



**COUNCIL OF GOVERNORS  
STATE OF DEVOLUTION ADDRESS BY  
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CHAIRMAN COUNCIL OF GOVERNORS**

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29<sup>th</sup> June 2021

***Excellency Governors,***

***Members of the Press,***

***Fellow Kenyans,***

It gives me great pleasure to be before you today to deliver the Eighth State of Devolution Address.

The County Governments have continued to achieve remarkable success in the various devolved functions in the period under review despite the challenges posed by the outbreak of COVID-19.

To address the socio-economic challenges resulting from the pandemic, the Council, working with partners developed the County Socio-Economic Recovery and Re-engineering Strategy.

***Fellow Kenyans,***

On behalf of the forty-seven (47) County Governments, I am truly honored to present to you a report of the gains and opportunities and challenges encountered in the last one year.

## 1. AGRICULTURE

The agriculture sector remains the **key contributor to the GDP of Kenya**. During the year, the sector faced **declining growth** due to COVID-19.

There was **disruption in the local and global markets** and **the food distribution systems**. The two factors notwithstanding, the sector has been dynamic with increased investment, particularly in the export crops.

Thus, in recognition of the importance of the agriculture sector to the country's economy, the County Governments have invested heavily in agriculture sector development over the last eight years.

In **FY 2019/2020**, County Governments spent **6%** of their budgets on agricultural development. In this **FY 2020/2021**, County Governments allocated **7.3%** of their budgets, an increase by **1.3%**.

In the wake of climate change and in response to the high demand for fruits in the global market, County Governments distributed **2,242,243 assorted fruit trees**.

Additionally, in appreciation of the importance of potatoes as a source of food, income, and employment, Counties distributed **257,200 potato vines**. This is expected to go a long way in improving farmer's incomes and increasing foreign exchange.

The County Governments have also distributed subsidized inputs to farmers, including **56,000 million tons (MT) of assorted fertilizers**, increasing from **10,597.5 million tons of fertilizers** distributed in 2019/2020.

The County Governments also distributed **9300 tissue culture bananas**, **55 irrigation kits**, and **26 greenhouses**.

Further, County Governments have invested in agricultural machinery with over **350 tractors** operating in **29 Agriculture** mechanization stations.

In the development and commercialization of the livestock sector, the County Governments:

- procured **2,192,493 doses of various vaccines** for livestock vaccination,
- conducted **11,975 subsidized AI services**,
- procured **9,700 semen**,
- distributed **974 cattle, goat, and sheep breeding** stock,
- introduced **commercial poultry farming** by supporting farmers with **31,703 improved kienyeji chicks**.

In supporting the fisheries sector, the County Governments distributed **746,445 fingerlings** to farmers.

These developments not-with-standing, several challenges including the **desert locust, increased input and fuel prices and erratic weather patterns** have negatively impacted production.

I call upon **the National Treasury and the Ministry of Agriculture to develop policy guidance on agricultural taxes to reduce the cost of Agricultural production and make our products competitive**.

Further, we call upon the National Government to minimize attempts to dilute the devolution of the agriculture function through legislative processes in including the various draft commodity bills and regulations.

While we **recognize** the role of the National Government in developing regulatory frameworks that set standards and practices for the agriculture sector, the Council **reiterates that the process must be done in consultation as per article 189 of the Constitution**.

Further, the council would like to state that **promotion, development and regulation of the coffee and tea sectors** remain the sole functions for the County Governments. Therefore, the Ministry should refrain from making policy and legal instrument that usurp of County Functions as stipulated in Schedule Four.

## 2. HEALTH

### *Fellow Kenyans*

County Governments shoulder the primary responsibility of delivering health services to the citizens of Kenya. In undertaking this mandate, the county governments have ensured that essential services are delivered without interruption.

Programs aimed at reducing communicable diseases such as HIV, Malaria, and Tuberculosis have been sustained.

As a result, the number of people of **ART increased to over 1.2 million**, and **new infections reduced to below 40,000**. In addition, the malaria incidence burden has reduced to **40 per 1000**.

Regarding interventions against non-communicable diseases, county governments have improved screening and diagnostic capacity and improved capacity for care, leading to reduced waiting time for surgery, improved clinical outcomes, reduced referrals, and efficiency at county health facilities.

Maternal and child health programs have also yielded marginal increases in skilled birth attendance, contraception use prevalence, and immunization coverage.

#### **i) HUMAN RESOURCE FOR HEALTH**

Since the launch of the Universal Health Care (UHC) initiative by His Excellency the President, County Governments, in collaboration with the Ministry of Health (MoH) and the Public Service Commission (PSC), have recruited **9,721 healthcare workers of various cadres** to support primary health care management.

