

**Perspectives on current issues and trends in the public sector/Issue 05/June 2013**

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# ***Public Sector Insight***

## **Governance and Leadership in the Public Sector**



# Foreword

## Challenges and change in Kenya's budget

***Our national budget is a reflection of government's commitment to the people, both in terms of services as well as how it contributes to the overall betterment of Kenyans.***



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In my view, government has five core challenges to delivering the outcomes that the people want: communicate effectively with stakeholders, pull down silo walls and devolve power, build capacity to deliver results, realise greater benefits and innovate to sustain those benefits.

These challenges are not unique to Kenya but the budget shows exactly how Kenya will move forward. In each of these areas, there is an opportunity to evaluate where we are and where we are headed, and in this edition of PwC Kenya's PSG Insight, we offer a variety of perspectives on these challenges and the opportunities that devolved government presents.

To communicate more effectively with stakeholders, the government needs to be clear who they are. In our annual CEO Survey, 80% of leaders in the public

sector agree that a broad array of stakeholders influence their strategy. These include 'customers' (i.e., consumers of government services), regulators, supply chain partners, providers of capital (i.e., donors), government employees, communities, social media users, media and NGOs. In fact, there is more alignment on perceptions of stakeholder influence among public sector CEOs than among CEOs in any other industry sector—probably because government CEOs know exactly who they answer to, and it's almost everyone.

The question now is whether the budget demonstrates that government is communicating effectively with these stakeholders. We can look to the Jubilee Manifesto for guidance on what stakeholders want, since they elected the coalition to power. We ask the private sector directly in our CEO Survey: does government take adequate steps to improve infrastructure? Does it ensure financial sector stability? Does it support innovation and maintain a level playing field? Does it help to create a skilled workforce and reduce the regulatory burden for companies?

Among business leaders in Kenya, 78% believe the government has taken adequate steps to improve infrastructure. Over half of Kenya CEOs believe the government effectively ensures financial sector stability and innovation. But a level playing field, a skilled workforce and the regulatory burden are areas where government has not fulfilled its promises—at least not to date, in CEOs' view.



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The budget is an opportunity to communicate a way forward to a broad array of stakeholders who need different things from government. Professional services firms have an opportunity to contribute to the way that services deliver value to these stakeholders, as Francis Muriu writes in 'Devolution realities: the rubber meets the road for professional services firms.' The new Constitution promises comprehensive access to health services, but how will this happen at the County level? Daniel Ouma offers his point of view in 'Health sector devolution'.

The second challenge for Kenya's government is to pull down silos through devolved government. We have heard a great deal about the devolution of power but less about how the Counties and the national government will connect, leverage shared resources and work together. County budgets include resources allocated by the national government but there is also a need for greater connectivity, especially when there is a gap between allocation and the actual requirements for services and delivery.

When Counties borrow to help meet these requirements, the national government will guarantee these loans—at least at first. The Office of the Controller of Budget monitors the Counties and its quarterly reports will require any implementation vs. expenditure variances to be explained. These and other areas of convergence show the importance of connectivity, and the budget indicates whether the national government understands this responsibility.

We also need to look at the budget from the perspective of whether it addresses government's third challenge: capacity building. Will the Counties have the

talent they need to fulfil their mandate and what support will they need from the national government? Caroline Kayando discusses the human resources needs of the Counties in her article, 'Achieving the objects of devolution.'

In terms of realising greater benefits, the government's fourth challenge, Kenya can do so by adopting an internationally-recognised system of accrual accounting for the public sector. A few steps have been taken to date but more needs to be done to accurately account for resources used and the assets, benefits and liabilities derived from these resources.

The Public Finance Management Act 2012 provides for a public sector accounting standards board to advise the government on appropriate standards. We can reasonably expect those standards to be International Public Sector Accounting Standards (IPSAS), but we need to consider whether an appropriate allocation has been made at the national and the County levels for the implementation of IPSAS.

