

#### **COUNCIL OF GOVERNORS**

#### STATE OF DEVOLUTION ADDRESS BY

# H.E HON. FCPA WYCLIFFE AMBETSA OPARANYA, EGH, CGJ CHAIRMAN, COUNCIL OF GOVERNORS

28<sup>TH</sup> JUNE 2019

Fellow Kenyans

On behalf of the Council of Governors and the 47 County Governments, I am delighted to share with you highlights of the State of Devolution 2019. This is the Sixth State of Devolution Address since the establishment of County Governments.

In the last one year County Governments made significant strides in sustaining devolution gains. Among the key highlights are:

- A sustained track record of smooth leadership transition by the Council of Governors.
- Improved intergovernmental relations between both levels of government
- A successful 6<sup>th</sup> Annual Devolution Conference which continues to set the agenda for delivering on the Big Four and the devolution promise to all Kenyans.
- A unified voice and sustained effort in the fight against corruption under the stewardship of His Excellency President Uhuru Kenyatta.

Fellow Kenyans,

Devolution is Working! I will now provide the fundamental highlights in each sector.

#### 1. AGRICULTURE SECTOR

Counties have made remarkable achievements towards the realization of 100 per cent food and nutrition security. To achieve this, County Governments have focused on improving both crop and animal productivity. Some of the key interventions are:

- Empowerment of farmers through mechanization of production systems evidenced by the purchase of 366 tractors and equipping of 26 Agriculture mechanization stations offering lease services to rural farmers.
- Distribution of over 2 Million 50-kgs bags of subsidized fertilizer.
- Under the County subsidies arrangements, 1400 greenhouses have also been purchased and distributed to farmers in the year under review.
- Enhanced uptake of commercialized agriculture through construction of over 140
   markets that provided direct access to markets for farmers
- Vaccination of 46 Million Livestock and construction of over 500 cattle dips that has improved disease control and surveillance.
- Provision of over 1 million recorded Artificial Insemination Services to livestock farmers and purchase of over 300 Milk coolers distributed as input subsidies to farmer's co-operatives. In return this has enhanced animal productivity and value addition on raw products.
- County Governments have allocated on average 6.7% of their total budgets to the Agriculture sector. This is just 3% less of the 10% recommended allocation as per the Comprehensive Africa Agriculture Development Program (CAADP) Malabo declaration. The achievement of the 10% required or more would be realized if the devolved monies held at the Ministry of Agriculture, Livestock and Irrigation, are released to Counties. The Council will continue to pursue reforms in this sector to ensure the best interest of the farmers in the Counties is achieved.
- On the overall, the performance of the agriculture sector in the year 2018/2019 significantly improved as per the Economic Survey report 2019. Compared to 2017/2018, maize production increased by 26.0 % from 35.4 million bags in 2017 to 44.6 million bags in 2018. This was due to favorable weather conditions and various interventions by the County Governments resulting to price reduction and

stabilization of maize flour prices (Ksh 110 to Ksh 90 per 2 kg packet). However, the full benefit of this improvement has been undermined by lack of market and depressed prices for the commodity.

### 2. HEALTH SECTOR

Fellow Kenyans,

County Governments have remained committed to strengthening health systems towards the implementation of Universal Health Coverage (UHC) which was launched by His Excellency President Uhuru Kenyatta in Kisumu County early in the year. It has been piloted in Nyeri, Machakos, Kisumu and Isiolo Counties. Key highlights this year are:

- Sustained an average allocation of 20-30% to the sector in the year.
- Currently we have 7,894 doctors, 26,561 nurses, 160 dental officers, 418 pharmacists and 19,000 clinical officers across the Counties. However a total of 834 doctors are on study leave, thereby unavailable to offer services This remains a challenge Counties have to balance between training and workforce availability.
- Functional health facilities grew from 9,858 to 10,820 in 2018.
- sustained this trend with health allocations averaging between 20-30% in the current year. Increased expenditure is attributed to hiring health workers. There are currently 7,894 doctors, 26,561 nurses, 160 dental officers, 418 pharmacists and 19,000 clinical officers across the Counties. We note that a total of 834 doctors are on study leave, thereby unavailable to offer services to Counties. There is need therefore for counties to balance between training and workforce availability.
- We experienced an increase in the number of functional health facilities growing from 9,858 to 10,820 in 2018 across all Counties.

