



**KEY NOTE ADDRESS BY HON. DALMAS OTIENO ANYANGO, EGH, MP, MINISTER OF STATE FOR PUBLIC SERVICE, REPUBLIC OF KENYA, ON CHALLENGES IN MAKING DEVELOPMENT MORE EFFECTIVE, DURING THE SECOND REGIONAL MEETING ON AID EFFECTIVENESS, SOUTH-SOUTH COOPERATION & CAPACITY DEVELOPMENT: 4<sup>TH</sup> – 5<sup>TH</sup> NOVEMBER, 2010 IN TUNIS, TUNISIA**

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**HONOURABLE MINISTERS,  
YOUR EXCELLENCIES,  
DISTINGUISHED DELEGATES,  
LADIES AND GENTLEMEN,**

I WISH TO EXPRESS MY PROFOUND GRATITUDE FOR THE HOSPITALITY EXTENDED TO MY DELEGATION SINCE ARRIVING IN THIS BEAUTIFUL CITY OF TUNIS. IT IS A GREAT HONOUR AND PRIVILEGE TO PARTICIPATE IN THIS SECOND REGIONAL MEETING ON AID EFFECTIVENESS, SOUTH-SOUTH COOPERATION AND CAPACITY DEVELOPMENT.

I AM HERE TODAY IN TWO CAPACITIES, AS THE MINISTER IN CHARGE OF PUBLIC SERVICE IN KENYA

AND AS THE CHAIRPERSON OF THE CONFERENCE OF AFRICAN MINISTERS OF PUBLIC /CIVIL SERVICE.

AS WE EMBARK ON THIS EXERCISE OF REVIEWING THE PROGRESS MADE IN IMPLEMENTING THE PARIS DECLARATION ON AID EFFECTIVENESS, AND THE ACCRA AGENDA FOR ACTION AND TO SET PRIORITIES FOR AID DEVELOPMENT, IT IS IMPERATIVE THAT WE INTERROGATE AND IDENTIFY THOSE ISSUES WHICH ARE FUNDAMENTAL TO ENSURING THAT AID RECEIVED BY AFRICAN COUNTRIES CONTRIBUTES TO ATTAINMENT OF OUR RESPECTIVE NATIONAL ASPIRATIONS AND THE MILLENNIUM DEVELOPMENT GOALS.

THE STARTING POINT, DISTINGUISHED PARTICIPANTS, IS TO ADDRESS THE FOLLOWING QUESTIONS:

- a) AID, IN ONE FORM OR ANOTHER, HAS BEEN EXTENDED TO AFRICAN COUNTRIES FOR SEVERAL DECADES, TO WHAT EXTENT HAS IT CONTRIBUTED TO DEVELOPMENT IN AFRICA TODAY?
- b) IS THE PROBLEM THE MANNER AND FORM THE AID IS GIVEN OR IS IT OUR INSTITUTIONAL CAPACITY TO UTILIZE THE AID? AS YOU ALL KNOW, THESE AND OTHER SIMILAR QUESTIONS HAVE BEEN THE SUBJECT OF VERY MANY SCHOLARLY RESEARCH AND DEBATES. DIVERSE OPINIONS EXIST ON WHAT AFRICAN COUNTRIES NEED TO DO TO DEVELOP THEIR ECONOMIES.

**LADIES AND GENTLEMEN,**

DEVELOPMENT AID IS ONLY GOING TO HAVE IMPACT IN OUR SOCIETIES WHEN WE ENSURE THAT WE HAVE

IN PLACE EFFICIENT AND EFFECTIVE PUBLIC ADMINISTRATIONS WHICH DEPEND ON WELL-FUNCTIONING INSTITUTIONAL STRUCTURES, SYSTEMS AND SKILLED DEDICATED AND HIGHLY MOTIVATED PUBLIC SERVANTS. AFRICAN GOVERNMENTS MUST ENSURE THAT PUBLIC SERVICE HUMAN RESOURCE SKILLS ARE CONSTANTLY UPGRADED, LEADERSHIP QUALITIES ENHANCED, INTEGRITY AND PROFESSIONALISM DEVELOPED TO ENSURE COUNTRIES FORMULATE AND IMPLEMENT REFORMS NECESSARY FOR SOCIAL AND ECONOMIC DEVELOPMENT. THESE REFORMS SHOULD EMANATE FROM NATIONAL PRIORITIES RATHER THAN FROM PRESCRIPTIONS FORCED FROM OUTSIDE WHICH ARE NEITHER HOME GROWN NOR SUSTAINABLE.

