



**COUNCIL OF GOVERNORS
STATE OF DEVOLUTION ADDRESS BY
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23rd July, 2020

Excellency Governors,

Fellow Kenyans,

I wish to address you today for the second time during my tenure and give a report on the status of devolution on behalf of the 47 County Governments. In the period under review, we have achieved a number of successes in the various devolved functions. However, we are cognizant of the fact that the COVID-19 pandemic has brought a lot of challenges that have hampered the implementation of County Governments' planned projects and programmes in the last two quarters of the 2019/20 financial year.

The Council has also initiated a process of development of County Socio-Economic Recovery and Re-engineering strategy to enable County Governments to bounce back from the impacts of Covid-19 and ensure sustained socio-economic development.

In this regard, I wish to confirm that the Council of Governors established a COVID-19 Secretariat to support Counties coordinate COVID-19 emergency response and management initiatives; document and share emerging knowledge and best practices. The COVID-19 Secretariat also represents Counties in the National Emergency Response Committee and its structures. I would like to thank all the Development Partners who deployed staff to the CoVID 19 secretariat and without following any order of preference I would like to mention, UNDP, World Bank, Thinkwell, USAID-WASH-FIN, UN Women, UNFPA, WHO, UNICEF, WFP and the County Government of Kisii.

Fellow Kenyans,

In order to protect the gains of devolution, Counties in the past one year have employed various measures and interventions in all the sectors as highlighted below:

1. AGRICULTURE

Mid and late 2019 was characterized by a moderate increase in prices of key food crops which was attributed to insufficient rainfall. Further, the drought experienced during the first half of the year, followed by heavy rainfall in the second half of the year led to reduced production of certain crops. However, the sector experienced a modest increase in production of potatoes, rice,

wheat and significantly improved production of drought resistant crops such as sorghum and millet as illustrated in the Economic Survey 2020.

Sugarcane deliveries to factories declined from 5.3 million tonnes to 4.6 million tonnes. Similarly, maize production declined from 44.6 million bags to 39.8 million bags. Volume of tea production also declined from 493 thousand tonnes to 458.5 thousand tonnes, however, production of coffee rose from 41.4 thousand tonnes to 45 thousand tonnes. Production of wheat rose by 8.8% from 336.6 thousand tonnes to 366.2 thousand tonnes, while fish production was at 18.5 thousand tonnes.

A 5.3% increase was recorded in the volume of milk deliveries to processors which is 668.2 million litres from 634.3 million litres. While livestock slaughtered increased as follows:

The number of cattle and calves rose by 10.8% from 2,781.7 thousand heads to 3,080.8 thousand heads. Goats and sheep increased by 10.3% from 10,247.6 thousand heads to 11,302.7 thousand heads while that of pigs increased by 6.5% from 388.2 thousand heads to 413.5 thousand heads.

County Governments have continuously put in place measures and initiatives that have significantly contributed to the success experienced in the sector in the past one year.

In Budget implementation, Counties allocated an average of 7.3% to the Agriculture sector which is an increase of 0.6% from what was reported last year as they strive to reach the 10% recommended by the Malabo declaration.

In order to improve the quality of livestock yield, County Governments procured and distributed semen and artificially inseminated one hundred and eighteen thousand, eight hundred and eighteen (118,818) cattle.

To increase farm inputs, 10,597.5 million tonnes of fertilizers, 1,414 million tonnes of assorted seedlings and 666,850 assorted commercial and fruit trees were distributed to farmers in the Counties.

However, COVID-19 pandemic continues to affect operations in the sector. Consequently, County Governments in collaboration with the National Government have taken deliberate measures to ensure maintenance of food production. All Counties have established situation rooms to monitor food availability, affordability and to advice on measures required to ensure access to food.

In the last 5 months, the desert locusts have continued to create havoc in the country threatening livelihoods especially in the

northern part of the country. Nevertheless, the threat has reduced significantly with only three (3) Counties, (Turkana, Samburu and Marsabit) still affected.

The success in locust eradication can be attributed to the closer partnership and collaboration between the National Government, County Governments and development partner support.