We can also look to experience to help inform the realisation of benefits in a devolved system. Some local communities in Kenya have relevant experience, as Thomas Ondieki writes in 'Challenges associated with devolution.' Other countries like South Africa have

also implemented devolution and learned from the experience, as Roy Kerr writes in 'Devolution – Lessons learned from other countries'.

Finally, the budget should address government's fifth challenge: innovation. Connectivity among Counties and between Counties and the national government will require a significant investment in technology and systems; an Integrated Financial Management Information System will be implemented and rolled out to the Counties, for example.

If Kenya will realise the full benefits of becoming a regional innovation hub, the national government must communicate its vision effectively, pull down silo walls and improve connectivity and build capacity. Charles Simba shares his perspective on the importance of ICT at the County level in 'Citizen is now kind – Devolving ICT' and Richard Kisang sums up the innovation factor in his article, 'Innovation in public service delivery'.

These challenges are interconnected and the budget's response to them is complex. We must each ask ourselves if the budget accurately addresses these challenges. Each of us will decide, and it is government's obligation to listen—and to act.



# *Devolution realities: the rubber meets the road for professional services firms*

*The professional services industry in Kenya must devolve at the same pace as our country's devolution, as we move from a central government to one national and 47 County governments.*

On 4 March 2013, this started to become a reality when Kenyans voted for the position of Governor for the first time in the history of our nation.

The general election is behind us now and the Governors have taken their offices, ready to serve the wananchi who are full of expectations, in terms of experiencing service delivery closer to their comfort zones: the villages, the locations and indeed the Counties.

The County Government Act, 2012, provides the legal framework within which the Governors are expected to operate. This is supplemented by various other pieces of legislation like the Public Finance Management Act, 2012. The 47 Governors have experiences from various backgrounds, ranging from public to

private sectors. No matter where they come from, it is incumbent on each Governor to be familiar with all relevant legislation so as to deliver services to the over-expectant wananchi.

The first task that the Governors have been undertaking is budget preparation for financial year 2013/2014. During this process lessons must have been learnt in terms of matching expected revenues to expected costs of service delivery which definitely are higher. It therefore requires the County Executive led by the Governor, to be innovative in coming up with means of raising funds beyond the National budget allocation. This may require new revenue streams but within the law and working closely with development partners and private sector to increase their revenue base.

In my view, there are two kinds of Governors who will emerge as the election dust settles and the serious business of serving the electorate gains momentum. One kind of Governor will want to approach service delivery from a 'Do-it-yourself' point of view. What this means is that the Governor will want to undertake all service delivery interventions by relying upon internal resources already in use like staff or systems. There is no problem with this approach, but he will have to ask very hard questions in terms of how well the County staff, processes, systems, etc. are adequately equipped and prepared to help him deliver services. The reality is that most Counties may not be very well prepared to start providing services to



*Some Governors will want to pursue an all-inclusive approach and an attitude of, 'Let the professionals do what they do best.' He will incorporate professional services firms in his work*

citizens immediately. I therefore foresee these kinds of Governors experiencing challenges to service delivery from the word 'go' and problems may remain unresolved for some time during their terms.

The other kind of Governor will want to pursue an all-inclusive approach and an attitude of, 'Let the professionals do what they do best'. He will incorporate professional services firms in his work plans, for instance in the budget preparation and this will not only quickly start to build his staff and systems' capacity but will enable him to dedicate his time and energy to deliver his core mandate and campaign promises—in other words, the real devolution of public services to the wananchi at the village level.

I have said before that professional services firms must devolve as well, to play their part in enabling Governors to deliver their mandate. Professionals at these firms, particularly those working closely with government or other public sector industry players, ought to seize this opportunity to be a part of County service delivery. They have to dedicate their lives to working with Government and communities to address the social challenges that the wananchi encounter in their daily lives.

