

**REMARKS BY H.E WILLIAM RUTO, AT THE FIFTH
DEVOLUTION CONFERENCE DELIVERED ON
THE 26TH OF APRIL 2018 AT KAKAMEGA
SECONDARY SCHOOL, KAKAMEGA COUNTY.**

Governors;

Deputy Governors;

Members of County Assemblies;

Diplomats;

Distinguished Guests;

Good morning.

Let me start by telling you a short story: There was once a big meeting in the animal Kingdom to address the problem of drought. Speaker after speaker rose to give their views on how the problem could be tackled. By the time the last speaker, the Wise Elephant, took the podium, the animals were so tired, they could hardly remember what the first speaker had said.

Others like the proverbial warthog had begun to forget what the meeting was about. They just wanted to go home. But Elephant beseeched them saying, “Ladies and gentlemen, lend me your ears! If you gazed skywards, you’d see that the clouds are gathering. If you sniffed the air, you’d sense the unmistakable smell of an approaching torrent. And if only you could relax and allow your skin to perspire, you’d be calmed by the cool humidity that precedes a much-longed for downpour.”

Sometimes, all we need is to relax and take in the reality: The full benefits of Devolution are not yet here with us, but Devolution is taking Kenya places. And no one should know this better than the Governors whose conference this really is.

Consider such projects as the 46 irrigation schemes supported by the County Government of Turkana; the 750-bed Kakamega County Teaching and Referral Hospital; the construction of Mwache Dam in Kwale

County; and many others so eloquently outlined in your speeches and plans. All these are driving Kenya to the same point of transformation that the national government works towards. Congratulations to all who make this story possible.

That is why to us as a government, Devolution and its success is right up there in our agenda. The evidence for this lies in the Ksh1.5 trillion which has been invested by this government in Devolution so far.

And more is to come. In fact, it is immensely gratifying that the tone and substance of this conference has been underpinned by our “Big Four” agenda, namely, improved healthcare, expanding agricultural productivity, provision of affordable housing, and rebooting the manufacturing sector.

From discussions here in the last few days, there’s no doubt that we share the vision of building a healthy and productive nation through the provision of universal

healthcare. This includes scaling up preventive measures like nutrition and public health education. With your help, we will achieve our target of 13 million Kenyans covered through the National Health Insurance Fund in the next five years.

To achieve food security, we are jointly focused on significantly expanding agricultural productivity through comprehensive strategies spanning irrigation, mechanisation, input provision, and value-addition.

Notably, we all want to give our people access to affordable housing. This entails cooperating decisively in demolishing barriers to affordability in land and construction costs in order to bring down housing prices. Together with this, we must scale up developer's capacity, unlock land for development, and initiate a demand-based master plan for social and affordable housing.

Finally, both tiers of governance must reboot the manufacturing sector by channeling resources to opportunities identified as holding potential to double the current number of manufacturing sector jobs, and injecting an additional Ksh200 billion into our GDP.

Here, inevitably, I must urge county governments to join the national government in aggressively implementing the industrial transformation programme. I encourage you to quickly forward complementary plans which meet your unit's unique opportunities and challenges.

This agenda is ambitious and daunting. But with consultation, in line with the spirit of our Constitution, we will succeed. Like the Elephant, mine is only to point out that we have embarked on the journey. And with your strong commitment, as reflected in your and your predecessors' speeches and development strategies, we are assured of success. Our unity of

purpose at both levels of government will surely raise Kenya's developmental trajectory.

On behalf of the National Government, I pledge our commitment to the intergovernmental consultative and coordination mechanisms in the spirit of total and firm support for Devolution. And on behalf of the Intergovernmental Budget and Economic Council, I also pledge support for the initiatives geared towards accelerating sustainable development and uplifting citizen welfare.

Distinguished participants, as we celebrate our milestones, achievements and consensus, I urge all to regard challenges and setbacks to progress with a calm and realistic disposition, and to reflect thoroughly on ways of overcoming them.

The first hurdle concerns budgeting and planning. Weak linkages between the processes have significantly impeded project implementation,

resulting in low absorption of development funding. It has also led to delays in producing key budget legislation and caused misunderstanding between the units of government.

The second significant challenge relates to underperformance in local revenue collection. Less than half of our counties — only 22 to be specific — attained the average of 60% or above of their four-year local revenue targets. Those which fell short have felt greater heat in the form of accumulated pending bills. As at September 2017, county governments held Ksh99 billion worth of pending bills.