- Vaccination is a main component of preventive medicare. In the last one year County Governments have witnessed 18.1 % increase in pentavalent vaccine uptake translating to over 1.2 million vaccinations in 2018.
- Concerted effort in the management of immunization programs by both levels of government has seen an increase in Immunization coverage for infants to 81.6 per cent in 2018 from 68.4 percent in 2017. This is attributed to availability of commodity and supplies and improved human resources for health.
- Counties have heavily invested in infrastructure like immunization facilities and operationalization of cold chain systems.
- Counties have continuously adopted a number of innovations and significantly improved health service delivery such as:
  - i) integrated Mobile Maternal Health-Geographical Positioning System (GPS)
     which enables tracing of expectant mothers
  - ii) Group ante-natal care that offers counselling and health education on safe and skilled delivery to cohorts of expectant women. This has improved Ante Natal Care, delivery and postnatal follow-ups among others.
- Notably though the improvement in health has largely been undermined by the irregular disbursement of funds and the many wild goose strikes by health workers.
- Financing of the sector has also not reached the minimum recommended proportion of the National budget of 15% prescribed in the Abuja Declaration of 2001.
- For the year under review all County Governments allocated out of their budgets at least 20% to health.
- We, however, do acknowledge that for UHC to be achieved, there is need for deeper partnerships between the two levels of Government, the private sector and faith-based organizations.

Ladies and Gentlemen

Fellow Kenyans

Allow me to turn to the Finance Sector

## 3. FINANCE, PLANNING, ECONOMIC AFFAIRS AND ICT

Allow me to turn to the finance sector.

- Since 2013, County Governments have cumulatively received 1.57 trillion shillings worth of equitable share of allocation translating to only 20% of the total shareable revenue of 7.8 trillion shillings overally.
- It is therefore important to note that even with the mere 20% cumulative allocation, County Governments have made significant improvement in the absorption of funds now averaging 75% of the allocations in the year under review.
- Similarly, the average development allocation by counties over the last six financial years has been 40% surpassing the legal requirement of at least 30%. Fulfilling this fiscal responsibility principle is an important milestone by the County governments.
- In the Information, Communication and Technology sector there has been marked improvement in budgetary allocation for ICT among the Counties. Currently, over 25% of our Counties have fully equipped ICT hubs through which County residents receive ICT training and access resources from government online.
- On access to information, 54% of our counties have dedicated access to information officers who provide timely feedback.
- Currently half of the counties are using the bulk SMS services to communicate any alerts or updates from the County Governments.
- ICT has enabled 11 Counties automate their revenue collection systems, eventually reducing avenues for revenue leakages.

### 4. URBAN PLANNING, HOUSING, LANDS, INFRASTRUCTURE AND ENERGY

Ladies and Gentlemen,

The growth of our cities and urban areas is exponential. To date;

- Forty-five (45) County Governments have granted municipality status to their urban areas and subsequently established urban governance institutions (municipality boards) for the management of the urban areas and delivery of quality services to the citizens.
- Twenty-four (24) Counties have already initiated the process of development of affordable housing with support of National Government.
- To enhance integrated and sustainable development in the Counties, at least ten
   (10) County Governments have finalized the preparation of spatial plans and will
   commence implementation.
- County Governments have also embraced use of geospatial technology like the Geographical Information System (GIS) in mapping and analysing data.
- To improve the ease of doing business and attract investors, twelve (12) counties
  have shortened the processing period to an average of 1-10 days to process and
  approve development applications. In the next Financial year, we target to
  improve this indicator to an average of not more than 5days.

**Roads Sector** 

- The improvement of the road network in the Counties is a true testimony that Devolution is working. In just over a year, County Governments have:
  - i) tarmacked 546.7 Kilometers of roads;
  - ii) Murammed 56,248 Kilometers and;
  - iii) Graveled over 16,475 Kilometers. Additionally, 30, 997 Kilometers of new roads have been opened and 24,740 Kilometers rehabilitated.

• In the Energy sector, thirty-five (35) County Governments have prepared their energy plans which are awaiting integration into the National Energy Master Plan and thereafter its implementation.

Whereas we have witnessed, development in infrastructure across the nation, it is regrettable that we have witnessed massive destruction of properties build along the infrastructural pathways, road and railway line reserves and other adjoining land.

oConsequently, we call upon the National Government to work closely with the County Governments and citizens in order to minimize the level of destructions and ensure timely compensation where need be.

# 5. TRADE, INVESTMENTS, MANUFACTURING AND COOPERATIVES

Fellow Kenyans,

Trade and manufacturing is the backbone to our livelihoods and to the Country's general economy.