In addition, County Governments engaged a total of **101,797 Community Health Volunteers (CHVs)** spread across **7,011 community units** to promote public health care service delivery at the community level.

The community health volunteers have played a pivotal role in our response to the COVID-19 pandemic at the community level, including:

- **educating the community members.**
- **demystifying myths and misconceptions about the disease.**
- **referring suspected cases to health facilities and**
- **support screening efforts.**

**On the bilateral agreement between the Government of Kenya and the Government of Cuba on healthcare, the Kenyan doctors sent to Cuba for post-graduate studies in family Medicine have returned. They will be finalizing their studies in our local health facilities.**

## ii) HEALTH FINANCING

During the FY 2020/2021, the Counties allocated an average of **32.9%** of their total budgets to the health sector. This is an increase from **26.1%** in the previous year. **34 out of 47** Counties allocated more than **30%** of their budget to health.

## iii) HEALTH INFRASTRUCTURE

Cumulatively, the 47 Counties have **13,190 health facilities** with public facilities accounting for **46% (6,106)**, private facilities - **43% (5,659)**, faith-based facilities **8% (1,040)** and non-governmental facilities - **3% (385)**.

Across the 47 Counties, there are **6 'level 6' facilities** (referral hospitals), **22 'level 5'** (county referral hospitals), **852 'level 4'** (sub-county hospitals), **2,364 'level 3'** (health centers) and **9,945 'level 2' facilities** (dispensaries). These include public, private, FBO, and NGO facilities.

## iv) COVID-19 RESPONSE AND MANAGEMENT

The County Governments remained at the forefront in the management of COVID-19. To this end, County Governments did the following:

- i) At the beginning of the pandemic, County Governments had set up isolation centers with a total of **6,094 isolation beds**. Currently, counties have added **2,569 isolation beds**, bringing the total to **8,663 isolation beds**.
- ii) Installed **42 functional PSA Oxygen plants**, procured **2,828 Oxygen cylinders** and **730 oxygen concentrators**, and connected **3,601 beds** to oxygen.
- iii) At the onset of the pandemic, **Counties had no isolation centers with a 300-bed capacity**. Currently, **36 Counties** have attained isolation facilities with a **300-bed capacity**.
- iv) County Governments increased the number of functional ICU beds to **440** from the **361 ICU beds** at the onset of the pandemic.
- v) At the onset of the pandemic, there were **no HDU beds** for COVID-19 management. Currently, the County Governments have **242 functional HDU beds**.
- vi) At the onset of the pandemic, Counties had **437 ventilators**, Currently, County Governments have a total of **468 Ventilators**.

- vii) A total of **514 specialized healthcare workers** were deployed to Counties to support the pandemic's management.
  
- viii) **30 Counties** have **certified laboratories for COVID-19 testing**, an increase from **6** in the last Financial Year. **Three** Counties can carry out rapid COVID-19 tests. The Council is working to ensure that all counties have certified laboratories for COVID-19 testing.

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

*Fellow Kenyans,*

#### i) FINANCE

As indicated earlier, the Kenyan economy has been adversely affected by Covid-19. The African Economic Outlook's report indicates that Kenya's GDP growth is expected to decelerate to **1.4%** from **5.4%** in 2019.

The growth, mainly supported by agriculture, has had a dampening effect due to the weaknesses in the service-oriented industry gravely affected by the pandemic.

Regarding County finances, the total revenue for budget implementation in the **FY 2020/2021** amounted to **Kshs.416.4 billion**, which consists of equitable share allocation of **Kshs.316.5 billion**, Conditional Grants of **Kshs.43.9 billion** and projected Own Source Revenue of **Kshs 56.0 billion**.

Out of this allocation, a total of **Kshs.257.1 billion** of Equitable share, equivalent to **81%**, has been disbursed to County Governments **Kshs 25.1 billion** as Conditional Grants, loans, and grants. County Governments have raised **Kshs.25.5 billion** equivalent to **45%** projected own-source revenue.

**The equitable share balance owed to Counties still stand at Kshs.58.906 billion.**

Despite the ravaging effects of COVID-19 on the economy, the equitable share to County Governments increased from **Kshs.316.5 billion in FY 2019/2020 to Kshs 370 billion in FY 2020/2021**.

As mentioned earlier, the Council partnered with the Kenya Institute for Public Policy Research and Analysis (KIPPRA) and development partners to develop the **Kshs 132 billion County COVID-19 Socio-economic Re-engineering and Recovery Strategy** meant to:

- **boost private sector activity,**
- **strengthen ICT capacity,**
- **contribute to human capital development, policy, legislative and institutional reforms, and**
- **strengthen County Government's preparedness and response to pandemics and disasters.**

**I want to thank the Cabinet for approving the Public Debt and Borrowing Policy 2020 and the National Treasury for providing guidelines on internal and external borrowing for County Governments.**

This will go a long way in **assisting Counties to access credit to finance current and new development projects.**

I also want to extend my appreciation to H.E. the President, for forming the Interagency Taskforce on Integrated County Revenue Management System to deliver a unified Integrated County Revenue Management System. The system will facilitate Counties to strengthen Own Source Revenue (OSR) generation.