2. HEALTH

Until the Covid-19 pandemic came in, counties had made tremendous efforts in the health sector over the past one year with UHC being top of the agenda following H.E the President's launch of the same in the four (4) pilot counties of Kisumu, Nyeri, Isiolo and Machakos.

Counties have in the past one year sustained an average allocation of 24% of their total budgets to the health sector to facilitate service delivery, challenges in disbursement of funds notwithstanding.

Currently, there are 4,318 doctors, 6,050 Clinical Officers, 26, 767 nurses, and 18, 789 of the other health officers in County facilities. Although the distribution of health care workers across the country has not attained global standards, the current status is an improvement from the previous year where we had a joint total of 7,894 doctors and clinical officers and 26,561 nurses. Out

of the 4,318 doctors, we have 1,153 on study leave adding to the challenges of reduced workforce. The County Governments call upon the National Government to take over the responsibility of doctors on training. This will enable recruitment of additional human resource to provide the services.

The number of health workers is projected to increase when Counties employ an additional 9,790 health workers and 3, 795 interns to support in the Universal Healthcare Program for a period of three (3) years and one (1) year respectively.

To improve specialized health care services, 36 Counties have acquired 40 CT scans, 132 X-Ray machines, opened up cardiac and cancer treatment centers which have considerably improved access to specialized treatment.

On County preparedness towards emergency response and management of COVID-19, Counties have made the following progress:

- i. A cumulative total of 11,934 isolation beds across all the 47 County Governments.
- ii. 26 Counties have attained isolation facilities with 300 bed capacity.
- iii. 20 Counties are working towards putting in place 300 beds by the end of the stipulated period of 30 days.
- iv. Cumulatively we have a total of 447 ICU beds. The remaining Counties are working towards ensuring availability of the ICU beds.
- v. Cumulative total of 437 Ventilators.

- vi. 28,661 staff have been trained to deal with COVID-19 in the 47 Counties. In addition, 77, 614 community health volunteers and assistants have also been trained.
- vii. 6 (Machakos, Wajir, Trans Nzoia, Mombasa, Kilifi and Busia) Counties have certified laboratories to carry out COVID-19 testing. Additionally, 2 County Kajiado and Nakuru have mobile labs.

The fight against Covid-19 has had its own negative impact on indicators of essential health services. As at May 2020, facilities recorded reductions in the uptake of essential health services including; attendance of ante natal clinics, facility deliveries, clinic visits for children under five for vaccination or routine checks, malaria patients on treatment, number of people tested for HIV and unfortunately, TB cure rate also dropped. Nevertheless, Counties are working hard to avert this trend. In efforts to reverse these negative trends, Counties have trained Community Health Volunteers and Assistants (CHV/As) to coordinate community sensitization on the availability of health services during the COVID19 outbreak.

Despite the challenges, Counties have continued to pilot innovations in the health sector in order to improve service delivery. Some of these innovations include:

- i. Use of mobile based technology by Community Health Volunteers and Assistants (CHV/As) to collect data which has significantly improved management of CHV/As in the Counties.

- ii. Investments in health insurance schemes by Counties for example Makueni County, which is investing an additional Ksh. 200 million annually to run a community health insurance scheme.
- iii. Also Makueni County has capacity build about 45,000 community development leaders, alongside 4240 Community health volunteers to assist in Covid-19 home-based care at the household level.

3. FINANCE, PLANNING, ECONOMIC AFFAIRS AND ICT

Finance

As reported in the Economic Survey of 2020, the GDP of the country is estimated to have expanded by 5.4% in 2019 compared to a growth of 6.3% in 2018. This growth was spread across all sectors of the economy but was more pronounced in service-oriented sectors.

For County finances, the total projected revenue for budget implementation in the FY 2019/20 amounted to Ksh 432.49 billion which consists of equitable share allocation of Ksh 316.5 billion with total Conditional Grants from both the National Government and Development Partners being Ksh 61 billion and projected Own Source Revenue of Ksh 54 billion.

