Investing in a sustainable digital future

In the Jubilee manifesto and the ICT master plan launched in 2014, the current administration is focused on making Kenya an ICT hub and a globally competitive digital economy. Priorities from the FY15/16 budget relating to technology are geared towards: improving service delivery and revenue collection, enhancing transparency in a devolved government, addressing insecurity concerns, enhancing private sector growth and investing in quality education and innovation.

Improving service delivery/revenue collection

The State Department for Planning has been allocated KES 2.5 billion this year towards increasing the number of one-stop shop service centres “Huduma Centres”. By the end of this financial year, the government aims to have rolled out an additional 23 centres, bringing the total number of Huduma Centres to 46. Huduma Centres have been a success and therefore the continued implementation of the service centres is welcome.

The Government plans to move all payments to the digital platform, eCitizen; [www.ecitizen.go.ke](http://www.ecitizen.go.ke). One of the objectives of the Digital platform is to ensure that payments to government are made electronically so as to significantly reduce administrative costs, minimize leakages and expand access to payment points.

Focus on transparency

The President launched the e-procurement system on 13 August in 2014. In his speech, the President said, “We take great pride in being the first African country to automate end-to-end procurement and payment processes in a devolved government system.”

IFMIS (Integrated Finance Management Information System) has been allocated a budget of KES 1.9 billion.
billion this year. Through IFMIS, the eProcurement module is being rolled out to MDA (Ministries Departments and Agencies) and Counties. Among the key objectives is to have a fully inbuilt active price reference to ensure Government does not procure any supplies above market prices.

MDAs and counties will be expected to use the e-procurement system to manage and account for expenditure of their budgetary allocations.

**Enhancing security**

Given the rise in insecurity experienced recently, there has been a significant increase in allocation to security organs of KES 223.9 billion this year, KES 27.1 billion higher than last year. There will be a focus this year to finalise the operationalization of CCTV surveillance systems and the setup of a command and control centre.

**Investing in quality education**

A key priority for the current administration is the improvement of the quality of education and specifically through e-learning. The government in its second attempt in as many years allocated KES 17.58 billion towards this initiative covering ICT learning devices, digital content, building capacity of teachers and computer laboratories.

Implementation of this project faced significant procurement challenges in the past and with two years to the next election, the government will be keen to ensure that this key promise of the Jubilee manifesto is implemented. The investment in laboratories for class 4 to class 8 pupils is particularly important for long term sustainability of the initiative. Key challenges that the government needs to overcome for successful implementation remain access to electricity, internet connectivity in remote areas and security of the devices.

**Enhancing private sector growth**

Specific initiatives have also been earmarked to facilitate private sector growth. The Government aims to operationalise the Kenya National Electronic Single Window System in the next financial year. The project which has been under implementation for the last few years is expected to facilitate trade by reducing delays and lowering costs associated with clearance of goods. It will also enhance transparency, accountability and improve revenue collection.

The Konza Techno City project’s vision is to establish a global technology hub in Kenya and has been allocated KES 0.8 billion. In our view this is inadequate given the scale of the project. However, the government recognises the role that private partners can play and is keen to leverage on PPPs to see its realisation. The project is focused on key sectors expected to advance technology growth in Kenya namely education, life sciences, telecom, and Business Processing Outsourcing and Information Technology Enabled Services (BPO/ITES).

The government has also allocated KES 0.25 billion for the Presidential Digital Talent Programme (PDTP). The programme aims to enhance the ICT Capacity of Government through management trainee programmes for graduates. The expected outcome of the programme is to transform the manner in which ICT is utilized for efficient and effective service delivery. In addition the Government has introduced a tax rebate scheme for employers to encourage corporate entities to engage fresh graduates in acquiring relevant experience and employable ICT skills through internship and apprenticeship programs. This is expected to increase private sector participation in the PDTP programme.

**Is the government delivering to the “mwananchi”?**

Over 400,000 Kenyans have registered on the eCitizen payment platform, [www.eCitizen.go.ke](http://www.eCitizen.go.ke), and with over 8,000 transactions so far, revenue collection is averaging about KES 10 million daily. With increases in additional revenue, the government can offer better services without need to increase taxes.
The government further aims to digitize at least 100 inbound payment service transactions by end of 2015 in order to hasten service delivery, reduce transaction cost and safeguard revenue.

The opportunities

The government is committing funds creating enabling policies which are resulting in the following opportunities;

• With VAT exemptions on parts imported for the local assembly of ICT devices, there will opportunity to create a sustainable model that can create stimulate education delivery methods moving forward.

• The Treasury Mobile Direct Programme, M-Akiba bond will allow Kenyans to purchase Government Securities directly from their mobile phones with a minimum investment of only KES 3,000 compared to the current minimum of KES 50,000.

• With heavy investment in digitization, an opportunity lies in implementing logical security in government e.g. through rollout of Public Key Infrastructure (PKI) to all public and private sector to keep information confidential.

• With eCitizen, the government has a huge opportunity to integrate to other MDA systems with the eventual aim of tracking and service its citizens from cradle to grave.