**LADIES AND GENTLEMEN,**

THE DEVELOPMENT OF EFFECTIVE AND EFFICIENT PUBLIC ADMINISTRATION AS WELL AS WELL FUNCTIONING INSTITUTIONS LARGELY DEPENDS ON THE QUALITY OF TOP LEADERSHIP. THE TOP LEADERSHIP HAS TO BE VISIBLE, STRONG, CONSISTENT BOTH AT POLITICAL AND ADMINISTRATIVE LEVELS. IMPROVEMENT IN PERFORMANCE OF PUBLIC SERVICES IS NOT LIKELY TO OCCUR WITHOUT THE OVERT AND ENTHUSIASTIC SUPPORT OF TOP LEADERSHIP. GOVERNMENT LEADERS NEED TO BE TECHNICALLY COMPETENT, POLITICALLY ASTUTE AND SKILLED IN ADDRESSING INSTITUTIONAL NEEDS AND CHALLENGES IN THIS VERY DYNAMIC GLOBAL ENVIRONMENT, WHERE THINGS ARE CHANGING RAPIDLY.

IN THIS REGARD, WE NEED TO REFOCUS OUR ENERGIES TO DEVELOP LEADERSHIP AND MANAGEMENT SKILLS UP TO TOP LEVELS IN GOVERNMENT. THIS WILL ENSURE POOLS OF RESOURCEFUL LEADERS AND MANAGERS ARE AVAILABLE IN EACH OF OUR COUNTRIES TO SUPPORT NATIONAL DEVELOPMENT.

**LADIES AND GENTLEMEN,**

THE DEVELOPMENT OF THE APPROPRIATE HUMAN RESOURCE CAPACITY IN THE PUBLIC SECTOR MUST GO HAND IN HAND WITH STRATEGIES TO ERADICATE CORRUPTION. CORRUPTION IS ONE SYMPTOM OF POOR ADMINISTRATION AND MISMANAGEMENT. A CORRUPT CULTURE ALLOWS UNSCRUPULOUS PUBLIC OFFICIALS TO EXPLOIT OPPORTUNITIES TO PUT SELF-INTEREST ABOVE PUBLIC INTEREST, CONTRARY TO

THE REQUIREMENTS OF GOOD GOVERNANCE. PROMOTING ETHICS AND COMBATING CORRUPTION IN SOCIETY DIRECTLY CONTRIBUTES TO POSITIVE IMPLEMENTATION OF THE NATIONAL DEVELOPMENT AGENDA AND FAST TRACKS THE CAPACITY TO UTILIZE AID FOR THE INTENDED PURPOSES. WE ALL APPRECIATE THAT ANY DIVERSION OF PUBLIC RESOURCES INTO PRIVATE POCKETS DIRECTLY REDUCES THE AVAILABLE RESOURCES FOR THE ACHIEVEMENT OF THE DEVELOPMENT GOALS. A PERFORMANCE MANAGEMENT SYSTEM WILL ASSIST IN ENSURING THAT WE ARE ABLE TO MEASURE PROGRESS, EVALUATE INSTITUTIONAL AS WELL AS INDIVIDUAL PERFORMANCE, REWARD GOOD PERFORMERS AND SANCTION NON PERFORMERS. GENERALLY IT ENABLES US GENERATE PERFORMANCE DATA AND INFORMATION WHICH THEN BECOMES THE

BASIS FOR SEEKING IMPROVEMENT AND ESTABLISHING GOOD PRACTICES FOR PURPOSES OF BENCHMARKING AND REPLICATION.

A KEY REQUIREMENT FOR AID EFFECTIVENESS IS THEREFORE A CREDIBLE PERFORMANCE MANAGEMENT SYSTEM.