- County Governments have established six Regional Economic Blocs meant to promote maximization of shared resources; securing of access to new external markets; and expansion of the existing markets for products from other Counties and the region at large.
- According to the Economic Survey 2018, the manufacturing real value added increased by 4.2 per cent in 2018 compared to a growth of 0.5 per cent in 2017.
   Counties have contributed to this through incentivizing firms undertaking manufacturing and creating an enabling environment through favourable policies and legislation.
- The growth in manufacturing and trade can also be attributed to increased investment in agro-based cooperatives and agro-processing plants across Counties, which stimulates agribusiness and food security.

### 6. LEGAL, HUMAN RIGHTS & INTERGOVERNMENTAL RELATIONS

Fellow Kenyans,

Let me now focus on the relationship between the two levels of Government as a driver for change.

The Constitution of Kenya establishes Intergovernmental structures that allow the two levels of Government to work together on issues of interest to both levels. The National and County Government Co-ordinating Summit is one such structure.

- The Sixth National and County Government Co-ordinating Summit convened in June, 2018 resolved that legal framework for anchoring pension for County employees and the pending Capacity Assessment and Rationalization of Public Service (CARPS) shall be developed this year.
- Over the last 6 years, in the implementation of the devolved system of governance, there are evident legal gaps identified in the key mother legislations namely the County Governments Act and the Intergovernmental Relations Act. In view of the aforementioned, the Council of Governors and the Ministry of Devolution and ASAL (MoDA) have generated proposals on the amendment of the two legislations and made proposals towards the development of regulations to guide the implementation of these two Laws.
- Ministry of Devolution and Asal will work to finalise these works the coming year and expedite the development of regulations.
- As a Council we continue to play our role of safeguarding the interests of counties. Towards this end, the Council submitted a total of thirty three memoranda to parliament and made thirteen oral submissions on various bills to both the Senate and the National Assembly. I would like to confirm that the Senate did incorporate Council proposals in the Assumption of Office of the Governors' Act, 2019, the Urban Areas and Cities (Amendment) Act, the

Warehouse Receipts System Bill, 2017 and the County Governments (Amendment) Bill, 2018.

• However, there are still laws that do not comply with the devolved system of governance. The Report on the Audit of National and County Laws that was developed by the Council and the Kenya Law Reform Commission (KLRC) points out such laws in seven (7) sectors- Health, Agriculture, Land and Physical Planning, Public Finance Management, Urban Development, Trade and Investment and Natural Resource Management. Parliament will find this report useful as it will inform necessary amendments that will eventually improve the operative environment for devolution and align supportive legislation to the Constitution.

# 7. Tourism and Natural Resources Sector

Water and Sanitation.

County Governments have been working towards the realization of universal access to water. Notably;

- Water coverage has now increased to 57%
- Sanitation coverage is now at 16%
- Non-revenue water is now at 41%
- Six (6) Counties now have water Masterplans from the previous two (2)
- Fourteen (14) Counties have water policies
- Six (6) Counties have operational Water Laws
- However in the coming year County governments have committed in their plans to put greater effort on improving sanitation since so far only one(1) County has a County strategic plan on sanitation.
- Whereas there is a lot of investment in the water sector by development partners little or no money trickle down directly to the County Governments for investment in this sector.

- Further, the Ministry of Water's insistence on performing water functions constitutionally transferred to County Governments has created perennial conflict in some counties which most of which have ended up in courts.
- In order to increase universal coverage on water and sanitation these conflicts need to be urgently resolved.
- We also note that the National Government and its agencies continue to negotiate and borrow funds in the water sector without consulting the County Governments who implement this function this needs to be addressed.

Fellow Kenyans,

#### On matters of environment

- Forty-two (42) Counties have gazetted the County Environment Committees and strategies are in place to operationalize the forums for proper management of the environment.
- Forty-four (44) Counties have developed County Strategic Environmental Action
   Plans (SEAPs), 4 Counties have established landfills while 30 Counties have
   designated dumpsites in order to properly manage waste.

### On Forestry:

- Thirty-three (33) Counties have signed Forest Transition Implementation Plans (TIPs), compared to only fourteen (14) Counties in the previous financial year. Three (3) Counties have policies on forest in place, four (4) have trained officers on paramilitary skills to protect community forests. Allow me to laud Counties that have worked with other government agencies to form joint enforcement teams in protecting forests within their jurisdiction this has helps to address duplication.
- We further urge Counties to allocate more resources for the implementation of the twenty-one (21) devolved forest functions in line with the Forest Transition Implementation Plans.