PwC has long believed that by working side-by-side with government, we can do our part to ensure that the systems (financial, as well as monitoring and evaluation), standards, processes, skills



and other areas needed for effective devolution are put in place. We are ready and willing to join the roundtable and discuss the roll-out of services like IT systems, financial management systems, resource needs assessments, capacity assessments, capacity building and others. We all have an obligation to leverage our expertise earlier rather than later in the Governors' five year terms.

At the end of their five year term, Governors will face a moment of truth: did they fulfil their mandate and share a vision for the future? We Kenyans will have to decide. Until then, we will meet at the County level, where I have pitched camp alongside my professional services colleagues who share a common vision for the future.



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*A change management strategy for each and every devolved entity and government organisation is an essential part of the implementation process for the devolved government system*

# Devolution – Lessons learned from other countries

*When we talk about devolution we only seem to mention the benefits and never the vast challenges that face government when it moves from a centralised government system to a devolved government system.*

The implementation of a devolved government system in South Africa is a prime example of those challenges and how they were dealt with.

The first challenge is the process of developing policy objects which brings the Constitution to life. These policy objectives need to be enacted in legislation and then implemented.

The challenge of implementation in South Africa was vast, due mainly to the previously disproportionate allocation of resources between the various population groups. The country was re-demarcated which resulted in nine provinces – originally there were four – and 287 local government entities



created through the amalgamation of 823 local government entities.

The challenges can be categorised and prioritised under five primary headings:

## **Infrastructure**

If you want decentralised growth you need good roads and a solid transport system. In South Africa, it was essential to address past inequalities with new housing, services repairs and the maintenance of existing infrastructure and new structures.

## **Capacity building**

Decentralising human capacity/skills is possibly the biggest challenge to successfully devolving government functions. People generally do not like change.

The process of building decentralised capacity is slow and difficult. In South Africa, the government employed private firms to provide management support teams for the first ten years of the implementation as the devolved entities built and, more importantly, retained capacity.

Almost 15 years since the new South African Constitution was adopted, capacity in 25% of local authorities remains a challenge. This results in poor service delivery and many disclaimer audit reports.

## **Finance**

The equitable distribution of nationally collected revenue can assist the devolution process. In South Africa, however, many devolved government entities remain poorly funded. They have

been unable to raise sufficient revenue from local taxes and service charges. The South African National Treasury estimates that 42% of local government revenues are generated locally with the remaining 58% of their income coming from national revenue, grants and donations.

Economic growth at the local level drives up tax revenues. In South Africa, an essential first step was the development locally of an economic development strategy crafted by the local government entity with input from the community.

## **Legislation**

Nationally promulgated legislation foments the enactment of the Constitution but it still requires local by-laws and implementation guidelines to move devolution forward. South African provinces and local government have passed a large number of minor but important pieces of legislation to make sure devolution works well in practise.

## **Transformation**

Transformation of government from a centralised to a devolved system is a slow process. The creation of 47 new County governments in Kenya, the process of establishment and the incorporation of previously existing entities and structures at the local level is time consuming.

In South Africa, most new processes and activities usually take more than one attempt to achieve effective implementation. A change management strategy for each devolved entity and government organisation is an essential part of the implementation process for the devolved government system.

The overall lesson learned in South Africa was not to under-estimate the task of implementing devolved government and to use all resources available from the public and private sectors.

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# Achieving the objects of devolution: The human resources perspective

*“Not everything that is profitable is of social value and not everything of social value is profitable. The proper role of government is the latter.” So writes John T. Harvey, an American economics professor and columnist.*

Many proponents of the social rather than the business nature of government would agree, but the fact is that governments still engage in business-like practices to promote efficiency and service delivery to citizens.

Governments are especially involved in ‘business like’ human resource initiatives such as poaching of talent from the private sector, aligning rewards to performance through performance contracting and freezing employment to slash expenditure in the face of economic depression.

