review was conducted to gather existing information on OSR streams, legislative frameworks, and institutional arrangements across counties.
- c) **Field Data Collection (Assessment of OSR Streams in All 47 Counties)**
CRA conducted on-the-ground assessments across all 47 county governments to identify and catalogue actual revenue sources, their potential, and existing challenges in administration. This step provided primary data to inform the guidelines.
- d) **Development of the Revenue Mapping Guidelines**
Using data from both the desktop and field assessments, CRA developed a draft of the Revenue Mapping Guidelines to provide counties with a framework for identifying, categorizing, and optimizing revenue streams.
- e) **Validation Workshops Across Nine Regional Clusters**
CRA conducted nine regional workshops

to validate the draft guidelines with key stakeholders from county governments, development partners, and other actors. These forums enabled counties to offer feedback based on their unique contexts.

f) **Technical Review and Incorporation of Stakeholder Feedback**

Following the validation workshops, the technical team reviewed the input and refined the guidelines to ensure they were practical, comprehensive, and aligned with county realities.

g) **Launch of the Revenue Mapping Guidelines**

The final guidelines were launched in a formal event, marking the transition from development to implementation. Counties are now expected to adopt and use the guidelines to inform their revenue enhancement strategies.





Group Photo of participants during a CRA Workshop on development of OSR Mapping Guidelines held in Machakos.

Why is CRA developing the Revenue Mapping Guideline? What is it that the Commission aims to achieve?

The Commission is developing the Revenue Mapping Guidelines to address persistent challenges in the generation and management of Own Source Revenue (OSR) by county governments, with the ultimate goal of enhancing fiscal sustainability and strengthening Kenya's system of devolved governance.

Many counties continue to underperform in OSR collection due to a lack of clear identification of revenue streams, outdated legal frameworks, inefficiencies in

administration, and widespread revenue leakages. In response, CRA seeks to provide a structured and standardized framework that will enable counties to comprehensively identify, classify, and assess both existing and potential revenue sources.

By doing so, the Commission aims to support evidence-based planning, harmonize revenue practices across counties, and reduce inconsistencies that hinder performance. Ultimately, CRA intends to empower counties to expand their OSR base, reduce reliance on equitable share transfers, and achieve greater fiscal autonomy in line with the principles of sound public financial management and the objectives of devolution.

How will these guidelines be implemented by Counties?

The implementation of the Revenue Mapping Guidelines by counties will follow a structured and collaborative process, guided by the Commission on Revenue Allocation (CRA), to ensure uniformity while allowing for local flexibility. The process includes the following steps:

a) Official Adoption and Sensitization

Once launched, the guidelines will be disseminated to all 47 county governments. CRA, together with relevant stakeholders such as the State Department of Devolution, Council of Governors

and the National Treasury, will lead sensitization workshops to ensure county leadership and technical teams fully understand the guidelines.

b) Formation or Strengthening of County Revenue Teams

Counties will establish or strengthen technical working teams made up of officials from key departments such as finance, trade, lands, planning, and ICT. These teams will spearhead the revenue mapping exercise at the county level.

c) Conducting County-Level Revenue Mapping

Using the tools and templates provided in the guidelines, counties will:

- Identify and catalogue existing and potential own source revenue streams.
- Analyze legal, institutional, and operational aspects of each revenue source.
- Document collection methods, challenges, and performance trends.
- Map revenue sources geographically, where possible.

d) Preparation of OSR Inventories and Mapping Reports

Counties will develop comprehensive revenue source inventories and reports, which will provide a clearer picture of their revenue base and help guide decision-making in revenue policy and administration.

e) Integration into County Planning and Budgeting

Insights from the mapping process will be used to inform key county planning documents such as the County Integrated Development Plans (CIDPs), Annual Development Plans (ADPs), and budget frameworks, ensuring that revenue projections are

realistic and aligned with service delivery goals.

f) Strengthening Automation and Revenue Systems

Counties will use the mapping data to improve or expand automated revenue systems. Integration of revenue mapping into digital platforms will enhance transparency, accountability, and real-time monitoring of collections.

g) Capacity Building and Technical Support

CRA and other partners will offer continuous training and support to county officers involved in OSR management, ensuring consistent application of the guidelines and long-term sustainability.

h) Monitoring, Evaluation, and Continuous Improvement

Counties will track progress in implementing the guidelines, assess OSR performance over time, and adjust strategies as needed. CRA will provide ongoing oversight and policy advice based on county feedback and emerging data.

What is the role of technology in this reform initiative?

a) Digitization of Revenue Sources

Technology enables counties to digitally map and catalogue all existing and potential revenue streams, including spatial data (e.g., location of markets, properties, and natural resources). This provides a clear visual and data-driven understanding of revenue bases.

b) Automation of Revenue Collection Systems

Through automated systems, counties can streamline billing, invoicing, payment processing, and receipting, reducing manual handling and minimizing revenue leakages. Automation ensures real-time data capture and easier reconciliation of accounts.

c) Integration of Revenue Data Across Departments

Technology facilitates the interconnection of departments (e.g., finance, trade, lands, and planning), enabling seamless data sharing and coordinated revenue administration. Integrated systems improve decision-making and eliminate duplications or inconsistencies.

d) Enhanced Monitoring and Reporting

Digital dashboards and data analytics tools help counties and oversight institutions (like CRA and the Control-

ler of Budget) to track revenue performance in real time, identify trends, detect anomalies, and generate timely reports for accountability and planning.

e) Support for Evidence-Based Policy Making

Technology provides counties with data-driven insights to evaluate the productivity of different revenue sources, prioritize areas for reform, and design realistic revenue targets. This leads to more accurate forecasting and better financial planning.

f) Citizen Engagement and Transparency

Technology platforms (e.g., mobile payment systems, online portals) allow for easier access by the public, improving compliance and fostering trust. Citizens can view rates, pay fees, and receive receipts conveniently, which enhances voluntary participation.

g) Facilitation of Compliance and Enforcement

Tech-based solutions such as GIS (Geographic Information Systems), e-ticketing, e-permitting, and automated penalty systems help counties track defaulters, enforce regulations, and improve compliance with revenue laws.

h) Capacity Building Through Digital Tools

Technology also supports training and knowledge transfer through e-learning platforms, digital toolkits, and centralized support systems, allowing counties to continuously improve revenue practices.

Counties have decried the high cost of revenue mapping as one of the factors delaying full realization of OSR, how is the commission addressing this concern?

The Commission is fully aware that the high cost of revenue mapping has been a significant barrier for many counties in fully realizing their Own Source Revenue (OSR) potential. In response, the Commission has adopted several strategic and collaborative measures to address this concern and ensure that the revenue mapping process is both affordable and sustainable for counties. Here's how CRA is tackling the issue:

a) Development of a Standardized, Cost-Effective Framework

The Commission has developed a standardized Revenue Mapping Guideline that provides counties with ready-to-use tools, templates, and procedures. This reduces the need for counties to develop separate frameworks from scratch, saving on consultancy, time, and administrative costs.

b) Technical Assistance and Capacity Support

The Commission provides direct technical support to counties through its in-house experts. This reduces reliance on external consultants, allowing counties to undertake revenue mapping activities with minimal

additional cost.

c) Leveraging Support from Development Partners

The Commission has mobilized support from key development partners such as the World Bank (through KDSP II) and the State Department for Devolution, who co-finance components of the revenue mapping initiative, especially baseline studies, automation systems, and training.

d) Promoting Peer Learning and Best Practices

The Commission is encouraging counties that have successfully undertaken revenue mapping (e.g., Machakos, Mombasa) to share tools and lessons with others. This peer-to-peer approach minimizes duplication of effort and reduces financial outlays for counties just starting the process.

e) Phased Implementation Approach

Recognizing financial limitations, the Commission supports counties in implementing revenue mapping in phases, prioritizing high-yield revenue streams or geographic areas first. This allows counties to spread costs over time while still making progress.