Through the Intergovernmental Budget and Economic Council, I have directed the National Treasury to liaise with Controller of Budget and the Auditor General to assist county governments in resolving the matter. This effort should lead to a sustainable framework for expeditiously addressing the issue.

The delay by counties in establishing effective internal audit departments to strengthen internal control mechanisms in compliance with Section 155 of the Public Finance Management Act, 2012, is another serious challenge. This has led to unnecessary problems arising from delayed submission of mandatory statutory reports, for example the Auditor General's, which is the basis of revenue division.

The knock-on effect of this single omission is quite costly — especially to the ultimate beneficiaries of development planning, the ordinary citizen! I therefore suggest that it is in the best interests of the counties to set up these structures.

Finally, years into the formal advent of Devolution, identification, verification and validation of county assets and liabilities is incomplete. The Intergovernmental Budget and Economic Council has approved establishment of County Assets and Liabilities Committees to hasten the process.

Congratulations to counties that have successfully finalised the process; well done! I urge those whose reports are outstanding to take advantage of the inter-agency support team to conclude the process by end of May, 2018.

I am not suggesting that the challenges of Devolution are only one-sided. I acknowledge that the National Treasury, Controller of Budget, Commission on Revenue Allocation and the Ministry of Devolution can ensure disbursement of funds faster.

After all, the ability of counties to plan and execute their budgets effectively depends on the National Treasury's timely disbursement of revenues. Where delays occur, it is important to explain them in a timely and proper manner to enable counties make appropriate adjustments.

To the national institutions responsible for capacity building of staff, I urge you to provide access to county

officers particularly in critical operational areas such as preparation of budgets and financial reports.

Spending alone is not enough for sustainable development. Savings too, matter! That's why I urge counties to also recognise and pursue increased domestic savings to strengthen economic growth.

I urge the Council of Governors to, for instance, mobilise effectively and ensure that the County Pensions Bill successfully goes through the Senate. The Executive will play its part accordingly.

A lot of challenges reflect the critical need for efficient coordination, capacity development and conscientious adherence to existing frameworks and best practices. This conference indicates that these needs can and will be met soon. Let us ensure that our consensus is impactful and resolutions efficacious.

Coordination must involve a broader spectrum of institutions. This is why I recognize the important work that Parliament, the Judiciary, various commissions and independent offices are doing to strengthen Devolution. It is paramount that we invest greater energy in building effective and accountable institutions.

Devolution cannot be complete without a group of people crucial to this story and who rarely get acknowledged-MCAs.

MCAs are the representatives of the people and we cannot celebrate the progress of devolution or contemplate it's future impact without them.

You may clash with them and they may not always let you have your way but they are a crucial element in the county's democracy.

Let us engage with them as partners and work with them to build progressive laws and achieve even more progress at the grassroots level.

The relationship between county governments and county assemblies is still young and malleable, we should all work on shaping it for the common good.

Shortly, I will be launching the Compendium of Inaugural Speeches, but first, I would like to acknowledge governors for documenting your visions for each county for the people of Kenya.

I applaud all of you for the boldness of your visions and I challenge you to execute them just as boldly as you have written them down.

The result is an important instrument of accountability that contains material of tremendous interest to many players. At the very least, one hopes that the

compilation will become a reference point for robust citizen conversation on development matters.

I am struck by the sense of urgency in your words and how much we have in common in terms of people-focused development plans.

I strongly believe that Kenya can develop faster and create more opportunities if our politics is more people-focused and less toxic.

It is our responsibility to deliver the leadership to make this happen, and your words demonstrate the realization that this ought to be a hallmark of our politics going forward.

What remains is action, which as you know, speaks louder than words, or as psychologist Carl Jung would rather put it: “You are what you do; not what you say you will do”.

As you proceed to execute your agendas, I wish you success and pray that you stand guided by Article 10 of the Constitution.

In conclusion, I would like to pay tribute to all of you for your devotion to the success of Devolution. Rest assured, you have a strong supporter of Devolution in this Administration.

Let us all define our leadership through service, work, and delivery. The magic of devolution, after all, is in service delivery. That is what Kenya needs; that is what our people need. By the time this leadership term is over, we will be celebrating 60 years of self-rule. We are the ones with the power to ensure that we have something to show for that time.

With those remarks, I now officially launch the inaugural Compendium of Speeches.

Thank you and God Bless Kenya.