**DISTINGUISHED PARTICIPANTS,**

ALLOW ME AT THIS STAGE TO GIVE YOU AN INSIGHT ON THE VISION OF THE AFRICAN MINISTERS OF PUBLIC/CIVIL SERVICE IN RELATION TO BUILDING CAPABLE HUMAN RESOURCES TO STEER THE DEVELOPMENT OF THE AFRICAN MEMBER STATES UNDER THE CONFERENCE OF AFRICAN MINISTERS FOR PUBLIC/CIVIL SERVICE REFERRED TO AS CAMPS.

CAMPS IS A PROGRAMME UNDER THE AUSPICES OF AFRICAN UNION WHOSE VISION IS TO BUILD CAPABLE DEVELOPMENTAL STATES IN AFRICA OVER A LONG-TERM PERIOD OF TEN YEARS. CAMPS THEME IS CAPACITY DEVELOPMENT FOR THE FUTURE CAPABILITY OF THE AFRICAN PUBLIC SERVICE. THE THEME REFLECTS FUTURE PLANNING AROUND HUMAN CAPACITY DEVELOPMENT FOR THE AFRICAN UNION MEMBER STATES. IT EMERGED FROM A REALIZATION THAT SHORT TERM INTERVENTIONS HAVE DIVERTED ATTENTION FROM THE NEEDS OF LONG TERM STRATEGY FOR PUBLIC ADMINISTRATION CAPACITY DEVELOPMENT.

THE MINISTERS ADOPTED A LONG TERM STRATEGY TO GUIDE THE IMPLEMENTATION OF THIS VISION. THE LONG TERM STRATEGY HAS IDENTIFIED SIX PILLARS

WHICH REPRESENT KEY LEVERS OF A SYSTEM THAT WHEN TRANSFORMED WILL PROPEL ACHIEVEMENT OF THE VISION OF TURNING AFRICAN STATES INTO DEVELOPMENT STATES. THE PILLARS ARE:

1. SERVICE DELIVERY AND DEVELOPMENT
2. HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT
3. INFORMATION AND COMMUNICATION TECHNOLOGY IN PUBLIC SERVICE
4. ORGANIZATIONAL AND INSTITUTIONAL DEVELOPMENT
5. BUDGETING AND RESOURCE MOBILIZATION ; AND
6. MONITORING AND EVALUATION.

FINANCIAL SUPPORT FROM INTERNATIONAL AS WELL AS NATIONAL SOURCES TO DEVELOP CAPACITIES

ALONGSIDE THESE PILLARS WILL STRENGTHEN INSTITUTIONAL CAPACITY IN AFRICAN COUNTRIES AND STEER DEVELOPMENT AGENDA IN THE CONTINENT TO PROGRESSIVELY BECOME DEVELOPMENTAL STATES.

THE CONFERENCE OF MINISTERS LONG TERM STRATEGY SPELS OUT THE VISION OF A CAPABLE DEVELOPMENTAL STATE AS ONE THAT ENSURES A BETTER LIFE OF ITS CITIZENS; THAT PROMOTES POPULAR PARTICIPATION AND THE INDIGENOUS OWNERSHIP OF ITS ENTIRE DEVELOPMENT AGENDA; BASED ON MERITOCRACY AND DRIVEN BY SERVICE TO ITS CITIZENRY, THAT HAS SOUND SYSTEMS OF PUBLIC ADMINISTRATION DECENTRALIZED, HAS TRANSPARENCY AND ACCOUNTABILITY TO ITS CITIZENRY AND TO ITS INSTITUTIONS AS CENTRAL TENETS; HAS SOUND MACRO-ECONOMIC FRAMEWORK

THAT ERADICATES POVERTY AND SURPASSES THE MINIMUM STANDARDS SET BY THE MILLENIUM DEVELOPMENT GOALS, MOBILIZES, BUDGETS AND MANAGES ITS PUBLIC FINANCES EFFECTIVELY AND IS UNDERPINNED BY DEMOCRATIC POLITICS.