Article 234 of the Constitution of Kenya enhances the strategic role of the Public Service Commission as the national human resource policy body. The County Government Act 2012 establishes County Public Service Boards in each County.

*Job evaluation exercises and remuneration surveys can help ensure fair and equitable pay so that jobs in County government are graded based on their worth. Policies on promotions and advancement must also be developed*

The County Public Service Board has a similar directive to the Public Service Commission of Kenya, but is limited to the respective County. Counties are in the process of appointing members of these boards, as shown in recent press advertisements. To achieve the objects of devolution, the Counties—through their Boards—must adopt strategic human resource initiatives.

One of the objects of devolution is to promote the democratic and accountable

exercise of power. Article 185 (1) bestows County legislative authority in its County assembly with the key responsibility of passing legislation that promotes the democratic and accountable exercise of power.

Given this responsibility, the County human resources function must recruit Clerks who understand the legislative needs of the County to support the members of the County Assembly in the legislation process. The County government human resources function must put in place robust human resources strategies, policies and procedures that are commensurate with the County laws and the national values.

The County governments are also required to foster national unity by recognising diversity and to protect and

promote the interests and rights of minorities and marginalised communities.

The County human resources function must be involved in the implementation of the Bill of Rights as per Article 27 (4) of the Constitution. The human resources function must therefore develop policies on diversity and inclusion, such as by putting in place recruitment policies that ensure no discrimination on the basis of race, sex, pregnancy, marital status,



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health status, ethnic or social origin, colour, age, disability, religion, conscience, belief, culture, dress, language or birth.

Job evaluation exercises and remuneration surveys can help ensure fair and equitable pay so that jobs in County government are graded based on their worth. Policies on promotions and advancement must also be developed to ensure all staff in the County government offices are treated in a fair manner and given equal pay for work of equal value.

Another major object of the County governments is to convey powers of self-governance to the people and enhance their participation in the exercise of the powers of the State when it makes decisions affecting them. Country governments have the opportunity to engage in strategic planning to include short, medium and long term objectives. The strategic planning process should involve all stakeholders or their representatives who are part of decisions that are made in the County.

Organisation structures that are aligned to the objectives of the County governments will also need to be developed as part of strategic planning. These structures and the involvement of stakeholders will be essential in helping to recognise the right of communities to manage their own affairs and to further their development.

The strategic role of the County Public Service Boards cannot be over emphasised, particularly with regards to establishing human resource policies and structures that will facilitate devolution. These strategies will help to address the unique needs of communities living in our Counties.

# Challenges associated with devolution



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***The recent World Bank Economic report for Kenya, “Navigating the Storm, delivering the promise”, has generated a lot of interest within the public sector. Perhaps the most important thing that this report makes clear is that Kenya has recent experience with devolution and with devolved funds.***

Kenya is currently undertaking the most radical decentralisation reform agenda in the region through the devolved governments.

This may seem obvious, but there has actually been almost no discussion about what the experience with local authorities, Local Authority Service Delivery Plans (LASDAP), Local Authority Trust Funds (LATF) or Constituency Development Funds (CDF) means for how devolution should (and should not) be implemented.

One exception to this is a recent report by The Institute for Social Accountability (TISA) that tries to offer lessons from the past ten years or so on citizen participation in planning and budgeting. For example, a case study of the LASDAP process in Malindi reveals a reasonably successful model for bringing citizens into the planning and budgeting process.

One core lesson from that experience is that for participation to work in a large geographical area there should be sub-structures reaching down to the lowest levels.

The World Bank’s report builds on the TISA’s findings by investigating a range of issues around finances, planning and budgeting at the local authority level.

The report shows that LATF accountability has suffered due to a lack

of transparent reporting and insufficiently vibrant participation in the development of LASDAPs. Both the TISA report and the World Bank suggest that citizen participation at local levels be facilitated by civil servants, rather than mediated by politicians.

