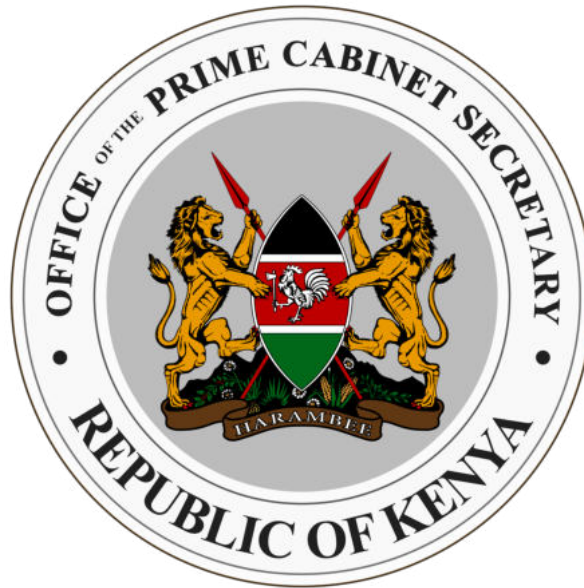




**EXECUTIVE OFFICE OF
THE PRESIDENT**

OFFICE OF THE PRIME CABINET SECRETARY

SPEECH BY H.E. DR. MUSALIA MUDAVADI, EGH, THE PRIME CABINET SECRETARY OF THE REPUBLIC OF KENYA, DURING THE OPENING CEREMONY OF THE ECONOMIC GOVERNANCE PROGRAM, KENYA SCHOOL OF GOVERNMENT, MOMBASA, KENYA; MONDAY MAY 22, 2023



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ECONOMIC GOVERNANCE PROGRAM**

MONDAY MAY 22, 2023

KENYA SCHOOL OF GOVERNMENT

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Officials of the Public Service Commission of Kenya

Management of the Kenya School of Government,

Trainees,

Distinguished Guests

Ladies and Gentlemen,

1. It is my pleasure to open the Second Phase of the *Economic Governance Programme*, a joint undertaking between the Kenya School of Government and South Africa's National School of Government. This programme is part of the bilateral agreement entered between H.E President William Samoei Ruto and H.E President Cyril Ramaphosa, in November 2022.
2. The programme is purposely designed to strengthen the capacity of senior policymakers in the public services of the Republics of Kenya and South Africa. Its objective is to build public service capacity in innovation, policy formulation, and implementation in the context of integrating national, regional, and global complexities in each country's policy environment. On the flip side, I see





this programme as a catalyst that empowers government officers to reach their full potential in serving the citizens by growing the individual's expertise and therefore upward mobility within the service.

3. It is satisfying, therefore, that the programme targets serving public officers in their nascent years within the service. This is as it should be because Kenya's public service is relatively young. **The myth that our public service is filled with dinosaurs is just hearsay. Out of a 394,792-strong mainstream civil service that comprises national government civil service, police, teachers, and county employees, those under 40 years form 50%, and those under 50 years old form 77% of the workforce.** The next argument may well be about the substantive posts they hold, which is why this training is important.

Ladies and Gentlemen;

4. As I am told this Second Phase of the programme is anchored on crucial frameworks of Sustainable





Development Goals (SDGs), Africa's Agenda 2063, the Kenya Vision 2030 and; Kenya's Bottom-Up Economic Transformation Agenda (BeTA); and South Africa's National Development Plan (NDP). These frameworks aptly provide a comprehensive roadmap for the development of African countries' crucial adapting sectors of agriculture, industrialization, social protection, fiscal policy, and debt management.

5. In being acquainted with these frameworks, public service can increase efficiency across multiple fronts in productivity and production, food security, exploration of our blue and ocean economy, manufacturing, environmental protection, social security, and protection, mobilization of resources, and job creation with the target being enhanced global competitiveness for sustainable development. For what it is worth, we all want a high standard of living, quality of life, and well-being for all African citizens, and this means implementing inclusive policies.