CONCERTED EFFORT AND CLEAR COMMITMENT BOTH AT NATIONAL, REGIONAL AND INTERNATIONAL LEVELS TO ALLOCATE RESOURCES TO DEVELOP THESE CAPACITIES WILL DEFINITELY BEAR RESULTS IN TERMS OF COUNTRIES ABILITIES NOT ONLY TO UTILIZE AID, WHICH SHOULD BE A SHORT TERM MEASURE ANYWAY, BUT WILL ASSIST TO CREATE CAPACITY TO GENERATE NATIONAL WEALTH TO ENSURE THAT OUR ECONOMIES ARE NOT AID-DEPENDANT.

WE ASKED OURSELVES IN CAMPS A FEW IMPORTANT QUESTIONS “WHO ARE THE BENEFICIARIES OF THE DONOR SUPPORT WE RECEIVE? ARE THERE ISSUES WE HAVE NOT TACKLED TO IMPROVE THE EFFECTIVENESS OF AID? WHAT ACTIONS DO WE TAKE TO MAXIMIZE THE USE OF RESOURCES FOR CAPACITY DEVELOPMENT AND POSSIBLY REDUCE UNDUE RELIANCE ON AID? WHEN DO WE INTEND TO ADDRESS SUCH ISSUES IF NOT NOW?”

## **LADIES AND GENTLEMEN,**

LET ME TURN TO THE ACTIONS WE HAVE TAKEN IN KENYA IN RESPONSE TO THE ABOVE QUESTIONS. WE HAVE NOT ONLY REBUILT PUBLIC INSTITUTIONS AND INDIVIDUAL SKILLS OF THE PUBLIC SERVANTS, BUT HAVE ALSO EFFECTED CHANGES IN MANY AREAS OF

OUR PUBLIC LIFE IN LINE WITH THE PRINCIPLES OF RESPONSIBILITY, RESPONSIVENESS AND ACCOUNTABILITY, ALL OF WHICH UNDERLIE EFFECTIVE UTILIZATION OF PUBLIC RESOURCES.

IN PARTICULAR, WE HAVE ESTABLISHED MEASURES AND STANDARDS OF PERFORMANCE AND ACCOUNTABILITY IN OUR SYSTEMS OF GOVERNANCE. WE HAVE EFFECTED RADICAL CHANGES IN PUBLIC FINANCIAL MANAGEMENT AND PROCUREMENT OF GOODS AND SERVICES. SOME OF THE CAPACITY DEVELOPMENT STRATEGIES BEING PURSUED IN KENYA AND WHICH HAVE IMMENSELY CONTRIBUTED TO THE REDUCTION IN OVER RELIANCE ON AID FUNDED BUDGETS INCLUDE; THE INTRODUCTION OF MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF) IN OUR PUBLIC FINANCIAL SYSTEM. MTEF INCORPORATES

PLANNING, POLICY AND BUDGETING. WE HAVE ALSO REFORMED OUR TAX ADMINISTRATION SYSTEM RESULTING IN DIVERSIFICATION AND INCREASE OF OUR REVENUE SOURCES. THE CAPACITY OF THE GOVERNMENT TO COLLECT TAXES HAS THEREFORE IMPROVED TREMENDOUSLY.

**LADIES AND GENTLEMEN,**

KEY TO AN EFFICIENT AND EFFECTIVE PUBLIC SERVICE IS A COMPETENT AND SKILLED WORKFORCE. THE GOVERNMENT OF KENYA HAS DEVELOPED CAPACITY OF PUBLIC SERVICE MANAGEMENT DEVELOPMENT INSTITUTIONS TO BE CENTRES OF EXCELLENCE IN THE TRAINING OF PUBLIC SERVANTS BY MODERNIZING THEIR PHYSICAL FACILITIES, TECHNOLOGY AND HUMAN CAPACITY. THIS STRATEGY HAS

NECESSITATED DEVELOPING A POLICY FRAMEWORK FOR TRAINING AND DEVELOPMENT THAT ENSURES A PUBLIC SERVICE WHICH IS IN TANDEM WITH MODERN TRENDS IN SERVICE DELIVERY.