According to a study done by CRA in 2022, counties have a collective potential to collect Sh216 billion in revenue, but they are currently collecting Sh59 billion, running on a shortfall of Sh157 billion. How will the guidelines assist counties to plug this shortfall?

The Revenue Mapping Guidelines have been specifically designed to help counties bridge this gap by addressing systemic weaknesses and unlocking untapped revenue potential. Here's how the guidelines will assist counties in plugging this shortfall:

a) Comprehensive Identification of Revenue Streams

The guidelines provide a systematic approach for counties to identify and document all existing and potential sources of revenue, many of which remain unexploited or underutilized. By mapping revenue sources comprehensively, including land rates, market fees, cess, royalties, and service charges, counties can expand their revenue base.

b) Assessment of Legal and Operational Gaps

The guidelines guide counties in reviewing the legal, institutional, and operational frameworks for each revenue stream. This allows them to identify outdated or weak legislation, enforcement issues, and administrative

inefficiencies that constrain revenue performance and take corrective action.

c) Improved Revenue Data and Evidence-Based Planning

Through structured revenue mapping and classification, counties will generate accurate and updated revenue data, which is critical for setting realistic targets and improving forecasting. This enables strategic planning and better alignment of revenue goals with actual potential.

d) Reduction of Revenue Leakages

The guidelines promote practices that enhance transparency, accountability, and internal controls, helping counties reduce leakages in collection. This includes promoting automation, standard operating procedures, and compliance monitoring.

e) Support for System Integration and Automation

By promoting the integration of revenue data into automated revenue management systems, the guidelines enable counties to streamline billing, receipting, and reconciliation processes. Automation minimizes human error, reduces corruption, and enhances compliance.

f) Equity and Prioritization

The guidelines help counties prioritize high-yield revenue streams and identify low-performing areas with high potential for improvement. This focus enables counties to deploy limited resources more efficiently and recover substantial amounts of lost revenue.

g) Capacity Building and Institutional Strengthening

With CRA's support, counties will build the necessary technical and institutional capacity

to manage revenue more effectively. A better-skilled workforce can implement reforms more confidently and sustainably.

h) Monitoring and Continuous Improvement

The guidelines provide a basis for ongoing monitoring and performance review, enabling counties to adjust strategies based on results and emerging challenges. This feedback loop strengthens long-term revenue sustainability.

What changes do we expect after the rollout and adoption of the guideline by the 47 Counties?

These changes will contribute to improved fiscal performance, enhanced service delivery, and strengthened devolution. Here's what is expected:

a) Comprehensive Revenue Visibility

Counties will have a clear and complete inventory of all existing and potential revenue streams, including detailed classifications by source, location, legal basis, and collection method. This visibility will support better decision-making and prioritization.

b) Increased OSR Collection

With improved identification, reduced leakages, and better enforcement mechanisms, counties are expected to significantly increase their OSR collections, narrowing the current gap between potential (KSh 216 billion) and actual collections (KSh 59 billion).

c) Enhanced Legal and Policy Frameworks

Counties will initiate or fast-track review and modernization of outdated bylaws and revenue-related legislation, ensuring alignment with current economic realities and compliance requirements.

d) Automation and System Efficiency

More counties will adopt and expand the use of automated revenue collection systems, leading to greater efficiency, accuracy, transparency, and reduced reliance on manual, leak-prone processes.

e) Improved Revenue Planning and Forecasting

With better data and structured mapping, counties will undertake evidence-based revenue forecasting, enabling them to set realistic targets and integrate revenue planning into overall budgeting and service delivery.

f) Reduction in Revenue Leakages

The guidelines promote internal control measures, audit trails, and system integration,

which will result in a marked reduction in revenue leakages, corruption, and misuse of public funds.

g) Institutional Strengthening and Staff Capacity

Counties will build stronger technical capacity among their revenue administration teams, with staff better trained in modern revenue practices, data management, and system use.

h) Harmonization and Standardization

Adoption of a common framework across all counties will lead to greater uniformity in revenue classification, mapping processes, and reporting standards, enabling inter-county benchmarking and peer learning.

i) Better Public Engagement and Compliance

With improved systems and transparency, citizens will have greater access to information, improved trust in the system, and more willingness to comply with payment obligations.

j) Stronger Fiscal Autonomy and Service Delivery

Ultimately, higher and more predictable own source revenue will enhance counties' financial independence, enabling them to fund critical development priorities and improve public service delivery without overreliance on national transfers.





Commission on Revenue Allocation (CRA) workshop held at Kyaka hotel Machakos.

Which stakeholders are key in ensuring the successful execution and adoption of these guidelines?

The successful execution and adoption of the Revenue Mapping Guidelines requires the coordinated involvement of multiple stakeholders, each playing a distinct and complementary role in supporting counties to unlock their Own Source Revenue (OSR) potential. Below are the key stakeholders and their respective contributions:

a) County Governments

- Primary implementers of the guidelines.
- Responsible for adopting, operationalizing, and mainstreaming the guidelines into planning, budgeting, and revenue administration processes.
- Key departments involved include Finance, Lands, Trade, ICT, and Planning.

b) Commission on Revenue Allocation (CRA)

- Lead agency in the development, rollout, and technical support of the guidelines.
- Provides training, tools, and guidance to counties.
- Monitors implementation and offers policy advisory on OSR matters.

c) Council of Governors (CoG)

- Advocates for county needs at the national level.
- Supports integration of the guidelines into county-level policy and operational frameworks.

d) National Treasury

- Provides policy direction on public

finance and supports counties in system integration (e.g., with IFMIS).

- Ensures that the guidelines align with national revenue and fiscal management frameworks.

e) Controller of Budget (CoB)

- Uses the guidelines as a reference when reviewing county revenue performance reports.

f) Office of the Auditor-General (OAG)

- Audits OSR systems and performance in counties.
- Provides accountability checks on the implementation of the guidelines.

g) Development Partners (e.g., World Bank, UNDP, USAID)

- Offer financial support, especially in system automation, training, and capacity building.
- Fund pilot projects and support knowledge-sharing initiatives.

h) State Department for Devolution

- Supports coordination of devolution-related reforms, including own source revenue.
- Helps align national and county-level priorities in the implementation of the guidelines.

i) Civil Society and the Public

- Holds counties accountable for proper OSR management.
- Provides feedback on fairness, transparency, and quality of services tied to revenue use.
- Promotes public participation and compliance.



KRA 1 Manager Peter Akwalu, CRA Commissioner Benedict Muasya Mutiso, CRA Chairperson Mary Wanyonyi-Chebukati, KDSF II National Program Coordinator Dr Samuel Nyaga and PS State Department for Devolution Michael Loikenu Lenasalon address the press at the sidelines of the CRA workshop held in Machakos County

Are there incentives for Counties to adopt and implement these guidelines?