Climate Change is a real phenomenon and is here with us. For this reason;

- Forty-five (45) County Governments have designated County Executive Committee Members and Directors to coordinate Climate Change programmes at the County level.
- So far five (5) Counties have enacted County Legislation on Climate Change. At
  the same time another five counties have set aside 1% 2% of its development
  budget to address climate change matters.
- In the coming year, The Council in collaboration with the Ministry of Environment and Forestry will develop a framework for the implementation of County climate change units and support Counties to access climate change financing.

### 8. ASAL

The Council acknowledges the National Government's efforts to support rapid development and growth in the Arid and Semi Arid Counties. Some of the milestones witnessed last year were:

- An MOU signed with ASAL stakeholders for purposes of ensuring sustainable change management.
- The Green Growth and Employment Programme funded by the Governments of Kenya and Denmark will support eight ASAL Counties in expanding growth and jobs from investment and trade, as well as sustainable use of natural resources and community resilience.
- Additionally, the North & North Eastern Development Initiative (NEDI) will boost shared prosperity for the North and North Eastern counties of Kenya by addressing the development challenges in the region.
- In the midst of the drought situation experienced during the period, the Council formed a committee that will henceforth spearhead emergency interventions.
- We also note that from January to date, Counties in collaboration with other stakeholders, reported to have spent a total of Kshs 3.6 Billion in drought interventions.

- Counties are working hard to ensure that future interventions will be anchored in programs addressing water conservation, food and livestock production to cushion citizens.
- Let me take this moment to appeal to our development partners once more to take advantage of the now existing frameworks to work directly with counties in investing in practical programmes that mitigate drought.
- However, the Equalisation Fund has remained a mirage. With the sunset Clause
  of 20 years out of which 10 years has already lapsed, County Governments which
  were meant to receive equalisation interventions are still waiting.
- The National Treasury needs to move with utmost speed to release these funds to do what the Constitution intended

# 9. Gender, Youth, Sports, Culture and Social Services

County Governments have continuously strived to address the gender question. Some of the key notable achievements are:

- Appointment of the County Executive Committee Members. So far, each of the 47 Counties has met the two-thirds threshold with three Counties of Kilifi, Nyeri and Kericho attaining a 50-50 representation.
- However, we acknowledge that the two-thirds gender rule has not been achieved
  in other appointive positions such as the chief officers; where we have a total of
  1,370 male Chief Officers against 196 Female Chief Officers.
- The Council of Governors with support from UN Women and in collaboration with other stakeholders trained a total of 893 women in County Public Service. The program has been institutionalised at the Kenya School of Government and provides a structured training to women serving in County Executive positions.

- The Council has also engaged a total of twenty (20) young women in a one-year mentorship and internship programme that targeted women-led Counties. To address inclusivity, this programme has also brought on board an additional 20 young men and PWDs. The project seeks to build the capacity of the youth in a bid to prepare them for job markets and leadership.
- The Council has also coordinated gender roundtables, platforms that allow County women leadership to identify most relevant and priority needs for the women and youth in their Counties. The Council held twenty-two (22) rounds of gender dialogues in twelve (12) Counties and trainings on strengthening the capacity of women- and youth-led Counties for improved public participation in budgeting processes and oversight of public resources in Kenya.
- Each of the Counties mobilized in excess of 500 citizens mainly comprising of women, youth and PWDs. In addition, Counties have continued to enhance social safeguards and address needs of vulnerable citizens. These include development of policies of PWDs, Gender policies, providing assistive devices for PWDs and initiating programmes that address teenage pregnancies. There is however need to increase budget allocation to gender programmes and undertake comprehensive census for PWDs and other vulnerable groups.
- The Big Four Agenda as espoused by the National Government focuses on issues key to children's welfare, implying the Government's commitment in improving the welfare and wellness of children. This focus and commitment has since cascaded to County governments as drivers of the same. The Council convened the annual Children's Devolution Conference in February 2019. The overall objective was to safeguard the gains, enhance the understanding and appreciation of devolution as a system of governance that focuses on public accountability and learning new ways of socio-economic development and

delivering services. A total of Three hundred (300) children from each of the 47 County Governments attended the forum. The resultant Communique has been adopted by different stakeholders in an effort to consolidate existing interventions by the National and County Governments towards mainstreaming children's issues in devolution.