WE HAVE ALSO EFFECTED FINANCIAL MANAGEMENT AND SUPPLY CHAIN MANAGEMENT REFORMS BY ESTABLISHING STRINGENT SYSTEMS AND INSTITUTIONS WHILE OTHERS HAVE BEEN RECONSTITUTED. NEW REGULATIONS IN PUBLIC FINANCIAL MANAGEMENT AND INFORMATION SYSTEM SUCH AS INTEGRATED FINANCIAL MANAGEMENT INFORMATION SYSTEM (IFMIS) AND GOVERNMENT PAY SYSTEM (G-PAY) HAVE BEEN PUT IN PLACE. UNDER PUBLIC SERVICE REFORMS, A RESULTS-BASED MANAGEMENT SYSTEM HAS BEEN ADOPTED.

IN AUGUST THIS YEAR, WE ADOPTED A NEW CONSTITUTION THAT HAS ENTRENCHED CONTROLS ON THE EXERCISE OF THE POWERS OF GOVERNMENT. THE CONTROLS NOW ENSURE THAT PUBLIC OFFICERS ARE OBLIGED TO EXERCISE POWER WITH MORE HONESTY, RESPONSIBILITY AND ACCOUNTABILITY. A DEVOLVED GOVERNMENT WILL BE ESTABLISHED IN EACH OF 47 COUNTIES AND RESOURCES ACCORDINGLY ALLOCATED.

WE RECOGNIZE THAT CORRUPTION AND LACK OF TRANSPARENCY ERODE PUBLIC SUPPORT. THEY ALSO IMPEDE EFFECTIVE RESOURCE MOBILIZATION AND ALLOCATION. THESE VICES DIVERT RESOURCES AWAY FROM ACTIVITIES THAT ARE VITAL FOR POVERTY REDUCTION AND SUSTAINABLE ECONOMIC

DEVELOPMENT. A RENEWED FIGHT AGAINST CORRUPTION IS ON-GOING.

THE REFORMS UNDERTAKEN IN ALL THESE SECTORS WILL CONTRIBUTE SIGNIFICANTLY TO THE IMPROVEMENT OF THE QUALITY OF LIFE FOR OUR CITIZENS, AS WELL AS EFFICIENCY IN THE USE OF RESOURCES AND SERVICE DELIVERY. ALTHOUGH A LOT OF PROGRESS HAS BEEN ACHIEVED THROUGH DONOR ASSISTANCE, OUR FUTURE GOAL IS TO EMBARK ON A PATH OF SELF-RELIANCE TO SUSTAIN THE REFORMS ON ALL FRONTS.

**LADIES AND GENTLEMEN,**

THE KENYA CAPACITY DEVELOPMENT PROGRAMMES INCLUDE IMPROVED ENROLMENT RATES UNDER FREE

PRIMARY EDUCATION, SUBSIDISED MEDICAL SERVICES FOR PEOPLE INFECTED WITH HIV/AIDS IN OUR PUBLIC HEALTH FACILITIES, A BROADER SOURCE OF REVENUE FOR THE COUNTRY THUS EASING THE BURDEN ON OUR DEVELOPMENT PARTNERS AND MOVING TOWARDS SELF-RELIANCE. WE SHALL HAVE A WELL INFORMED, MOTIVATED AND PERFORMANCE ORIENTED PUBLIC SERVICE THAT EMBRACES THE ETHOS OF PERFORMANCE MANAGEMENT AND CONTRACTING SYSTEM WHERE RESULTS BASED MANAGEMENT IS THE GUIDING PHILOSOPHY. PERFORMANCE CONTRACTING, RAPID RESULTS INITIATIVE, SERVICE CHARTERS AND A MORE INCLUSIVE PERFORMANCE APPRAISAL SYSTEM HAVE BECOME PART AND PARCEL OF THE PUBLIC SECTOR MANAGEMENT REGIME. THIS ACHIEVEMENT WAS NOTED BY THE UNITED NATIONS, WHICH AWARDED KENYA THE UNITED NATIONS PUBLIC

SERVICE AWARD FOR IMPROVING TRANSPARENCY AND ACCOUNTABILITY. KENYA HAS BEEN HOSTING A NUMBER OF COUNTRIES SEEKING TO LEARN FROM OUR EXPERIENCE. WE HAVE MADE THESE STRIDES WITH THE ASSISTANCE OF A NUMBER OF DEVELOPMENT PARTNERS.

