

# OKOAO! UCHUMI!

Eastern and Southern Regional Debt Conference:  
Public Participation and Strengthening  
Accountability in Public Finance Management:  
Case of the Okoa Uchumi Campaign

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# About Okoa Uchumi Campaign

This is a **civil society initiative** committed to the goal of **accountability in Kenya's public debt management.**

The campaign brings together 12 CSO actors whose aim is to disrupt rising debt levels with limited transparency and accountability.

# About the Campaign

The campaign is informed by the dire state of our debt management which has been marred by opacity in decision making, mismanagement of debt expenditures and flagrant violations of public finance requirements, which have contributed to the present economic crisis and a debt trap.

# About the Campaign, cntd

Our work is anchored on three pillars in the **Constitution of Kenya, 2010**.

- i. Respecting,
- ii. Upholding and
- iii. Defending the

## **Objectives:**

- a. **Public awareness on the present crisis**
- b) **Knowledge creation** and awareness raising on needs.
- c) Advocating for **effective sanction** and **redress**.



# About the Citizens Manifesto

**Okoa Uchumi Campaign Citizen's Manifesto launch.**

**Calling for concerted efforts of citizens to call for public debt accountability.**

## Public Participation: A historical Perspective in the Kenyan C



- “Public engagement of government” and influence on policy has always been in Kenya and here are a few examples:
  - Women’s table banking activity popularly referred to as “chamas”.
  - Protest against the proliferation of illicit brew in parts of the country

## Public Participation: A historical Perspective in the Kenyan C




- However, they were administrative and largely operationalized through what was then known as the provincial administration.
  - The approach was Top- down.
  - The meetings were largely **informing**
  - This approach was also extensively used by civil society organizations.

# Public Participation in the Kenyan Constitution



Introduction: Public participation and civic education are imperative for any strong governance system. Article 1 of the Constitution of Kenya, 2010 states that “All sovereign power belongs to the people of Kenya and shall be exercised only in accordance with the **Constitution**”.

- The Constitution:  Introduction of the devolved system of governance with decentralized fiscal management.
- The devolved system of governance: power and resources are devolved to more centers of authority (which are distinct, interdependent and operate on the basis of consultation and mutual respect).
- Necessitated public demand for more transparency and accountability.



# Public Participation: The legal nexus



❑ The Constitution of Kenya, 2010

❑ The County Governments Act of 2012 provide as follows:-

- Article 10: Calls for public participation as a national value and principle of governance.
- Article 174: Articulates the objects of devolution especially on participation in decision making.
- Article 232(d) guarantees the involvement of the people in the process of policy making in the public service whereas
- Article 196(1) (b) requires county assemblies to facilitate public participation and involvement in the legislative and other business of the assembly and its committees.

# Public Participation: The legal nexus, ctn

- The Fourth Schedule to the Constitution: County government assigns county governments the role of ensuring and coordinating the participation of communities in governance at the local level.
- Section 3(f) of the County Governments Act, 2012: Public participation in the conduct of activities of the county assemblies
- Section 87 of the same Act: Principles of citizen participation in county governments affairs.
- Section 98 of the County Governments Act: provides the principles of civic education

# Challenges regarding Public Participation

Despite the foregoing, the practice and application of civic education and public participation is faced with challenges:

- There is lack of a common understanding.
- Limitation: Civic education has been one often linked and limited to voter education around election period.
- Uncoordinated approach to the provision of civic.

## Prospects on Public Participation, ctn



- Not only need to acquire a body of knowledge, also need to acquire relevant intellectual and participatory skills. Therefore, civic education in a democratic society most assuredly needs to be concerned with promoting understanding of the ideals of democracy and a reasoned commitment to the values and principles of democracy.
- Addressing of central truths: To be effective civic education must be realistic; it must address the central truths about political life.

# Prospects on Public Participation, ctn



- Concerted efforts to provide civic education cannot be overemphasized. Without civic education we face the danger of citizens becoming cynical, apathetic and withdrawn from participation in matters of governance and thereby endangering our democracy and the devolved system of government.
- The needs for adopting the Constitution in 2010, Kenyans wanted a society and government in which: -

**And this is why public participation will remain important.**

# Public Finance Management in Kenya



## Why Public Finance Management?

- Public financial management (PFM) is a central element of a functioning administration, underlying all government activities. It encompasses the mechanisms through which public resources are collected, allocated, spent and accounted for.
- As such, PFM processes comprise the whole budget cycle, public procurement, audit practices and revenue collection. Sound, transparent and accountable public financial management is a key pillar of governance reform and of vital importance to provide public services of good quality to citizens, as well as to create and maintain fair and sustainable economic and social conditions in a country.

# Public Finance Management in Kenya



- The enactment of the Constitution of Kenya 2010 has fiscal decentralization and public financial management (PFM) at the Centre of public financial management policy reforms.
- The reforms are aimed at ensuring both fiscal efficiency and discipline in the use of public finances for the betterment of the Kenyan people. The Public Financial Management Act No. 18 of 2012 aims to achieve better public finance management as envisioned by the Constitution under public finance (Chapter 12).

# Public Finance Management in Kenya



- The PFM reforms in Kenya were aimed at making public financial management more efficient, effective, participatory and transparent resulting in improved accountability and better service delivery.
- Recent trends in PFM reforms call for moving beyond technical reforms and paying more attention to transparency, accountability and public participation in PFM.
- There are other global initiatives, that we need to lay focus on as well (such as the Open Government Partnership, the Global Initiative for Fiscal Transparency (GIFT) and the International Budget Partnership, are working for this purpose).



# Public Finance Management Reforms in Kenya



Following the enactment of Kenya's new constitution (2010), decentralization and public financial management are now at the center of policy reforms. The Public Financial Management Act 2012 was signed into law on July 23rd 2012.

The PFM Act 2012 sets out to promote transparency and accountability in the management of public finances at the National and County Government levels.

The need for reforms in the public financial management sector in Kenya arose out of previous challenges faced and gaps identified that lead to embezzlement of public funds, inequities arising in resource redistribution nationally and centralized systems of governance with inadequate checks and balances.

# Public Finance Management Reforms in Kenya



- The Constitution of Kenya 2010 has introduced fundamental changes in the way public finances are managed. These changes had, unfortunately, received little or no attention prior to the referendum and the subsequent promulgation of the Constitution in August 2010.
- Prior to the new constitution, the Government Financial Management Act No. 5 of 2004 aimed at streamlining the management of government financial affairs, and provided for persons to be responsible for government resources. This Act has now been repealed into the Public Financial Management Act 2012.

# Our Call To Action

- Strengthening Transparency and Participation in Public Debt Management
- Strengthening the Oversight Role of Parliament
- Safeguarding Leadership and Integrity in Financial Management
- Embracing Tax Justice

**OKOAO!**

**UCHUMI!**

**THANK YOU!**