Yes, there are several incentives for counties to adopt and implement the Revenue Mapping Guidelines, both directly and indirectly. These incentives are designed to encourage uptake, ensure sustainability, and help counties realize the benefits of enhanced Own Source Revenue (OSR) management. Below are the key incentives:

a) Direct Linked Indicators 3 (DLI 3)

KDSF II has an incentive for counties dubbed DLI 3 which rewards counties that have increased OSR collected by at least 5% annually over and above inflation. Over and above the stated performance, 50% goes to reform activities in areas of OSR. One of such reforms is that counties must carry out OSR mapping exercises. This makes it mandatory to implement the OSR mapping guidelines.

b) Increased Revenue Generation

The most direct and tangible incentive is the potential to significantly increase OSR collection. By identifying untapped revenue sources and improving efficiency, counties can expand their fiscal space and reduce reliance on national transfers.

c) Greater Fiscal Autonomy and Flexibility

Enhanced OSR allows counties to fund more of their own development priorities, giving

them flexibility in project selection, resource allocation, and service delivery. This autonomy strengthens the county's ability to respond to local needs.

d) Access to Technical and Financial Support

Counties that embrace the guidelines are prioritized for technical assistance and may be considered for grant or capacity-building support from CRA and development partners such as the World Bank, GIZ, and others involved in devolution support programs.

e) Positive Performance Recognition and Benchmarking

Counties demonstrating commitment to implementing the guidelines may receive recognition through national performance reviews, such as:

- Public Financial Management reports
 - CRA performance assessments
 - Council of Governors (CoG) scorecards
- This visibility enhances reputation and positions counties as models for peer learning.

f) Better Creditworthiness and Investment Potential

A well-managed and predictable OSR system improves a county's credit rating and attractiveness to investors. This opens doors for partnerships, public-private investments, and access to concessional borrowing for

development.

g) Improved Service Delivery and Public Confidence

With increased revenue and improved systems, counties are better able to deliver services efficiently. This builds citizen trust, enhances compliance, and creates a positive feedback loop for sustainable revenue growth.

h) Alignment with National and Donor Priorities

Adoption of the guidelines ensures that counties are aligned with national public finance management reforms, positioning them well for support under initiatives like

KDSP II, Devolution Sector Working Groups, or World Bank programs tied to performance.

i) Reduced Audit Queries and Compliance Risks

Implementation of standardized processes and documentation as outlined in the guidelines helps counties avoid audit queries and strengthens compliance with the Public Finance Management Act, 2012.

Machakos is the first county to develop its own source revenue mapping guidelines, enabling its revenue collection to be targeted and effective. What are some of the lessons learnt that can be replicated in other counties keen on developing their own guidelines?

Machakos County's experience as the first county to develop its Own Source Revenue Mapping Guidelines offers valuable lessons for other counties aiming to enhance their Own Source Revenue (OSR) performance. By pioneering this process, Machakos demonstrated practical strategies, institutional arrangements, and innovations that can be replicated or adapted by other counties seeking to improve revenue mobilization. Below are key lessons learned:

a) Strong Political and Administrative Commitment Is Critical

The success of the initiative in Machakos was driven by high-level political goodwill and executive support, alongside active involvement of county technocrats. Other counties should ensure that leadership from the Governor to Chief Officers is committed to the reform agenda.

b) Formation of a Multi-Sectoral Technical Team

Machakos established a dedicated revenue mapping team comprising officers from finance, lands, trade, legal, and planning departments. This multidisciplinary approach ensured comprehensive identification and assessment of revenue sources and laws.

c) Use of Data to Drive Targeted Revenue Strategies

Machakos based its reforms on actual data and field assessments, allowing for accurate mapping of revenue streams. This evidence-based approach

enabled the county to prioritize high-yield revenue sources and tailor its strategies accordingly, a model other counties should emulate.

d) Integration with Existing Systems and Structures

Rather than creating parallel processes, Machakos embedded revenue mapping into existing financial and planning systems, ensuring efficiency and sustainability. Counties should align their mapping exercises with existing planning, budgeting, and automation tools.

e) Stakeholder Engagement and Transparency

Machakos engaged key internal and external stakeholders, including sub-county officers, enforcement units, traders, and residents. This improved buy-in, data accuracy, and public compliance, demonstrating the value of inclusive and transparent processes.

f) Legal and Policy Reforms Informed by Mapping

One of the outputs of the Machakos mapping exercise was the identification of gaps in legal instruments, leading to the review and streamlining of outdated or weak bylaws. Counties can follow suit by using revenue mapping to inform legal reforms that strengthen revenue collection.

g) Continuous Monitoring and Feedback Mechanisms

Machakos established a system to track progress and review performance regularly, allowing for mid-course adjustments. Replicating this lesson can help counties ensure that revenue mapping remains a dynamic, evolving process, not a one-time activity.



“The Commission aims to support evidence-based planning, harmonize revenue practices across counties, and reduce inconsistencies that hinder performance. Ultimately, CRA intends to empower counties to expand their OSR base, reduce reliance on equitable share transfers, and achieve greater fiscal autonomy in line with the principles of sound public financial management and the objectives of devolution.”

– The Commission on Revenue Allocation (CRA) Chairperson, CPA, Mary Wanyonyi-Chebukati

When we speak of intercounty trade, are CESS Charges by counties undermining the spirit of devolution? If so, how will the guidelines address this?

No, CESS charges by counties are not undermining the spirit of devolution. Rather, they are a legitimate source of Own Source Revenue (OSR) provided for under the Constitution and relevant legislation, such as the County Governments Act and Public Finance Management (PFM) Act. CESS is typically imposed on goods entering a county to regulate trade, maintain infrastructure (such as roads and markets), and compensate for services provided to non-resident traders. These charges help counties generate revenue to finance devolved functions, particularly in agriculture, trade, and transport.

However, the concern arises not from the existence of CESS itself, but from its uncoordinated application across counties. Inconsistencies in rates, definitions, and enforcement mechanisms

have, at times, created trade inefficiencies and perceptions of double taxation. This is not a failure of devolution, but rather a signal of the need for harmonization and structured implementation.

The Revenue Mapping Guidelines being developed by the Commission aim to address these issues by:

- Providing a standard framework for classifying and administering CESS across all counties, promoting uniformity and reducing overlaps.
- Encouraging counties to review and align their legal instruments related to CESS to ensure fairness, legality, and economic efficiency.
- Supporting inter-county dialogue and coordination, allowing counties to agree on mutually acceptable rates or shared revenue mechanisms, particularly in border zones or along trade corridors.
- Promoting transparency and predictability through automation and documentation of all charges, helping traders plan and comply more easily.

PUBLIC SERVICE PERFORMANCE MANAGEMENT UNIT



Enhancing Performance Management in Public Sector

Implementation of Performance Management in Kenya's Public Sector can be traced back to the early 90s through introduction of reforms under the Structural Adjustment Programmes.

However, it's not until 2004 when Performance Management was institutionalized in the Public Service through the Economic Recovery Strategy for Wealth and Employment Creation (ERSWEC 2003-2007) blueprint.

For the public service to be efficient and effective in-service delivery, it is imperative to implement an effective performance management system. It is this background that KDSP II is supporting reforms in county governments focusing on capacity building and setting standards and norms—particularly performance contracting guidelines.

The KDSP II Communications team had a solid one hour conversation with John Magwa, Director -Performance Monitoring and Evaluation at the Public Service Performance management Unit, to learn more on what is being done to institutionalize performance management in counties.



John Magwa, Director -Performance Monitoring and Evaluation at the Public Service Performance management Unit

What is performance management?

I would want to define it within the operational meaning because different contexts have different meanings. If you go to the academics, you will have different meanings. But the way we define it simply is, a systematic process by which institutions can improve their efficiency and effectiveness in performance, either through groups, institutions or employees themselves.

Why is Performance Management important for both the National and County Governments?