This is a key lesson from the CDF experience in Kenya, where the introduction of fund managers has helped to curb some of the excesses of Member of Parliament (MP)-led processes.

It is critical to discuss these lessons now, because the financial management legislation and other Bills to be passed by Parliament last year impact directly on these issues.

The latest draft of the PFM Bill contains a structure at County level known as a County Budget and Economic Forum, to be composed of the governor and County executive committee as well as representatives formally nominated by interest groups, including civil society.

The structure is intended to “provide a means for consultation” on the budget.

The question is whether this Forum is appropriately designed. Does it ensure transparency and broad, vibrant participation? Is it going to be driven by civil servants or by politicians? Will representatives be independent or, as is



the case with CDF committees, clients of the governor (MP)? How powerful will its recommendations be?

Another important issue is about what local governments must do, and how much money they need to do it. Local authorities already provide certain services and the Constitution gives them still further powers.

But what will it cost to provide these services? According to the World Bank's estimates, Counties will be responsible for functions that cost about 30% of total revenues—more than what they are guaranteed by the Constitution.

Some of the gap will be filled by revenues raised directly by Counties themselves. However, many Counties will struggle to fund themselves. Again looking at Local Authorities as reference points, there is at least a tenfold difference in what Nairobi and Mombasa might be able to collect

compared with the Counties of the northeast.

Although the Constitution is detailed, it does not fully resolve the matter of which functions will be taken up by which level of government, and it leaves open the question of how funds will be transferred to Counties beyond the minimum provided by the Constitution.

For example, the Constitution says that Counties may be additionally funded through conditional or unconditional grants.

*The Constitution does not fully resolve the matter of which functions will be taken up by which level of government, and it leaves open the question of how funds will be transferred to Counties beyond the minimum provided by the Constitution*

Which of these is more likely to breed transparent and responsible County financial management?

There is an urgent need to define further the responsibilities that Counties will have within specific sectors, and then to think through appropriate and fair mechanisms for sharing resources across Counties to meet these responsibilities.



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## **‘Citizen is now king’ - Devolving ICT to the County Governments**

*ICT provides the single most potent mechanism to deliver the vision of improved citizen services*

***A key pillar of our new Constitution is devolved government. The purpose of devolution is to enhance the delivery of services to citizens as well as improve citizen participation in public affairs and the exercise of state power.***

In this respect, the Constitution suggests that ‘the citizen is now king’. By adopting a devolved or two-tier government structure, our Country structure envisions better public services that have been designed with citizens foremost in mind.

It is true that the citizen is now king. Some would even argue that the citizen is a ‘powerful and impatient king’. Demographics of the citizen population have significantly changed so that the majority of citizens now have been born in the digital era. Indeed, digital natives make up the largest proportion of Kenya’s population, with approximately 36% of Kenyans within the 15 – 35 years age bracket.

This means that our powerful and impatient king is also ‘digitally literate’,

with more than a fleeting understanding of the capabilities of ICT. The majority of citizens have, for example, used and benefited from recent applications of technology such as MPESA, Biometric voter registration and value-added SMS services to name a few.

In addition, a number of initiatives that our country has adopted have put ICT squarely at the centre of improved service delivery. For instance, Vision 2030 aspires to transform Kenya into a middle-income country with a higher quality of life for its citizens by the year 2030 – a vision that depends materially on the support of ICT to deliver value to citizens.

ICT therefore provides the single most potent mechanism to deliver the vision of improved citizen services. This is because ICT is expected to power a collaborative, whole-of-government approach to decision-making and service delivery to us, the citizens of this country. In the past, government has played catch-up, stuck between rising citizen expectations and unfavourable private sector comparisons, amidst chants of ‘we are

*Devolving ICT requires the deployment of systems, people and infrastructure and a delicate balance between cost, security and operation to optimise performance and management*

the people' and 'haki yetu' whenever things do not work at a pace acceptable to the citizens.