Out of this allocation, a total of Ksh 286 billion has so far been disbursed to County Governments as Equitable share equivalent

to 90%, Ksh 19 billion as Conditional Grants from loans and grants, Ksh 7.2 billion as Conditional Grants from National Government.

County Governments have raised Ksh 21 billion total collections in own-source revenue equivalent to 38% of the total projection.

County Governments have so far paid 36.6 billion equivalent to 71.1% out 51 billion eligible pending bills of the total audited pending bills of Ksh 88 billion. The declared ineligible pending bills amounted to 37 billion. County Governments in effort to clear all outstanding pending bills and promote continuity in the private sector have factored all the eligible pending bills for clearance in budget and established pending bills committees to verify the ineligible pending and clear them for payment.

Further, County Governments have established County Budget and Economic Forums (CBEFs) to promote public participation in the budgeting process.

Through engagements with the Intergovernmental Budget and Economic Council (IBEC), Counties achieved the following:

- i. Finalization of the County borrowing framework which will allow Counties to qualify for guarantee by the National Treasury for external and long-term borrowing.
- ii. Finalization and approval of transfer of assets and liabilities relating to devolved functions.

ICT

County Governments have embraced technology in conducting their business through the use of web based applications. Further, ICT innovations have been utilized for response measures including; reporting Gender Based Violence (GBV) cases, making payments of various services among others.

Through the NOFBI project, some County headquarters have internet connectivity. Further, we have one County Government (Uasin Gishu) that has expanded the network connectivity to the sub-county departmental offices. However other Counties have engaged private internet service providers to ensure efficient service delivery. We urge the Ministry of ICT to fast tract internet connectivity to the County headquarters.

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

Housing

In line with the National Agenda on affordable housing, twenty eight (28) County Governments have signed Memoranda of understanding with the National Government in which the Counties have identified land for comprehensive planning and project implementation. This is an increase from the previously reported 24 Counties which had initiated the process with the National Government.

Urban Development and Planning

Over the last one year, all the 47 County Governments have been sensitized on the Geographic Information System (GIS) guidelines. This will assist Counties in the implementation of County spatial plans.

Eighteen (18) Counties have functional GIS labs which have enabled them to make informed decisions on effective utilization of resources, equality in distribution of development, and space-based planning. GIS technology provides a framework for applying geographic knowledge through data collection, processing, analysis, and working in a collaborative way to facilitate effective decision support. There are other 20 Counties in the process of establishing the GIS labs as provided for in the County Government Act.

35 County Governments have prepared their draft County Spatial Plans (CSP) awaiting the County Assemblies approvals. This is an increase of 25 Counties from the previously reported 10 Counties. The Counties of Lamu and Makueni have approved County Spatial plans. We look forward to more Counties having approved CSP in this financial year.

Under the Kenya Urban Support Program, County Governments received 11 billion under the Urban Development Grant (UDG) and 1.8 billion under the Urban Institutional Grant (UIG) from the World Bank which has been used to fund over 216 projects ranging from storm water drainage systems, construction of markets and industrial parks, provision of proper infrastructure,

Street lighting, Waste Management (both Solid and Liquid), among others across various municipalities in our Counties. In addition, 45 Counties have delineated their urban areas and established Municipal Boards and town Committees for proper governance and management as provided for in the Urban Areas and Cities (Amendment) Act 2019.

Lands

All Counties have embraced the use of technology and are gradually automating services to improve efficiency. The number of days for development approvals has significantly reduced making the approval processes very effective.

Energy

County Governments prepared Renewable Energy Asset Maps to profile investment opportunities in small hydropower, wind and solar energy technologies. Further, all Counties have also capitalized on renewable energy and established energy centers to facilitate clean energy solutions. Through the Kenya Off-grid Solar Project (KOSAP), 16 benefiting Counties have been supported by World Bank and this has led to increased energy access through the development and operation of mini-grids, solar systems, clean cooking solutions and electricity distribution networks in these Counties.