### Education,

The Early Childhood Education and Development (ECDE)

- The sector realized a modest growth in the past financial year attributed to the expansion of ECDE Centres and increased enrollment thereof. Enrolment in the County ECDE centres increased by 96,732 learners to 3,390,545 in 2018, reflecting a 3% growth.
- In support of the roll out of the Competency Based Curriculum, County Governments coordinated the training of 90,000 ECDE teachers in 2017-2018 and 141 ECDE coordinators on the National Pre-Primary Education Policy and its Implementation Guidelines. This was to enhance service delivery in the Centres consistent with reforms in the education sector.

# The Vocational Education and Training (VET) sector

• This sector has similarly experienced growth attributed to enhanced financial support by the County Governments. All Centers are beneficiaries of the Kshs.2 Billion Vocational Training Centers Support Grant. Through this, County Governments have overseen the construction and registration of 316 Public Vocational Training Centres. The support grant was meant to rehabilitate the Centres, increase enrollment and improve the quality of vocational training. However, there is need for increased capitation for enhanced training in the

Centres and to progressively contribute to enrollment towards the implementation of the Big 4 Agenda. The National Treasury must also ensure timely release of funds to enable the centres work within their procurement and development plans.

### Fellow Kenyans,

### Ladies and Gentlemen,

 Consistent with the objects of devolution and the mandate of the Council of Governors, the progress made in all these sectors has been supported by our commitment to ensuring effective citizen engagement, follow up on the mainstreaming of Sustainable Development Goals (SDGs) as well as peer learning and knowledge sharing among Counties.

# Under Citizen Engagement

- 34 Counties have enacted legislation that promote public participation while the remaining are at various stages of enactment. Additionally, there are designated and operational Public Participation offices in 45 Counties.
- Forty Counties have established County Budget Economic Forums (CBEF) which engage the public on the preparation of county budgeting and planning. Moving forward, Counties will establish a structured mechanism for feedback from the public.
- Mainstreaming and localizing the implementation of the Sustainable Development Goals (SDGs) requires aligning and enhancing institutional arrangements in the Counties. County Governments have mainstreamed SDGs in

- their CIDPs and are currently strengthening local coordination mechanism through establishment of County SDGs units.
- All County Governments have appointed and inducted SDGs Champions to steer the process of implementation. The champions have currently embarked on County level capacity building for other County officers and will lead the process of SDGs tracking and reporting.
- With support from the Council of Governors five (5) Counties have volunteered to submit County voluntary reports on SDGs implementation guided by the UN guidelines for SDGs Voluntary reporting. County voluntary reporting is intended to demonstrate to the world how County Governments in Kenya are contributing towards realization of global commitments such as the SDGs. There is however need for continuous capacity building for County Governments in SDGs tracking and reporting as well in strengthening local level coordination of SDGs implementation to support effective implementation.

Knowledge sharing and peer to peer learning is one of the strategies for improving performance in service delivery in the Counties.

- The Council of Governors through *Maarifa Centre* coordinated 5 inter- County knowledge sharing forums where over 350 Senior National and County Government Officials participated. For instance, the Governor's peer to peer learning forum held in Makueni stimulated replication of the Makueni Universal Health Care (UHC) for other Counties to learn from. From this experience, at least five (5) Counties have established operational units to coordinate public participation across Departments.
- Counties participated in the inaugural consultative meeting and peer-to-peer learning forum for County Service Delivery Units (SDUs) and Chiefs of Staff.

- So far, the SDUs have already been established in twenty (20) Counties to consolidate and communicate evidence of improvement in County services through on-going projects and initiatives.
- On south-to-south knowledge sharing, a joint learning mission to Bali Indonesia by representatives of Ministry of Devolution and Asal, the Senate and Council of Governors established that Indonesia has a very effective decentralized National Government Internal Audit Agency. This is a model that our country should consider adopting in order to strengthen internal audit capacity and systems in Counties.
- Further, the Council of Governors in partnership with local universities (Academia)
  is scaling up documentation and sharing of innovations and good practices in
  Counties. This will also address the research needs of Counties in a structured
  manner.

Ladies and Gentlemen,

And I now address some challenges:

- The Devolution Journey has faced real challenges that have threatened the survival of County Governments; ranging from legal, constitutional and continuous taking back of already devolved functions.
- Despite this we applaud the efforts and commitment of the Judiciary in safeguarding devolution since 2013 – kudos! Keep it up! We encourage you to keep up the good work.
- We also recognize the efforts of the eagle hawked citizens, development partners, media, and civil society organizations for the continuous engagement.