Remember Aesop's fable of the Hare and the Hound: "A hound started a hare from his lair, but after a long run, gave up the chase. A goat-herder seeing him stop, mocked him, saying 'The little one is the best runner of the two.' The Hound replied, 'You do not see the difference between us: I was only running for dinner, but he for his life.'"

ICT is no longer the optional dinner, which governments likened to the hound in Aesop's fable. In many instances, ICT will be the determining factor between satisfied and disgruntled citizens. One would advise smart Counties to adopt and leverage the capabilities of ICT with a single-minded focus and the resolve of the hare running for dear life, against the pursuits of an aggressive hound.

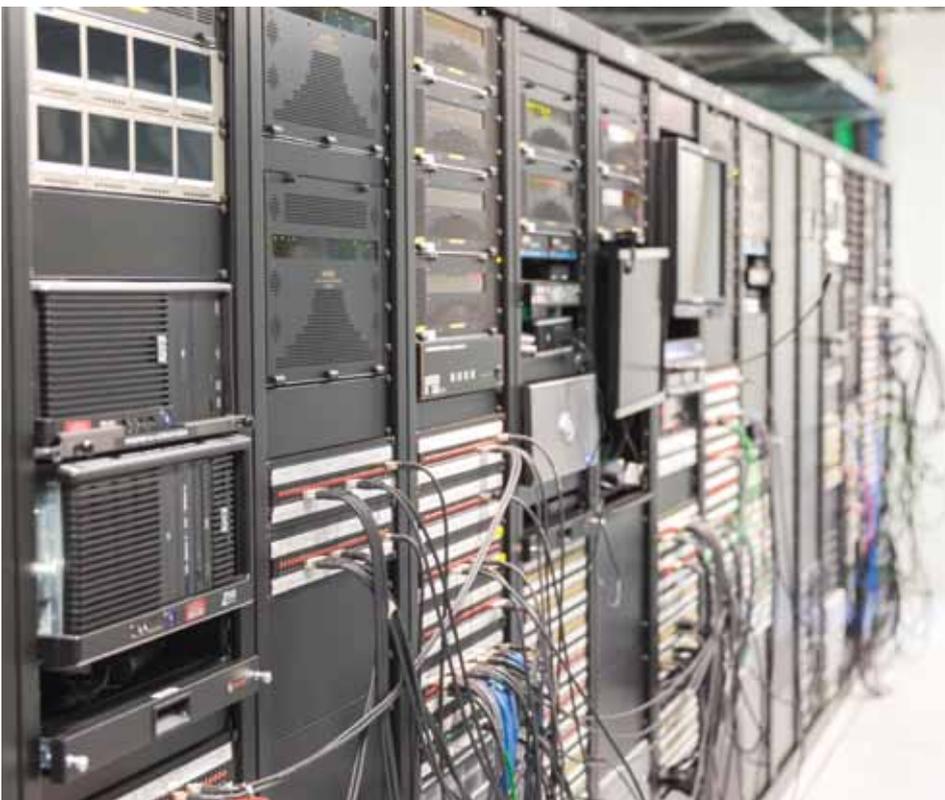
Devolving ICT requires the deployment of systems, people and infrastructure and a delicate balance between cost, security and operation to optimise the performance and management of such

deployments. Shared technology and services delivered through cloud and other common infrastructure have become the outstanding enterprise methodologies for achieving coherent and cost-effective information storage and processing for distributed organisations and Governments.

County governments must communicate with each other and share data so that they do not operate in isolation or silo their data. This calls for a consistent and common approach based on best industry practices in the deployment of ICT infrastructure.

Challenges abound in implementing systems of any form, size or shape. Lessons from the trenches, by men and women who have carried out medium or large scale ICT transformations indicate that there are many such challenges. These usually revolve around inadequacies in stakeholder buy in, project governance, hardware sizing and unrealistic expectations (set by vendors in some instances).