6. Across Africa's public services, it can be said that fiscal discipline is our undoing. That this programme is impacting knowledge on fiscal discipline regarding policy formulation, implementation, and accountability as a key component of economic governance, is a breath of fresh air.

7. **Africa must embrace the importance of sound fiscal policies that support domestic resource mobilization, prudent public financial management, and regional integration to achieve debt sustainability if we have to survive in an increasingly competitive and protectionist world.** By strengthening our fiscal discipline by adopting prudent policies and curbing illicit financial flows, Africa will mobilize resources more effectively and drive economic progress while ensuring the long-term sustainability of our development goals.

8. Therefore, the critical role fiscal policy plays in economic governance is not in doubt. **For the Kenya Government,**





our aim to promote fairness stimulate economic growth targets, and end regressive taxation is by reviewing all business licenses and capping license fees at 1.5% of total turnover. Expanding the tax base by supporting farmers and informal traders to increase their incomes and become tax-compliant is crucial.

9. **We, therefore, aim to maintain a fiscal deficit of less than 5% of GDP** by aligning our policy targets and priorities to ensure development resources are allocated wisely.

Ladies and Gentlemen;

10. **On the excoriating and incapacitating public debt, transparency and accountability in public debt management are paramount. We will ensure that borrowed funds are used for productive and inclusive projects. Implementing fiscal consolidation and discipline measures will also reduce the budget deficit and stabilize the debt-to-GDP ratio.**





11. The urgency to reduce public debt is in the prudent management of external debt, which amounts to over 70% of GDP. Meanwhile, the priorities are domestic resource mobilization and reduction of reliance on non-concessional foreign borrowing.

Ladies and Gentlemen;

12. Africa's curse has been to have visions that end up being literary, just dreams. We are too proficient at crafting Vision-this-and-that. We are too eager to publicize these visions with less attention to implementation. The result is that we are easily overtaken by time as the timeframe catches up with us having done very little or nothing worth of reporting on.

13. Often, we forget that the test of the pudding is in the eating. For instance, how many in the public service know or realize that our Kenya Vision 2030 has less than seven years to lapse? Shouldn't the





remaining seven years be essentially spent on evaluation, if any? Yet the elephant in the room that every public officer should be asking themselves is What exactly have we, the public service, done with Kenya Vision 2030 years? Do we have pudding to taste really?

14. I ask these searching questions for two reasons: **One; Ministries, Departments, and Agencies (MDAs) will soon be required to account for the Kenya Vision 2030 years. Two;** this programme could as well be a turning point in moving us on a transformative course for our nation's future. **Our civil service already hosts 77% (302,708 out of 394,792) of relatively youthful officers under 50 years old.** This increasing demography of go-getter, ambitious, and innovating cadre of youthful managers in the public service coupled with this kind of training, should help sprint us to the finish line in our development ambitions.





15. But we must continue to attract and retain them in public service because there is a caveat: **Demographics show that by 2025, just two years from now, about 75% of those the running economies will be Millennials (Born 1981-1996) now aged 42-27years and Generation Z (Born 1997-2012) now aged 27-11years old respectively.** This workforce profile speaks of a cadre constantly on the move looking for the next career opportunity. They are not like the older workforce generation who believe in a stable career within the public service.

16. This accounts for the increase experienced in high turnover in technical positions within the Kenya Public Service. We therefore have no excuse but to make the Public Service attractive by constantly tracking the causes of such migratory trends and instituting workforce turnover containment measures. These should be attractive remuneration, skills development, and a conducive work environment that includes being listened to.





17. In conclusion, Africa is crying out for prosperous, inclusive, and resilient economies. Africa is lucky that it is populated by an ambitious youthful population. Let us harvest this youth dividend. As we work towards building a better future for our continent; let us embrace shared but practical visions, with African youthful ownership and leadership at the forefront.

Thank you and I am privileged to declare this training officially opened.

H.E. HON. DR Musalia Mudavadi, EGH.

Prime Cabinet Secretary

Republic of Kenya

Mombasa, Kenya;

Monday, May 22, 2023