**SO, LADIES AND GENTLEMEN,**

THE THRUST OF MY SPEECH IS THAT AID NEED NOT IMPAIR THE INNATE CAPACITY OF DEVELOPING COUNTRIES TO MANAGE THEIR PUBLIC AFFAIRS EFFECTIVELY. AID SHOULD INDEED COMPLEMENT AND NOT SUBSTITUTE THAT INITIATIVE. AID SHOULD IN FACT STRENGTHEN A COUNTRY'S CAPACITY TO SUSTAIN ITSELF IN THE LONG RUN INSTEAD OF CREATING A DEPENDENCY CULTURE.

KENYA IS CURRENTLY NOT AN AID-DEPENDENT COUNTRY. IN THE 1990S, DONOR SUPPORT DECLINED FOLLOWING POLITICAL GOVERNANCE ISSUES AT THE TIME. WE EXPERIENCED TWO AID FREEZES IN 1992 AND 1997. DURING THE PERIOD, DONOR SUPPORT ACCOUNTED FOR 20% OF THE COUNTRY'S BUDGET AND FINANCED OVER 80% OF DEVELOPMENT BUDGET. THE COUNTRY HAS CONTINUED TO WEAN ITSELF FROM DONOR RELIANCE AND CURRENTLY, DONOR SUPPORT ACCOUNTS FOR ONLY 5% OF THE ANNUAL BUDGET. THIS IS THE RESULT OF VERY GOOD MACRO-ECONOMIC MANAGEMENT AND THE CONTINUED REFORMS IN THE COUNTRY'S TAX ADMINISTRATION SYSTEM.

**LADIES AND GENTLEMEN,**

THE EXPERIENCE KENYA HAS HAD IS THAT WITH POLITICAL AND SOCIAL STABILITY, COUPLED WITH PRUDENT FINANCIAL MANAGEMENT, WE CAN EFFECTIVELY MANAGE OUR PUBLIC AFFAIRS IN WAYS THAT CREATE AND REDISTRIBUTE THE COUNTRY'S WEALTH TO ALL CITIZENS REGARDLESS OF STATUS OR REGION. WE HAVE DRAWN, AS A COUNTRY, MANY LESSONS FROM THE CAPACITY DEVELOPMENT INITIATIVES UNDERTAKEN FROM PARIS AND ACCRA PRINCIPLES OF COUNTRY DEVELOPMENT THEREBY WITNESSING REDUCED AID DEPENDENCY.

**LADIES AND GENTLEMEN,**

KENYA IS NOW SLOWLY MOVING TOWARDS RELYING ON INTERNALLY GENERATED FUNDS FOR BUDGET SUPPORT. HOWEVER, DONOR AID WILL CONTINUE TO

BE AN IMPORTANT SOURCE OF DEVELOPMENT SUPPORT, ALBEIT UNDER DIFFERENT TERMS THAN THOSE THAT HAVE PREVAILED IN THE PAST. WHILE THERE IS NEED FOR EFFECTIVE MONITORING BY THE DONORS AND THE RECIPIENTS, THIS SHOULD BE DONE WITH A VIEW TO IMPROVING IMPACT, RATHER THAN FLEXING OF MUSCLES. INDEED EFFECTIVE ASSISTANCE NEED TO BE TAILORED TO COUNTRY CONDITIONS, SUCH AS POLITICAL ENVIRONMENT, AND THE DRIVERS FOR CHANGE IN THE SOCIAL AND ECONOMIC SITUATION IN ORDER NOT TO IMPEDE CAPACITY DEVELOPMENT.

**LADIES AND GENTLEMEN,**

AS I CONCLUDE, IT IS MY HOPE THAT YOU WILL BENCHMARK THE KENYA EXPERIENCE. WE ARE ALSO READY TO LEARN BEST REFORM PRACTICES FROM

OTHERS. I WISH YOU ALL FRUITFUL DELIBERATIONS  
DURING THE CONFERENCE.

THANK YOU.