Performance management forms part of the broader reform issues that the Government has been institutionalising since the era of reforms back in 2003/4. Several reforms have gone into it, but this one continues. Remember, we started with the National Government. At that time, the so-called County Governments were part of the Government under local authorities then. But when devolution came on board, we now had the 47 Counties. By and large, the National Government has been implementing performance management, but the County Governments have not fully been on it. We think this is a very strong reform agenda, which we also want to drive into the County Governments for the purpose of enhancing service delivery.

What initiatives are being undertaken under KDSP II program to improve Performance Management?

Within the context of County Governments, we are driving the agenda of capacity building. We are also coming up with standards and norms within which County Governments are going to operate within a

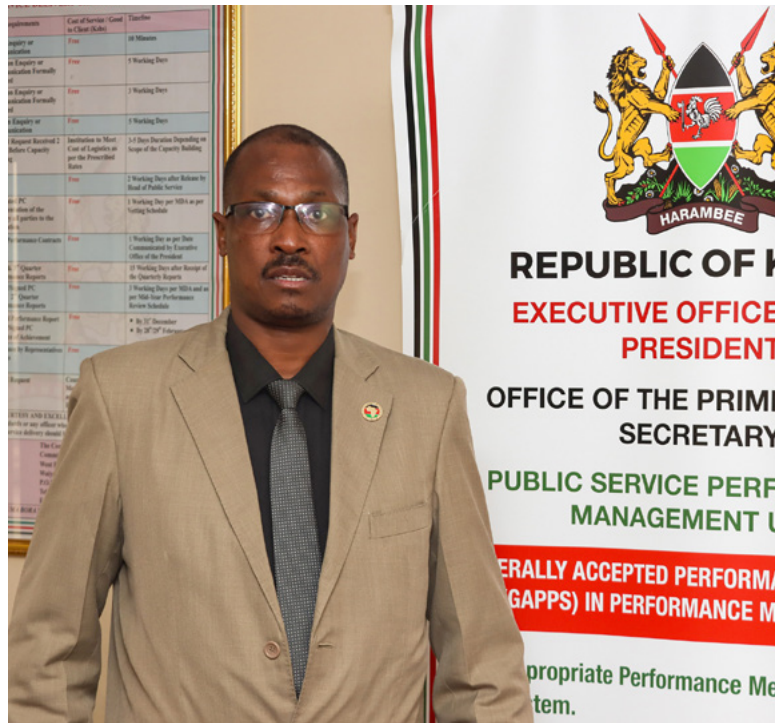
perspective of what we call performance contracting guidelines. That becomes the yardstick to put all of them into common standards and norms.

Could you provide a summary of the reforms currently being enacted in relation to the Performance Contracting Guidelines?

Let's start from the institutional level because we believe that Performance Management is normally driven from the very top downwards. We normally start with the institutional level, where now we have institutional performance contracts. The same are now cascaded downwards to the level of individual employees. At the level of individual employees, we have a simple tool called SPAS, Staff Performance Appraisal System at the individual employee level. Every employee should know that they are part and parcel of that organisation. The organisation may not deliver if the employees are also not delivering. So, they must also be brought into the picture.

What achievements have been achieved thus far in the reform of Performance Contracting Guidelines?

In the national government, we have institutionalised performance contracting in all the Ministries, State Corporations and all the Tertiary Institutions. In County Governments, we are doing it based on the Counties, because we have not been able to do it for all the County Governments. So, the ones that we have brought on board, we have moved with them. We are not quite there. But we are supporting them in terms of capacity building and providing technical support in assisting them come up with their performance contracts. We also assist Counties to vet



their performance contracts, so that the performance contracts adhere to the guidelines that we have also developed and issued to the county governments. Ultimately, we also assist them in their annual performance evaluation.

Which countries were used as benchmarks for reforming Performance Contracting Guidelines?

As a country, when we were starting to implement performance management, even before Government adopted performance contracting as the flagship tool of performance management, there were benchmarking tours that were carried out at a very, very high level led by the then Head of Public Service. This team was able to go to countries that we believed had successfully institutionalised performance management; the likes of China, South Korea, U.S and Ghana. The benchmarking tour was to establish how those countries were implementing performance contracting and decide which template would be the best fit for our country. And that is how performance contracting started because those countries have different tools. For example, if you go to India, they don't call it performance contracting. They call it a memorandum of understanding. And therefore, when the team came back, based on all those ingredients, all those various tools, the government settled on performance contracting. And from there, we have moved with performance contracting up to now.

What are some of the challenges faced reforming the Performance Contracting Guidelines and how they were addressed?

The number one challenge that I may point out is the continuity of performance contracting because there

must be deliberate measures to ensure that there is continuity in the system. We have had challenges where one administration comes on board, and then depending on how that administration picks up the matter, you find that it either advances the issue or perhaps there is some slowness in implementation.

The other challenge that we have also seen is frequent change of the champions, what we call performance contracting champions. You will find in a ministry, one has been moved from that docket to another, and the replacement does not necessarily pick up very fast.

The other major challenge has also been frequent budgetary cuts. When you start in the beginning of the financial year, your performance contract is based on the approved budget. During that financial year, you find that there is a budgetary cut, and sometimes a huge cut that obviously influences your attainment of the performance targets that

you had put in your performance contract.

In terms of addressing them, one of the key pillars that we have continued advancing is continuous capacity building. The aim is to ensure that even if you have officers moved from the docket of performance contracting to another, and another one comes, we have that entry point of continuous capacity building. The same capacity building has had challenges because of shortfall in budgetary allocation. But where we get a chance of doing it, we have that continuous capacity building just to be able to sustain the process. We have also advanced the case that as much as possible, reduce the transfers of the officers, especially during the period of implementation.

What is your response to claims that Public Sector Performance cannot be measured?

I wouldn't say that, I mean, it's just a perception if you ask me. Where we came from, when the government introduced performance contracting, if you compare that time and this time, it's a complete change of events. I would want to imagine how government operations were being conducted then, and today, there's a huge departure to the extent that we pride ourselves in saying we see a level of satisfaction of improvement in government services now compared to then.

What results do you hope to achieve after the reforms are implemented?

Number one is the culture of performance, so that ultimately every employee that gets into an institution knows that you are expected to perform for the betterment of that institution. Ultimately, once all this

comes to the fore for all government institutions, then we want to see improved service delivery. And once there is improved service delivery, the impact out there to the citizens is that they also start now seeing and associating the government with better service delivery.

Why do you think KDSP II was keen on reforming Performance Contract?

I want to believe that when devolution was set up and there was the initial expectation that counties were going to deliver as expected, I think counties also started facing their own challenges. Very high expectation somehow started fading down. The Government, through development partners, realised that there is need to come and inject some support to ensure that public expectations do not dwindle. The objective was to start improving the performance of the counties and service delivery at the county level. Counties have the highest impact as far as service delivery is concerned, It's not even the national government. Because of devolution, you find the services at the County levels.

Could you provide some background on performance rewards and incentives?

In government, we have a framework for performance, rewards and sanctions. This is a framework that was developed around 2016 by the Public Service Commission. This framework guides public institutions on how they go about incentivising their employees as far as performance is concerned. Conversely, it also addresses the imposition of sanctions based on quantifiable performance metrics. Several institutions have customised and domesticated that framework.

As far as KDSP II is concerned, there is also an incentive where counties that can implement focus areas will be able to tap into some incentive that is available to the tune of 12 million US dollars. If you ask me, this is a very good incentive. And it's a good way of looking at performance management in county governments because performance, rewards and sanctions is one key component of the whole spectrum of performance management. Once it has been inbuilt in the KDSP, then it gives counties that momentum to be able to implement because they know there is a reward that they can tap into.

