

**OPENING REMARKS BY THE PERMANENT
SECRETARY/TREASURY JOSEPH K. KINYUA CBS. ON
KENYA'S REFORM EXPERIENCE DURING THE VALIDATION
WORKSHOP OF THE DOING BUSINESS (DB) 2010, HELD ON
THURSDAY 14TH MAY 2009**

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**Permanent Secretaries present;
Senior Government officers;
Private Sector Representatives;
Development partners;
Distinguished Guests;
Ladies and Gentlemen**

1. I am pleased to be with you this morning and to officiate this important Doing Business 2010 Validation Workshop. Your presence today demonstrates the importance your organizations attach to our business regulatory reform agenda pursued. As has always been the case, **partnership** between the **private** and **public institutions** of this country, is the only way forward for our reform process, and shall continue to help us in our efforts towards building a conducive and attractive investment environment.

2. As you are aware, **Ladies and Gentlemen**, Doing Business is a World Bank Initiative that has been applied across 181 economies, and continues to attract more countries on its list. It measures the efficiency and ease of conducting business and attracting investments in a country by looking at specific Indicators and measuring them across all countries with the same parameters.

3. The Government undertook a concerted effort to improve the country's Doing Business (2010) Indicators for the purpose of

improving our international ranking against 181 economies of the world as well as publishing the gains made and the investment opportunities open to both local and international investors. Through the office of the Deputy Prime Minister and Ministry of Finance, we inaugurated the DB Reform Team on 23rd February, 2009 to spearhead and fast track the reform process. The Doing Business reform team consisted of members from both the public and private sectors.

4. The team has now finalized its work and has come up with a draft report which will be presented to you today for validation. You are all therefore, invited to look at the report and ascertain the facts therein and share your views or comments on the findings provided in the report by the Team.

5. **Ladies and Gentlemen**, we take pride in the progress we have made to date, having concentrated on 6 key indicators, viz; **Starting a Business; Dealing with Construction Permits; Registering Property; Getting Credit; Paying Taxes and Trading Across Borders**. And we have gone a step further to implement other reforms in 2009. For this year's reform updates, details will be presented to you by different Government officials handling the specific indicators. In summary, however, I wish to highlight the following key reforms;

6. **First, the number of days taken to Start a Business in Kenya has been reduced from 30 days reported in DB 2009 to 25 days, thus saving of 5 days.** This has been achieved mainly because of elimination of some steps in the registration process such as typing of certificates. Certificates are now generated automatically from the system. Registration approvals are also now being done on the system without consulting physical files.

7. **Second, review of the Companies Act** is in its final stages as the Draft Bill has been finalized by the Kenya Law Reform Commission and forwarded to the AG for legal drafting.

8. Third, Kenya Investment Authority in collaboration with other Public Bodies is working on the modalities of setting up a **One Stop Shop in Kenya**. This will consolidate Government approvals for Starting a Business at one access virtual point.

9. Fourth, in **Dealing with Construction Permits**, the time taken to request and obtain a building permit is now confirmed to be 14days, down from 50days recorded last year, a saving of 36days. This resulted from the second phase of the Performance contracting initiative at the Nairobi City Council.

10. While on **Registering Property**, a review of the current **Titles Registration** procedure at the Ministry of Lands has been done with a view to streamlining, simplifying and reducing the procedures. Transformation of manual system of land records into a digital format is being worked on. All paper records are being updated and then computerized.

11. **On Getting Credit**, the Kenya Law Reform Commission (KLRC) has drafted a number of landmark Bills awaiting parliamentary approval that would significantly improve the legal environment and extend creditor and debtor rights while bringing local laws into line with world-class legislation.

12. And **on Trading Across Borders**, the paper-based customs administration has been replaced with an electronic data interface system. The programme has enabled importers and exporters to lodge their documentation online. The number of days taken to export from Kenya has fallen from 29 days to 17

days, saving 12 days, while the number of days taken to import goods into Kenya has fallen from 37 to 25 days, saving 12 days. The improvement is explained by KRA's process of selective post clearance verification and risk analysis. KRA also authorized an Economic Operators Scheme for importers, exporters, transporters and clearing agents whose cargo are green channeled and allowed direct release.

13. These have significantly reduced delays on cargo clearance. **The new National Single Window System (the Port Community Based System) also provides an electronic platform** for submission and receipt of trade related documentation. The platform enables exchange and automated processing of electronic trade/cargo clearance documents documentation. It provides a facility for parties involved in trade and transport to lodge standardized information and documents with **a single entry point** or portal to fulfill all import, export and transit-related regulatory requirements.

14. **Ladies and Gentlemen**, as part of the reform process, the Government recently inaugurated the Regulatory Reforms Working Committee, which is a high level committee of public and private sector representatives, mandated to embark on comprehensive regulatory reforms. Under licensing reforms, for instance, the Committee will not only control the stock of existing licenses but also improve the quality of new regulations. In this regard, we will be launching in July 2009, the electronic registry of licenses in which the public will be able to access all information relating to licenses in Kenya.

15. The e-Registry will not only host all business licenses in force but also ensure scrutiny and transparency of license requirements. Only licenses that will be hosted in the e - Registry

will be enforceable. The e - Registry will also encourage information disclosure for all procedures and documents required to do business and ensure that they are updated.

16. We have also started stakeholder consultations on the Business Regulation Bill and the Regulatory Reform Strategy. These two documents will indeed provide the policy and legal underpinning of business regulation reforms going forward. In the medium term, we will be seeking to institutionalize a Regulatory Impact Assessment System to sieve the quality of new regulations in which case, all regulations having an impact on businesses activity will be systematically scrutinized to ensure that they do not unnecessarily impose additional costs, before they are uploaded on to the e-Registry.

17. Ladies and Gentlemen, many investors choose Kenya as an investment destination because of what the country has to offer, including; Strategic Location; Skilled and qualified Human Resource; Tourism; Macroeconomic Stability; Market Access; and abundant Natural Resources. The Government has taken measures to promote investments in this country through diverse ways such as; Investment Guarantees; Investment Incentives; favorable Taxation levels; as well as a smooth Investment Procedure that is efficient, cost effective and friendly to investors.

18. Going forward, we are **determined to deepen our reform** efforts in order to achieve **our Vision 2030 objectives**, and we feel quite confident that we will be one of the top ten reformers again even in DB 2010 as we consider that is where we belong.

I Thank You for Your Attention and Wish You Fruitful Deliberations.

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