5. TRADE, INVESTMENTS, MANUFACTURING AND COOPERATIVES

With the manufacturing sector slowing to 3.2% in 2019 compared to a growth of 4.3 % in 2018, County Governments have managed to improve local industries through various initiatives as highlighted below:

- i. The manufacturing industry is thriving as seen in Kitui County with the formation of the Kitui County Textile Center (KICOTEC) whose efforts have also been noted during this critical time in the country. KICOTEC has been producing face masks and PPEs and distributing them to other Counties.
- ii. Counties have also engaged in a number of value addition to the raw materials including fruit processing, honey processing, textile, dairy and home décor.
- iii. County Governments have in the past one year improved the ease of doing business in Counties through, automating single business permit application and parking payment systems. Three County Governments (Mombasa, Nyeri and Kisumu) have collaborated with the National Government and are now providing services through the established e-citizen platform.

The last four (4) months have seen Counties close some markets indefinitely in an effort to combat the spread of corona virus. Some County Governments have closed down border livestock

markets in an effort to ensure containment of the disease and avoid risk of spread from neighboring Counties. Despite this, most markets have resumed operations and have put in place measures such as providing sanitizers and hand washing points to slow the spread of the virus. This has seen some Counties designating additional spaces as markets in an effort to reduce over-crowding in the markets.

All County Governments are in the process of consolidating their biashara/MSE funds to ensure support to Micro and Small Enterprises to recover from the effects of the pandemic to the economy. This will lead to the support of approximately Kshs 2.3 billion as loans to MSEs in County Governments.

6. TOURISM AND NATURAL RESOURCES

Water and Sanitation

County Governments have been working towards universal access to water. Notably, water coverage now stands at 63% from 57%, sanitation coverage is now at 25%, from 16% while non-revenue water is now at 42% from 41%. There is therefore need for collaboration between the two levels of government in addressing the rise in non-revenue water.

Even as Counties continue to make tremendous steps towards improving access to water supply, floods continue to be a major

challenge in most parts of the country causing a lot of damage to the water infrastructure.

Environment

45 Counties have established and gazetted Environmental Committees from the previous 42 Counties reported last year. The Council in collaboration with partners and stakeholders has trained 18 County Environment Committees and this has translated to better environmental management in Counties.

Waste Management

County Governments have made good progress investing in both hardware and software for Municipal waste management. This includes acquisition of key infrastructure like bins, trucks and skips for waste collection and dumping; regular cleaning of streets and markets; regular collection of waste; engagement of private firms to enhance waste collection and development of waste management strategies and by-laws.

However, with the emergence of COVID- 19, County Governments are faced with new stream of waste comprising of single use Personal Protective Equipment (PPEs) such as face masks and gloves that are potentially infectious and is likely to compromise capacities for waste management.

Forestry

During the period under review, the areas stocked under government forest plantation increased significantly from 141.6

thousand hectares to 147.6 thousand hectares. The increase is attributed to the ban on forest logging imposed during the year and also indicates good will by both the National Government and County Governments to attain a 10% forest cover.

Further, 35 Counties have signed Forest Transition Implementation Plans from the previous 33 Counties reported last year.

Climate Change

7 Counties have allocated an average 2% of their budgets to climate change which is consistent with the provisions in the Climate Change Act. 45 Counties have designated CECs in Charge of climate change and recently the Council in collaboration with partners developed a capacity building plan and operational guidelines to steer operationalization of County Climate Change Units. Allow me to congratulate Vihiga and Tharaka Nithi Counties for recently joining the list of Counties with Climate Change Fund. 7 Counties have now passed climate change laws in an effort to combat climate change, from the previously reported 5 Counties.

7. GENDER, EDUCATION YOUTH, SPORTS, CULTURE AND SOCIAL SERVICES

Gender and Youth

County Governments have continued to adhere to the two-thirds gender principle. Three (3) Counties of Kilifi, Nyeri and Migori have gone a notch higher and have a 50/50 representation of male and female CECs, congratulations!!

In deepening gender mainstreaming efforts to institutionalize the gender function at the County level, the Council of Governors in collaboration with the Kenya National Bureau of Statistics (KNBS) with support from UN Women developed County Gender Datasheets for 10 select Counties. This will facilitate tracking of progress on implementation of gender equality and women empowerment indicators. In addition, the datasheets will be used to inform gender mainstreaming strategies during the mid-term review of the CIDPs 2018-2022.