What are some of the factors driving Performance Management in Counties?

Number one, and this, to me, is the most important one, is top leadership commitment whether at the political level or at the bureaucratic level. But that top leadership is very important. As I said, performance management is always driven from the top downwards.

Secondly, it's also the push by citizens because there is clamour by citizens to see commitments made by their respective Governors and County leadership are achieved. That clamour also pushes the County Governments to deliver.

There is also the school of thought that performance management is a concept that can be able to improve service delivery as it were. And therefore, when you combine all these factors, we can be able to identify those as some of the key factors, including also the financial aspects, because you also need the finances to be able to meet the obligations of your performance targets.

Which Counties are excelling in implementing reforms in Performance management?

Perhaps I would want to start with one that our institutions (PSPMU) has supported directly. The County Government of Kitui is doing very well because the Governor is supporting performance management from the very top. The County Government of Makueni is another one. And this, we pride ourselves because we have supported that county even from the previous administration to the current administration. We also have county government of Kiambu, The County Government of Kakamega, County Government of Busia, Bungoma, County Government of Nairobi, County Government of Kilifi, Taita Taveta and also Tana river. So, I could pick those as some of the ones that are doing quite well.

What impact do you think technology and AI will have when it comes to Performance Management?

We have no choice but to adopt technology, and from where we sit, we already have adopted part of the technology. I want to give an example. The performance contracting that we have largely has been manual up to around 2020/21. From around that period, we decided to embrace technology, and we came up with an online system of performance contracting, what we call government performance contracting information system.

This is an online system that allows us, at the comfort of our space here, to be able to undertake all those processes of performance contracting. Never mind we are interacting with institutions that are far and wide, but we can interact through the online system. This is embracing technology, and going forward, I want to believe that we will continuously embrace technology to be able to be at the same level that we would wish with other countries.



Group photo of participants taken during a sensitization on Public Investment Management regulations workshop at Astorian Resort, Naivasha



Cultivating Robust Synergies within the Inter-Governmental Relations (IGR) Framework

Efficiently and effectively are two common words that you will hear often once you interact closely with Dr. Kipkurui Chepkwony, Chief Executive Officer of the Inter-Governmental Relation Technical Committee.

IGRTC is mandated by law as the secretariat to the National and County Government Coordinating Summit (The Summit) and the council of Governors.

We held a sit-down with Dr Kipkurui on a wide ranging conversation on the future of Devolution , IGRTC Mandate and his vision for Devolution.

1.What is the role of the Intergovernmental Relations Technical Committee (IGRTC)?

The Intergovernmental Relations Technical Committee (IGRTC), which by law is the secretariat for both the summit and the Council of Governors, that is bestowed the mandate to.

- i) Coordinate the activities and resolutions of the summit.
- ii) Ensure implementation of the mandate of IGRTC in coordination of harmonious relations between the two levels of government.
- iii) Facilitate implementation of the transfer of functions and all the residual mandates of the Defunct Transitional Authority on issues of functions, transfer of functions, assets and resources to either levels of government.
- iv) Ensure the reports and resolutions of the summits are implemented to the latter.



Photo taken during a sit down with C.E.O Dr. Kipkurui S. Chepkwony, MBS at Parklands Plaza, 3rd floor

2. What does Devolution mean to you?

To me Devolution is among the few things that I live for. I am glad to have been born at the time when I have matured into this devolution. There are questions that keep cropping up every now and then from both private and public sectors and from the citizenry; Is devolution working? What is devolution and where are we headed in devolution?

For Devolution to achieve its intended purpose, a lot of aspects need to be examined to understand what devolution should be, what it is intended for and what needs to be fixed. This will ensure service delivery is taken closer to the citizenry efficiently and effectively.

I chose the words efficiently and effectively because these are the key issues affecting the success and perception of Devolution. Many things may be happening, but unless both levels of government perform their functions efficiently—ensuring proper management of resources—and effectively—ensuring actions are timely and impactful—progress will remain limited.

3. What reform initiatives is IGRTC implementing under KDSP II?

One of the mandates of IGRTC is to be able to

submit annual reports on resolutions of the summit to the legislature (The National Assembly and The Senate) and County Assemblies. Although it is expected by law, this has never been done before.

From the onset of devolution, it was expected that there should be about 12 or 13 reports that should have been submitted to the legislature which would in context:

- reflect the implementation of the devolved functions to the counties.
- reflect on the coordination, the ADR activities, opportunities that the summit has been able to seize, challenges that the summit would have been able to address.
- be able to give us an understanding of the challenges that we are facing in devolution. What would be the next options or solutions to seal those gaps, to strengthen devolution and to entrench devolution further.

The resolutions that have been made by the summit that have an impact on policy direction and legislative direction that would be done by either levels of government that will impact service delivery. So for lack of that, resolutions, decisions have been made, policy directions have been given but then it has not been conclusively handled as envisioned by law.

So that is what KDSP support would mean to IGRTC. It will ensure that IGRTC performs its mandate. It will be able to give us development of a framework that facilitates the summit resolution and submission to national assembly

Furthermore, the national assembly and county assemblies will have a framework and guidelines that enable them in the discussion and resolution on the same report and ultimately will be serving the Kenyan citizen.

4. What is the timeline for this report, and what progress has been made so far?

Internally, we have already started the process as it is one of our mandates. We are working backwards to harmonise the previous end of year reports that have been done by the summits. With the funding that we are getting through KDSP II, we have envisioned a situation where we have put our timelines because we know for sure by law, the summit is supposed to be held twice in a year.

Already we might not be able to have a report ready by June when we expect to have the first summit of the year, but we know by December there is going to be another summit. Through the support that we are getting from KDSP, our timeline is we would be able to have the first report. And through the guidelines that we have been able to develop, we will ensure that the report is submitted in this last summit of the year for submission to the legislatures.

5. What impact is expected once IGRTC fully implements its reforms under KDSP II?

The impact I see is in the fact that the legislature will have a better understanding of the summit output. As we speak, there is no direct link between the work of the Summit and the legislature. We have just unbundled our functions, and we are expected to have notified the national assembly, but for lack of guidelines, it becomes very difficult to have a link between the summit and the legislatures, and yet for every discussion, for every deliberation, for every resolution that has a policy direction, there should be a policy, a legislative draft, or regulations that would then endear the same resolutions or policy direction for implementation in both levels of government.

We are talking about one clear mandate for the national government, which is the setting of standards and norms. So if we don't have a link between the summit, which is the top decision-making organ for both levels of government, how then will the legislature persist on the matters that require enactment of law?

Through this, I foresee a situation where devolution will eventually have an immense impact on legislative

drafting, which will affect service delivery. It would be able to provide legislative solutions to the gaps that we already, through the 12 years of implementation of devolution, have been able to identify.

It will also strengthen the counties because, as we speak, there are two provisions in law where National government legislation and county government legislation intersect. County assemblies are expected by law to be able to adopt national legislation into their counties, like modern laws that will be able to reflect the county status. Secondly, through the standing orders, there would be messages sent from county assemblies to the senate.

6. Is there a situation where the National Assembly, Senate, and County Assemblies are discussing a matter on a common platform on a common matter on the same report?

We have reports from controller of Budget, and we have reports from the Auditor General, which are delivered to either list of both the legislatures, but they are deliberated on the same platform. Look at the Auditor General's report; the County Assemblies deliberate on the report, but they can't summon the governor.