Challenges

- 1. First, the Partial release of functions and or resources attendant to the devolved functions has either delayed development or ensured duplication of functions at both levels of Government.
- 2. The continuous existence and funding of Regional Authorities and Parastatals in the Agriculture sector is a clear manifestation of duplicity and negation of the Constitution. The legal regime in the Agriculture sector is not compliant with the 2010 constitution as regards the role of County Governments.
- 3. In Health KEMSA continues to operate in the manner it operated before the new constitutional order. The Composition of its board does not reflect devolution despite County Governments being the major consumer of their services. In the year under review a lot of funds meant for devolved functions in Health, Agriculture and Water remained in the National Ministries thus denying counties of the required funds.
- 4. Currently, we are witnessing Laws and policies being passed by the National Assembly without the involvement of Senate and also embodying provisions that infringe on and interfere with the functions of County Governments as provided for in the Constitution. For example Health Act 2017. As a result, the Council of Governors has petitioned the courts on several of these infringing laws. We are happy the Senate has also joined us in the fight for protection of devolution.
- 5. Funding Challenge: There are no mechanisms in place to ensure that transferred functions and resource allocation are commensurate. Consultations by both levels of Governments have not yielded results. Unfortunately, our continued appeal to carry out actual costing of functions remains a polarizing issue. The trend analysis of the proportional decrease of equitable share of revenue as witnessed in 2017/2018 and 2018/2019 is an indication that the gains of devolutions are being eroded on the vertical share of revenue.
- 6. The National Treasury's Delay in disbursing of funds has continued to negatively affect devolution: The disbursements of monies to Counties from the National Treasury has throughout the 6 years been outside the mandated time-frame as

- provided for in the Public Finance Management (PFM) Act which requires that the transfers be made on every 15th date of the month.
- 7. Unchecked borrowing in the country: The effect has been that the equitable share to Counties is significantly reduced. Further, the fiscal space for County Governments to access external loans is yet to be made available thereby limiting Counties resource envelope. There is therefore an urgent need to cap National Government borrowing and to develop an equitable revenue sharing formula that is based on costed-functions.
- 8. County Governments like National Government are grappling with the menace of Corruption. It is a real threat to our ethos and public sector culture. We have witnessed projects that have been completed without value for money. This is compounded by the unethical behaviour of professionals who hold key positions of trust in our Governments. Unfortunately, the Private sector players have been facilitators of corruption. It is in this context that I call upon every citizen to help in safeguarding public interest in our undertaking. Our resolve as a Nation must be to join the President and the Council of Governors in fighting corruption.
- 9. The recent anomalies in the Audited Accounts of 11 Counties for the period ending 30th June 2018 calls for professional vigilance and need for peer review amongst ourselves. Working with the Auditor General, Controller of Budget and National Treasury specifically IFMIS department our resolve is to clean up the system and ensure no such anomalies happen again.
- 10. Non-adherence to provisions of the constitution on the role of constitution commission poses a real danger to devolution and the confusing and intrusive role of National Treasury in allocation of funds.

Fellow Kenyans,

Ladies and Gentlemen,

The best inheritance our generation can bequeath our future generations is the successful implementation of Devolution. This is only guaranteed if all players religiously

adhere to the provisions of the Constitution including respecting the roles of each player. The Council is concerned that the National Treasury is becoming intrusive by assuming the roles reserved for other agencies. We are proposing that Constitutional and legal clarifications be made with regard to the mandates of the Commission for Revenue Allocation and National Treasury. Though it is our view that National Treasury is a shared institution, the functional dictates and daily operations suggest they are an institution of the National Government.

Ladies and Gentlemen,

- The 2010 constitution being transformative had intended that resources follow functions and that the citizens take control of their development agenda. However, the shortcomings realised in allocation of funds to devolved governments and the current impasse on Division of Revenue between the National Government and County Governments is a wake-up call.
- The Council, therefore shall not support a constitutional referendum unless it entrenches in the constitution the allocation of shareable revenue to Counties as 45% of revenue of the previous year, out of which 5% will be exclusively earmarked for support of the Youth, Women, Persons with Disabilities and other vulnerable groups in the Counties. This will be the ultimate inclusion for the people of Kenya.
- Further, the Council will require that 2% of the total revenue of the previous year be allocated to the Judiciary to ensure its independence is upheld.

I now urge my colleagues to proceed and deliver the State of County Addresses in their respective counties.

Long Live Devolution! Long Live Counties! Long Live KENYA!

Thank you

H. E. HON. FCPA Wycliffe Ambetsa Oparanya, EGH, CGJ Chairman, Council of Governors