In collaboration with Ford Foundation, select Counties have in the last one year rolled out activities on gender responsive budgeting, advocacy, inclusion and social accountability. This has benefitted a total of 165 women, youth and PWDs. To this end, Counties have developed Community Score Cards based on the social audit findings which can be accessed from the Council of Governors website on the Maarifa Centre platform.

Counties continue to champion knowledge exchange in the sector. In the past year, 5 Counties participated in a peer-to-peer learning and knowledge sharing study tour to Nandi and Makueni Counties respectively to learn about the Public Participation Framework, composition and guidelines of Project

Management Committees (PMCs) and grievance redress mechanisms.

Early Childhood Development Education (ECDE)

County Governments continue to increase investment in Early Childhood Development through improvement of infrastructure and vibrant school feeding programmes. In addition, Counties have also continued to provide bursaries to the needy and vulnerable students in secondary schools to complement existing bursary schemes.

The number of ECDE Centres increased by 10% to 46,530 currently with 28,383 being public ECDE Centres. This was mainly attributed to the policy change requiring every primary school to have an Early Childhood Development Education (ECDE) Centre.

There was a sharp decline in enrollment in ECDE from 3.39 million to 2.738 million learners which translates to 19% drop under the new Competency Based Curriculum (CBC). This was attributed to the full adoption of the CBC which phased out the baby class level. Out of the 2.738 million learners, 1.393 million are boys and 1.344 million are girls.

Vocational Training Centres

The total number of Technical and Vocational Education and Training (TVET) institutions increased by 10.3% to 2,191.

Total trainee enrolment in County Vocational Training Centres increased by 18% to 135,550 in 2019 up from 114,484 in 2018. This growth is attributed to the uptake of vocational training programmes by the youth and enhanced investment through the Vocational Training Centres Conditional Grant.

8. LEGAL, HUMAN RIGHTS AND INTERGOVERNMENTAL RELATIONS

Fellow Kenyans, the 2010 Constitution envisioned that the two levels of Government would work together collaboratively. In the past year, County Governments have worked together with the National Government in the following ways:

- i. In October 2019, we held a consultative meeting with the Ethics and Anti-Corruption Commission (EACC) resulting in a Joint Communiqué to support Counties implement corruption risk mitigation measures. We await to hear from EACC on the performance of County Governments on this index.
- ii. In the period under review, we had 3 engagements at the Summit level. The eighth National Government and County Governments Coordinating Summit held in February 2020 approved the Intergovernmental Alternative Dispute Resolution Regulations that will assist in resolution of intergovernmental disputes.

The judiciary has in the past year delivered judgments to protect devolution. These cases include;

- i. *The Supreme Court Advisory Reference No. 3 Of 2019 In The Matter Of The Council Of Governors And The 47 County Governments* where the judges agreed with the position advanced by the Council with one judge having a dissenting opinion. The court affirmed that the recommendations of the Commission of Revenue Allocation are not mere suggestions and that parliament should consider the proposals. Further, that should there be an impasse between the two Houses, the National Assembly shall authorize withdrawal of 50% of the Division of Revenue Act of the preceding year from the Consolidated Fund for the purposes of meeting the expenditure necessary for running of County Governments. Additionally, the court stated that any delay in releasing funds to the Counties has to be justifiable and explained. To release funds at a time when the same cannot be utilized in the implementation of the County projects as per their budgets is unconstitutional. The Supreme Court stated that, the enactment of an Appropriation Act cannot precede the enactment of the Division of Revenue Act.
- ii. *Civil Appeal No. 362 of 2014: Okiya Omtata Okioti & Another Vs The Attorney General & 6 Others* where The Court of

Appeal delivered a decision declining an attempt seeking to transfer health facilities back to the National Government. The appeal arises from the judgment of the High Court which dismissed the petition filed by Okiya Omtata and Another.