The same report is discussed at the National Assembly and Senate, and Governors are summoned, so where are the standards? Those are among the few gaps that I'm saying this report that is envisioned in law from the Summit will give us now a platform where resolutions are made and agreed upon by the county governors and the president.

It is expected there will be a summit recommendation. What are they recommending to the legislatures? What action would be expected of the legislatures?

So for me, I look at the impact being one on policy, two on legislation, and by extension service and even the coordination and collaboration because of the simple fact that the county assemblies, senate, and national assembly will be discussing the same report and expecting that they will come up with a recommendation based on the same that will provide a solution for the government.

7. How can we improve collaboration between Counties and the National Government?

The constitution recognises the fact that none of the levels of government can exist without the other. If that is appreciated by the leadership and facilitated by the technical civil servants and every Kenyan worker in whatever platform that they are in and recognise that to facilitate that, then coordination and collaboration will help this country in achieving a lot.

From where we sit as IGRTC, because the law mandates us to have created mechanisms that require or that will



C.E.O IGRTC Dr. Kipkurui Chepkwony following proceedings during the KDSP II official launch at Enashipai Resort, Naivasha

be able to facilitate coordination and collaboration, we have sector forums that are envisioned in law.

if both levels of government embrace the sector working groups and agree to have matters discussed through the sector forums that are well structured, we will have a well- structured conversation and build consensus on issues of interest to both levels of government which by extension is of interest to the Kenyan citizenry.

That collaboration would be of service to Kenyans, and it is important that we appreciate that every discussion at whatever level is geared towards ensuring efficient provision of services the Kenyan citizenry

8. Where are we regarding the process of unbundling the functions from the National Government, and why is it crucial for Devolution?

Schedule Four of the constitution already assigns and delegates certain functions. Where there was ambiguity or a lack of clarity, we clarified it.

Some of the functions in the unit we unbundled are only one statement or one large function, but they contain a good number of components, an excellent example is on

health. Health has both preventive and curative function.

What does that signify? What is meant by curative? Which components fall under the curative category? Which components fall under preventive care? Another example is water. Water conservation, water dams, water pans, and water reticulation. These are the components for which we have completed unbundling. To clarify, some functions were delegated to both levels of government, but it was unclear to what degree.

To illustrate this, let me give a very good example. county transport road networks: How much county transport is handled by the county, and what part does the national government play in county transport? Now, as devolution is being implemented, we are realising that there have been challenges created by a lack of common understanding on what a function means or what implementation of a function means. That is one reason we are doing clarification. When Kenyans have expectations, they know who is expected to perform what role and to what extent.

Therefore, when you ask what the impact would be on resources, which in this case would include assets, human resources, and finances, they would expect that once we have completed the process

of unbundling clarification and alienation, there would be attendant resources to the functions as we transfer them through gazetted men.

Additionally, this makes it easier for both levels of government, including the citizens, to understand these government mandates. It is also anticipated that resources that are identified and related to the function will be transferred to the appropriate level of government. There will be resources that go to the counties, and there will also be resources that go to the national government, which will result in greater impact, in that counties are projected to receive increased funding through the budget process considering the new components of the functions I have received.

Additionally, some national government agencies that are carrying out their mandates in accordance with the elements that have moved will have to give up all of their resources, including human resources, and it may even result in the repeal of the laws that gave them life. To put it simply, they vanish.

9. Where do you see Devolution heading, and what should the KDSP II program achieve in the next decade?

I like the choice of the word in a decade , though realistically, we need another 20 years for us to have full implementation and full understanding of devolution.

In my view Kenyan citizens approved and adopted devolution but did not fully understand what they want in devolution. That is why citizens are still asking questions to the wrong people and the wrong people answering the wrong questions, because even at the either level of government , the officers serving, whether at the policy level or at the administrative level, we still do not have a full understanding of what devolution is.

We still need time to implement some of the elements as specified in the constitution. A very good example is the framework on how we develop the summit report. How do we handle the summit report? It tells you we are not fully implementing devolution.

Looking at the next 20 years I think with the reforms that are ongoing should focus more sensitization, public participation and understanding of what devolution would be and that understanding will come through experiencing devolution.

Ultimately when we arrive at the point where we are saying that devolution has fully been implemented, I see a country that will be better developed and a citizenry who will be more satisfied . I see a citizenry that will be more involved and appreciative of a government. a government that will be better structured, a government that will be serving the citizenship more effectively and more efficiently



“Looking at the next 20 years I think with the reforms that are ongoing should focus more sensitization, public participation and understanding of what devolution would be and that understanding will come through experiencing devolution.”

-IGRTC, C.E.O Dr. Kipkurui S.Chepkwony, MBS



Governors pose for a group photo during the official launch of the KDSP II program in Enashipai Resort, Naivasha

Council of Governors (CoG)

Streamlining Performance Management, Public Participation and Strengthening Finance and Expenditure Management in the Counties



Ms Mwiti's confidence and devotion to Devolution is practically infectious. In her own words, there can never be an iota of reservation regarding Devolution, she talks, live and sleep devolution. we sat down with the Council of Governors C.E.O, Ms Mary Mwiti, for a thought provoking conversation on devolution, the KDSP II program and the reforms initiatives to be spearheaded by the Council.

In her words, Devolution is not about county governments, it's not about Governors, it's about everybody from the national government, private sector, development partners, and everybody in this country.



Ms. Mary Mwiti, Chief Executive Officer, CoG

1.What is the overall mandate of the Council of Governors(CoG)?

The Council of Governors is an institution that was established through the Intergovernmental Relations Act 19. Its co-mandate is;

- i) To ensure that we coordinate the 47 governments and ensure that the issues of the common interest for the 47 governments are addressed centrally at one point.
- ii) To ensure continuous sensitisation and capacity building for the structures of the devolved units.
- iii) To ensure that there is a clear coordination between the 47 governments, the national government, private sector, development partners, civil society and any other institution that would want to reach to the 47 governments.

2.What does Devolution mean to you?

To me, devolution is very simple. The fact that we can be able to access services at the closest door of every mwananchi, for me that is devolution. The fact that we have healthcare working for the lowest common mwananchi, that people no longer travel from the remote counties to come for dialysis at Kenyatta Hospital, for me that is devolution.

The fact that we can go to a nearest county government's office, get approvals for planning of the houses and the like, for me that is devolution. The fact that the little children can be able to access basic education in the ECD centres that was initially not coordinated, not structured with a strict career guideline that is operational, standardised, for me that is devolution. The fact that power and responsibility rests with the people and they can be able to directly relate with the government leadership at the lowest level, for me that is devolution.

3.Under KDSP II, what reform initiatives is CoG implementing?

Initially we had the KDSP I that was extremely successful.

KDSP I came to address and strengthen the county system structures, in terms of finance and expenditure management, performance management, and ensuring service delivery and improvement across all the County Governments. After the success of KDSP I, that was basically setting in systems and structures.

Based on the priority and the challenges that were realised in KDSP I, there was need for the KDSP II

to address and strengthen systems and structures in terms of performance management, finance and expenditure management, entrenching a functional performance management system across all the 47 governments, and ensuring that we strengthen the public participation so that the voices of the common mwananchi are actually heard.

KDSP II has come in handy to ensure that we strengthen systems in those four areas. The component that you're leading is performance management, public participation, strengthening finance and expenditure management at the lowest level.

4.How is CoG promoting public participation?

The constitution of Kenya has placed public participation -- going to hear the voices of the masses, so that as you do your planning, you're doing planning not seated in a lobby, not seated in an office, but you're doing and conceiving government projects that are tailor-made to suit and address the needs of the common mwananchi.