At the very least, deployment and use of ICT among the Counties ought to meet certain minimum standards, such as: ICT adopted should enhance convenience in the accessibility of government services, so that these services can be provided anytime, anywhere; ICT should support the delivery of services that are integrated, citizen-centric, cost effective and efficient; it should enable citizens to be better informed of goings-on in their government so that they are better able to participate in government; ICT tools deployed must be secure and properly controlled to ensure completeness and accuracy of data and the validity of transactions and restrict access to applications and underlying data; ICT ought to support the delivery of cost-effective Government services that are dispensed without discrimination among citizens and ICT must be based on leading practices that ensure data and information can be shared and re-used once entered into relevant systems.



# Health sector devolution—the way forward



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**Many Kenyans face a grim lack of healthcare services exacerbated by poverty and distance from facilities.**

Section 43 of the Constitution stipulates that “Every person has a right to have the highest attainable standards of health, which include the right to healthcare services, including reproductive health”.

This right is further enshrined in our Vision 2030 which seeks to improve the overall livelihoods of Kenyans through the provision of an efficient and high quality health care system with the best standards. This will reduce health inequalities and improve key areas where Kenya is lagging, especially in lowering infant and maternal mortality.

The Constitution also provides for the devolution of services to the Counties whose governance structures came into effect after the conclusion of the first general elections under the new Constitution on 04 March 2013.

The new president, Uhuru Kenyatta, and his ruling coalition, the Jubilee Alliance, have reaffirmed that they are committed to upholding the right of all Kenyans to quality healthcare services and the devolution of power and decision-making to the County governments.

Devolution must be accompanied by properly designed systems of fiscal management and responsibility, evidence-based planning, effective human resource planning, strong accountability mechanisms, proper and

effective coordination, political will and selfless leadership.

Health is one of the key sectors that will be devolved to the County governments and significant work continues to be done as the health sector strives to clarify the division of functions between the national and County governments and facilitate a seamless transition. Like any infant project, the reality is that numerous challenges will be faced as the former Ministries of Medical Services (MoMS) and Public Health and Sanitation (MoPHS) prepare to transfer health functions to County governments under a single Ministry of Health.

Firstly, it is still unclear which level of government will be responsible for some special programmes such as family planning and HIV control.

Secondly, the fate of the former Provincial Hospitals still hangs in the balance because it is not clear which level of government will be responsible for these regional entities which are not covered under the new Constitution.

As currently understood, these hospitals might become the responsibility of their native Counties hence lowering their stature and depriving other areas of their much-needed services.



*It remains a key issue as to what the Ministry of Health will be able to do to support the efficient management of the healthcare workforce and ensure that the poorer Counties retain their best staff*

In addition, there is the obvious problem of human resources who have been committed to the health sector. It remains a key issue as to what the Ministry of Health will be able to do to support the efficient management of the healthcare workforce and ensure that the poorer Counties retain their best staff.

Furthermore, there is widespread concern about the position and role of the Kenya Medical Supplies Agency (KEMSA) in procuring and managing pharmaceuticals under the devolved governments since the Counties will have the leeway to obtain their supplies from other sources.

However, the two former Health Ministries have prepared several guiding documents including the Health Bill 2012 and a Health Policy Framework paper to facilitate the transition to a devolved health sector.

The Ministries also prepared a bill to transform the Kenya Medical Supplies Agency (KEMSA) into an autonomous body to improve its performance in managing pharmaceuticals.

Immediate priority areas are creating a core team to guide the devolution

process, reorganising the two Ministries into one Ministry and unbundling the various functions under the Ministry so that there is clarity on the respective roles and responsibilities of the national and County governments and establishing an infrastructure development plan after mapping the current facilities and identifying where new facilities will be needed.

Further areas of immediate priority include preparing simplified planning tools and guidelines for the Counties to assist them in preparing their strategic plans, sensitising the County staff on the new systems and reviewing the roles of institutions such as the hospital management boards and facility management committees that operated under laws that have been repealed.