- iii. *Petition No. 272 of 2016 On Equalization Fund Between The Council of Governors Versus The Attorney General, Cabinet Secretary/National Treasury And Planning, The Controller Of Budget, Commission On Revenue Allocation And Interested Parties* where the High Court stated that the Equalization Fund guidelines issued by the CS National Treasury are unconstitutional and violate Articles 204 and 216 of the Constitution with respect to compliance with the recommendations made by the Commission on revenue Allocation(CRA) thus negate the principles of constitutional supremacy; national values and principles of governance; and the objects of devolution, including the Equalization Fund and fiscal devolution. This is good for County Governments as the decision will enhance effective utilization of the Fund in the Marginalized Counties.
- iv. *Constitutional Petition No. 492 of 2019 Council of Governors Vs CS Treasury and the Controller Of Budget & Others* where the court ordered the National Treasury and the Controller of Budget to immediately disburse the equitable share of

revenue in line with the provisions of Article 219 of the Constitution and section 97 of the Public Finance Management Act. The court also stated that the National Treasury cannot effect stoppage of funds to the County Governments without complying with the mandatory requirements set out under Article 225 of the Constitution as read together with section 97 of the Public Finance Management Act.

During the period under review The Council lost one case that was filed at the Supreme Court in the year 2007 that is;

v. *Supreme Court Advisory Reference No. 2 of 2017 In the Matter of the Council of Governors.*

Where the Council of Governors sought an advisory reference seeking for an interpretation by the Supreme Court on whether the intergovernmental contributions by the Counties are regular. The Supreme Court however allowed a Preliminary Objection filed by the Attorney General effectively failing to determine the case in view of the fact that the Council is not a State organ with the capacity to seek an advisory opinion as provided under Article 163(6) of the Constitution.

9. SUSTAINABLE DEVELOPMENT GOALS

County Governments continue to be committed to the implementation of the Sustainable Development Goals (SDGs) by localizing the goals. The Council is part of the National SDGs coordination structure and has facilitated participation of Counties in the development of the Second Voluntary National Review (VNR) for Kenya which was submitted virtually during the High Level Political Forum (HLPF) on SDGs implementation in 2020.

To strengthen local tracking and reporting on SDGs, 8 County Governments have developed SDGs indicator handbooks.

Five (5) Counties (Kwale, Kisumu, Busia, Marsabit and Taita Taveta) developed Voluntary Local Reports (LVRs) on SDGs implementation, which is an international best practice in follow up and review of SDGs. The Voluntary Local Reports (VLRs) demonstrated how the sub-national governments in Kenya are contributing towards realization of SDGs and was presented during the High Level Political Forum in July 2019 in New York.

In the past year, the Council in partnership with United Cities and Local Governments (UCLG) documented the progress towards localization of SDGs in County Governments of Kenya. The assessment acknowledged mainstreaming of SDGs in County plans, projects and programmes. The report from Kenya will form part of the global report for sub-national governments on

localization of SDGs to be presented during the High Level Political Forum (HLPF) in July, 2020.

10. KNOWLEDGE SHARING AND LEARNING

The Council continues to facilitate documentation of good practices and peer learning amongst Counties.

In November 2019, with the support of World Bank, 23 Counties and other stakeholders participated in a peer learning exchange forum on “Steps to a Clean Audit Report” in Nyandarua County. To this end, a communiqué was developed and implementation of the recommendations is underway through the Finance, Planning, Economic Affairs and ICT Committee of the Council. In the upcoming audit, we anticipate more Counties to attain unqualified audit reports from the Auditor General up from the current three 3 (Nyandarua, Makueni and Kericho) from both the Executive and Assembly.

In collaboration with Jomo Kenyatta University of Agriculture and Technology (JKUAT) School of Public Health, CoG Maarifa Centre documented and shared 11 best practices in the health sector which have been uploaded and shared on the Maarifa online platform to facilitate learning.

In Coordination of online Communities of Practice (CoP) in the different sectors CoG Maarifa Centre has in the past one year, hosted 4 CoP forums in the following sectors; public finance

management, Agriculture, Water and knowledge management. The information is available on the Maarifa online platform.