People being at the lead to ensure that they put their government to account is an integral part of public participation. It is two-way, that the public is accountable to the leadership, and the leadership too is accountable to the public.

This will ensure that once the voices of the masses are heard, the County Governments will not only sit on a table to just decide that they are going to fix a road moving forward to this area but also get consent from the people hence there is an overly acceptability of the development that is ongoing.

Public participation in this time and age is extremely critical. That is why you see many of the bills, policies, acts, strategies that are passed without passing through public participation and hearing the voices of people have been nullified by the courts.

It is desirable to see the courts ensure that, moving forward, the voices of ordinary citizens are reflected in every decision made in the country.

“Public participation in this time and age is extremely critical. That is why you see many of the bills, policies, acts, strategies that are passed without passing through public participation and hearing the voices of people have been nullified by the courts. It is desirable to see the courts ensure that, moving forward, the voices of ordinary citizens are reflected in every decision made in the country”

—Ms. Mary Mwiti, Chief Executive Officer, CoG

5.What makes KDSP II different?

KDSP II programme is a unique programme because it has come to address the critical needs and priorities of the lowest levels of government.

County Governments are still new thirteen years down the line and are seeking for continuous improvement on ensuring that service delivery is improved and that the desired gains are sustained.

If you look at KDSP I, the structure is the same, but KDSP II is really addressing the component of sustainability, so that the structure that we're going to establish for performance management will continue even after the KDSP II programme is done.

All the 47 County Governments have signed functional performance contracts for each and every employee. In that KDSP II's constant capacity building and monitoring and evaluation will be able to improve on service delivery.

The moment performance contracting at the lowest level is established, service delivery will be enhanced and sustainability will be obtained.

6. What factors have led to the successful adoption of KDSP II by counties?

The KDSP II programme was conceived on a very good platform, where it involved all the levels of government.

First, from the technical person in the co-creation of the programme. The programme was not designed by the World Bank. It was actually a whole inclusive co-creation process by the State Department of Devolution, the World Bank, county governments, and managed by the Council of Governors.

The technical people took part and talked about the four strategic areas that addressed the pressing needs, and this is what they seek KDSP II to address.



“KDSP II has come in handy to ensure that we strengthen systems in those four areas. The component that you’re leading is performance management, public participation, strengthening finance and expenditure management at the lowest level.”

-Ms. Mary Mwititi, Chief Executive Officer, CoG

A lot of validation and sensitization has been done at the highest levels, including organizing a conference for all Governors to inform them and bring them up to speed on the progress of the KDSP II project.

There is strong buy-in from the Governors, as this programme is aimed at improving service delivery — which is the core mandate of county governments: to ensure that service delivery is enhanced, improved, and sustained.

7. What is the message to Governors and County Leadership regarding KDSP II?

We are here to ensure accountability to the people, and here is a programme that has come to ensure that we build systems and structures, we leave tests of time and will ensure that service delivery is guaranteed in the four areas.

To the governors, I want to thank you most sincerely for believing in this programme, and of course being in the forefront in championing the components that have been designed and programmed for KDSP II

8. What is your vision for Devolution?

Devolution is everything. I walk, I talk, I live, I sleep devolution. Why? The fact that I no longer

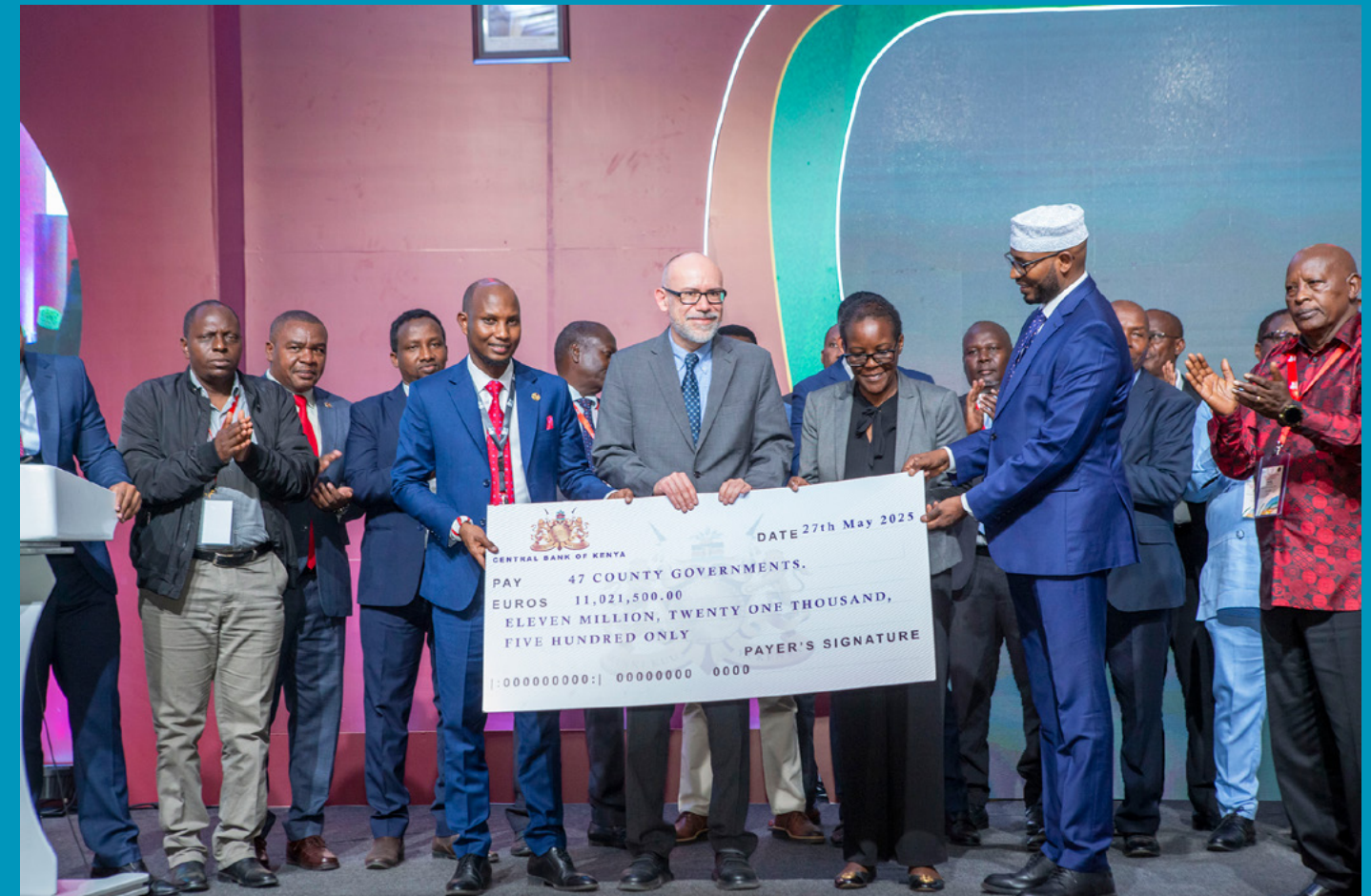
have to buy insulin from Nairobi for my aunt in the rural area because she just walks 200 metres to the nearest health centre and gets an insulin jab and can be treated in her house by a nurse.

These are among the reasons devolution is here to stay, — it is better off than any centralised form of government.

9. Parting shot?

People think that devolution is about county governments. Devolution is not about county governments, it is about everybody in this country. If we want to spur growth and development, we must actually have that growth at the lowest level. If you really want to ensure that there’s sustained growth in this country, then you must be diligent about what happens in the devolution space.