The County teams including the district health management teams should also be made aware of their roles, relationships and reporting lines and the Ministry should develop capacity building programmes to support these teams.

Finally, there is an ongoing process of taking stock of the assets available in each County to determine the assets that

will be available to implement health sector programmes at the County level. This process will also identify gaps that can be filled through the County budgetary process going forward.

As Kenyans, we should envisage that the end-product of the devolved health systems will be the provision of a robust health infrastructure network, improving the quality of health service delivery to the highest standards and the promotion of partnerships with the private sector.

Hopefully, these will become clearer when Cabinet Secretaries are appointed and when the mandates of the Ministries are announced.

# *Innovation in public service delivery under devolved system*

*The scale and complexity of devolved governance makes the delivery of public services daunting. Counties will begin to experience rapid change characterised by migration to the respective County headquarters in search of jobs and better education facilities.*

Demand for better education, healthcare, and infrastructure will be on the upside.

Even when the County governments settle down, it is critical to avoid a system where services are provided by a complex of disconnected and disjointed administrative organs based on different principles. The national and County government will need to align service delivery to realise value for taxpayers.

So far, the government has focused on creating legal and institutional frameworks and structures when crafting and transitioning to the devolved system of government. Going forward, County governments should focus less on creating committees and liaison groups. Instead, they should get down to

business. The County governments should focus on service delivery and how to build better services for citizens. A lean structure is better placed to deliver services to the citizens than a complex maze that will only increase the operating costs of the County government.

Undoubtedly, each County government is faced with the need to create socially, economically and environmentally sustainable frameworks for service delivery. Increased demand for services, budgetary constraints and public service productivity growth should shape such a framework. The framework should be citizen centred and the effectiveness of such a framework will be measured by the extent to which citizens' needs are met or exceeded.

Devolution offers a unique opportunity to manage the rapid urbanisation we have witnessed over the past five decades since independence. County governments need to find new and more effective ways to coordinate the formulation and implementation of policies that foster service delivery. Indeed, achieving true devolution will not be an easy task. Innovation will be a major factor in determining whether Counties succeed in overcoming infrastructure, economic and community development issues.

In the past, local authorities were mandated to extend basic urban services. However, they experienced an inability to cope with unprecedented demand due to insufficient resources, the limited



*Devolution offers a unique opportunity to manage the rapid urbanisation we have witnessed over the past five decades since independence*

reach of services, deteriorating quality of existing infrastructure, rising demand for better quality services, decreased investment and the inadequate capacity of staff including their inability and unwillingness to adapt to changing needs. Local authorities failed to adapt to change; they failed to innovate and in the end they could not effectively address the challenges of service delivery that they faced.

The point is that County governments will need to innovate continuously and upgrade their capacities and capabilities to achieve a higher level of effectiveness in public service delivery.

For example, in all Counties without exception, water scarcity is one of the greatest challenges—now and in the future. The pool of usable water needs to be expanded. County governments will need to find innovative ways to finance and deliver healthcare in their respective administrative areas.

Poor waste management has negative health, economic growth and environmental outcomes. County governments will need to employ good practices in waste management. New and evolving technologies can be used to avoid the historical mistakes of the developing and developed world. Some Counties can become true leaders in the use of developing waste management technologies.

The expansion of transportation networks and specifically County roads requires a delicate balance between the



traditional expectations of the community and the needs of modern transportation systems.

Each County government should explore ways of complementing the efforts of the national government to ensure the availability of electricity to drive local economies. Off-grid energy solutions through public private partnerships can help achieve energy sufficiency goals. Besides expanding energy access, each County should engage with citizens to foster sustainability within the County.

In all areas of public service delivery, these governments should look beyond traditional channels to expand access to public services while at the same time reducing the costs of service delivery. To do so, Counties need to embrace and foster innovation.



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