The Council dedicated a page on the Maarifa online platform to highlight initiatives, good practices and innovations by County Governments on the various strategies employed by Counties in response to COVID-19 pandemic. You can access the information through the Maarifa online platform (<https://maarifa.cog.go.ke/home/>)

Some of the major challenges that devolution has experienced in the past year include:

- i. Intergovernmental transfer of funds remains constrained and has adversely impacted budget execution by the County Governments. This is partly catalyzed by delayed approval in the requisition of funds especially by the office of the Controller of Budget. Intergovernmental transfers were also constrained by parliamentary approvals of finance bills.
- ii. The growth and release of the equitable share has remained stagnant from the FY 2019/20 to 2020/21 with due delay having closed the Financial Year with a balance of Ksh 30.8 billion.
- iii. Considering COVID-19 pandemic and decreased economic activities, County Governments' own-source revenue has decreased from the reported collection of Ksh.40.30 billion in FY 2018/19 to Ksh 37.6 billion in FY 19/20.

- iv. **Anti-devolution laws.** There are still laws and bills that claw back on the functions of County Governments. For instance, the recent amendments to the KEMSA Act that monopolized the procurement of drugs has been detrimental to Counties since they are unable to purchase drugs quickly. Further, the County Government Retirement Scheme Act that was passed into law seeks to recentralize the management of pension for County staff back to the National Government.
- v. **Regulations for the County Governments Act, 2012** (as expected in section 135 of the Act) are yet to be developed thereby slowing down the full implementation of the Act.
- vi. The following regulations as stipulated in section 38 (2) of the Intergovernmental Relations Act (IGRA) are yet to be finalized: on transfer or delegation of functions to either level of government; on appointing the members of the IGRTC; and on constituting intergovernmental forums.
- vii. The secretariat of the CoG is yet to be anchored in law. The amendments to IGRA are in the Ministry of Devolution.
- viii. **Lack of funding for County Policing Authorities (CPAs)** making their operationalization difficult.
- ix. **Poor coordination between the National Government and County Governments in matters security.** As much as security is exclusively a National Government function, there is need for the two levels of government to cooperate in matters like countering violent extremism

and radicalization because these are issues that take economic and social dimensions.

Fellow Kenyans,

At the time of making this address all the 47 County Governments have not received the monies allocated to them for the FY 2019/20 month of June. This means that salaries will not be paid on time and unfortunately the fight against COVID-19 will be immensely compromised. The County Governments were depending on these resources to finalize some isolation centres, buy equipment and ensure the minimum 300 bed threshold is met. All that is now not going to happen.

Further the third Formula on allocation of resources has not been agreed upon by the Senate meaning all County Governments will be completely paralyzed without any resources to provide any service. Not just to handle the pandemic but to deal with any service for that matter. My appeal to the Senate is that they hasten this process and cushion the County Governments that will be affected by utilizing the Equalization Fund through a Supplementary Budget. The prolonged discussions will in the long-run hurt Kenyans.

Fellow Kenyans,

I would like to observe that the progress that Counties have registered in the year under review is attributed to; a stable political environment, increased engagement, consultation and

collaboration between the two levels of government as envisaged under Article 6 of the Constitution.

Further, I would like to appreciate the continued support and collaboration of development partners, private sector and civil society organizations which has attributed to the progress made by the Counties.

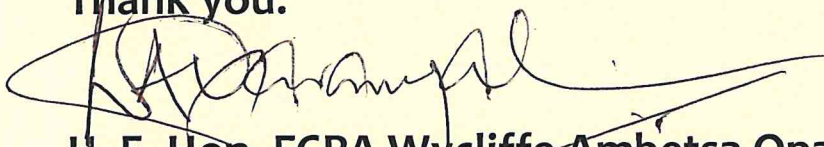
The year under review has witnessed intensive engagement at the Summit level thereby accelerating critical decision making and fast tracking results on key issues of national importance that effectively promoting the objects of devolution.

Moving forward, we expect to continue with the same spirit of engagement at all levels in addressing outstanding challenges in achieving the ideals of devolution.

I'd like to commend all County Governments for the milestones achieved over the past one year and 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.



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