So for that reason, devolution affects everybody, whether you’re Nairobi or Mombasa, you come from a county, and for services to be delivered to the lowest person that is so required, then you must ensure that devolution works. So devolution is not about county governments, it’s not about governors, it’s about everybody from the national government, private sector, development partners, and everybody in this country.



(from Left) PS SDD Michael Loikenu Lenasalon , Manuel Vargas, Practice Manager, Institutions Global Practice, East Africa Region(middle) , Anne Bakilana, Manager Operations, Kenya, Rwanda , Somalia and Uganda & H.E FCPA Ahmed Abdullahi, EGH · Chairperson Council of Governors during the ceremonial cheque handover at the official launch of the KDSP II program in Naivasha.



Group photo of participants during a Public Service Commission workshop held at the Lake Naivasha Resort



Principal Secretary State Department of Devolution Michael Loikenu Lenasalon addresses members of the press at the sidelines of a Project Management Committee sensitization workshop held in Machakos. Flanked by (from left) KDSP II National Program Coordinator Dr Samuel Nyaga and (Far right) Kennedy Nyambati : Director , County Capacity Building and Technical Assistance



Immediate Former PS SDD, Terry Mbaika (Left) and Laikipia Governor Joshua Irungu during the Signing of the KDSP II participation Agreement



Immediate Former PS SDD , Terry Mbaika (center) and Bungoma Governor Kenneth Lusaka during the Signing of the KDSP II participation Agreement



(from Left) KDSP II KRA 1 Manager Peter Akwalu , Kennedy Nyambati : Director , County Capacity Building and Technical Assistance and Kajiado Governor Joseph Ole Lenku during the signing of the KDSP II Participation Agreement.



(Left) Kennedy Nyambati : Director , County Capacity Building and Technical Assistance and Kajiado Governor Joseph Ole Lenku during the signing of the KDSP II Participation Agreement.



KDSP II National Program coordinator Dr Samuel Nyaga makes his remarks during the Sensitization Workshop for County Chief Officers – Devolution and County program coordinator



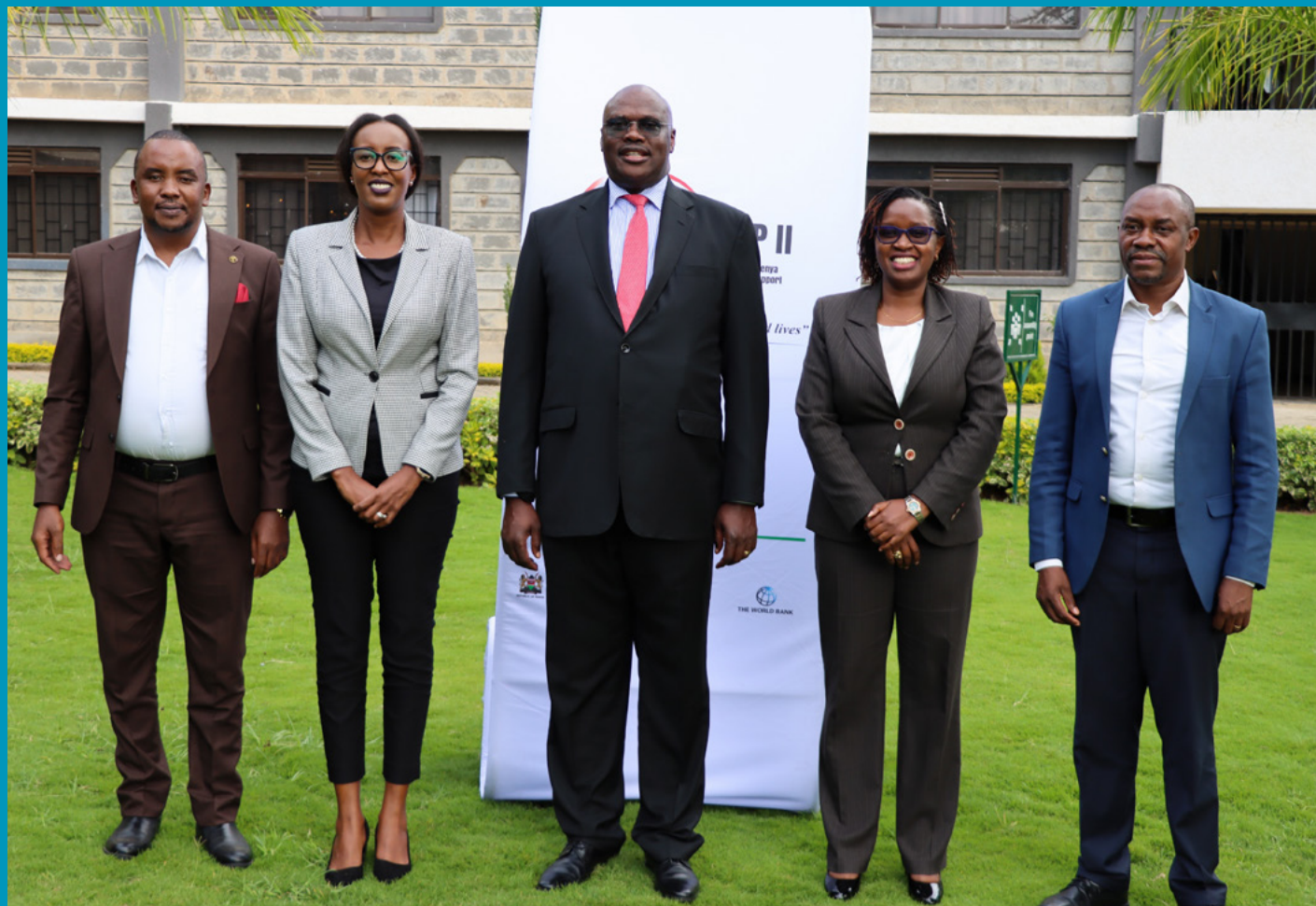
From left)Nichodemus Bwika (Council of Governors) Peter Akwalu (State Department for Devolution) Dr. Lucy Kiogora. Chief Officer – Devolution, Nyeri County Government, Teresia Mbaika, PS Devolution , Lucy Musira Senior Public Sector Specialist, Tina Owuor, Senior Public Sector Specialist World Bank share a moment during the Second World Bank Implementation Support Mission Kenya Devolution Support Program (KDSP II) at the Lake Naivasha Resort



Participants during a Grievance Redress Management Report Writing at Syokimau



Fiduciary training for County Officials at Lemaiyan Suites, Naivasha



From left Stephen Mukilya, Dorothy Jemator Kimagech (CAJ Vice Chairperson), Charles Dulo (CAJ Chairperson), Mercy Kalondu (Commission Secretary/ C.E.O) and Jonathan Mbului (KDSP II GRM Specialist).



Devolution Sector Working Group Technical Team meeting at PrideInn Azure Westlands, Nairobi



Project Management Committee in Machakos



Project Management Committee in Homabay



2025 Mazingira Day at South Horr, Samburu



2025 Mazingira Day at South Horr, Samburu



Public Service Week Exhibition 2025 held at KICC



2025 Youth Devolution festival in Kajiado County

KDSP II National Program Coordination Unit



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National Program
Coordinator -



Peter Akwalu
Key Result Area I
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Ruth Musau
Key Result Area II
Manager



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Jonathan Mbului -
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Management (GRM)



Timothy James -
Intergovernmental
Relations (IGR)



Jill Mureri
Occupational Safety and
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