**ii) INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)**

**a. National Optic Fiber Backbone Infrastructure (NOFBI)**

The National Optic Fiber Backbone Infrastructure (NOFBI) aims to ensure connectivity in all the 47 Counties. The project's implementation, occurring in two phases will ease communication and improve public service delivery.

Currently, **45 County Headquarters** have a connection to the Optic Fiber Infrastructure. The remaining two Counties (Garissa and Homa Bay) have subcontracted private Internet service providers.

As a way forward, County Governments will continue to work with the National Government and the private sector to ensure that all County Government Headquarters, Sub-County Offices, and Essential Service facilities (Hospitals, Schools, Vocational Training Centers (VTCs), and ICT hubs are connected to the network grid for effective service delivery.

**iii) ACCESS TO INFORMATION**

**WEBSITE AND SOCIAL MEDIA PAGES**

All County Governments have functional websites and Social Media pages, mainly Facebook and Twitter, that they use to share information such as County Integrated Development Plans (CIDPs), Annual Development Plans (ADPs), Budgets, press statements, county initiatives, and projects.

All County Governments have uploaded their 2017-2022 CIDPs on their websites and are mainstreaming ICT in the provision of services. Additionally, Counties have increased their budget allocation to ICT to ensure County Operations are efficient and effective.



The Council of Governors equally has three functional websites: COG, Maarifa, and Devolution Conference websites. Additionally, the Council has **six active social media pages**.

- **3 Twitter handles: @kenyagovernors, @chairmancog, @ceocog**
- **Facebook:** Council of Governors - Kenya
- **Instagram:** Council of Governors - Kenya
- **YouTube:** Council of Governors - Kenya

The Council's primary Twitter handle has been verified and is an official news source. Currently, the Council's social media platforms have the following number of followers:-

- Twitter has **257,900** followers;
- Facebook has **38,000** followers;
- In this ending financial year, the COG website has had **18,460,906** hits.

Additionally, in the last one year, the Council of Governors issued **48** press statements on issues affecting County Governments and on preparedness and response measures and initiatives put in place by Counties in the fight against COVID-19.

#### **iv) AUTOMATION OF GOVERNMENT PROCESSES**

**A total of 18 County Governments** have established and deployed automated revenue collection systems. These systems include the **CountyPro and County-specific Revenue Collection Systems like Jambo Pay and Revenue Management System (RMS)**.

The systems are locally developed and capture the different revenue streams of the County Governments.

**Nakuru County** has adopted **ZIZI to reinforce the LAIFOMS** (Local Authority Integrated Financial Management System) that existed before the devolved system of government.

County Governments have also adopted hospital management systems like **MEDBOSS and FUNSOFT** to support data management in hospitals.

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

*Fellow Kenyans,*

### i) HOUSING

Article 43(1)(b) of our Constitution recognizes the right to accessible and adequate housing and reasonable sanitation standards. To achieve this, County Governments have focused on contributing to the following national priorities:

- a) Closing the low-income housing gap by **60%**;
- b) Creating at least 350,000 jobs in the construction sector and
- c) Enhancing the affordability of homes by addressing interest rates and the cost of homeownership.

In the period under review, County Governments continued to implement the affordable housing agenda to make affordable housing a reality. In this regard, **8 County Governments** have allocated **85.03 acres** and developed master plans for **16 sites**, enabling smooth implementation of the housing project.

Further, County Governments are also embracing innovative and advanced technologies such as **Appropriate Building Technologies**, which are cost-effective and durable for rural areas.

For example, Embu County Governor's residence will take only six months to complete, and the walls will have the capacity to resist bullets and light bombs.

### ii) URBAN PLANNING

Section 104 of the County Governments Act requires that Counties have planning frameworks that integrate Economic, Social, Physical, Environmental, and Spatial Planning.

These frameworks act as a tool for **guiding county-level management and use of land and other natural resources**. They also **enhance development control, including zoning for industrial, commercial, agricultural, and residential development**.

In the period under review, **four counties have completed and approved County Spatial Plans**.

It is worth noting that 21 other **Counties** are at different stages of preparing their spatial plans.

Geographic Information System (GIS) is considered a critical system in supporting decision making and in managing, analyzing, and displaying easily understood geographic information.

In this regard, **18 Counties have established functional GIS labs, while 20 Counties are in the process of doing so.**

The Council of Governors in collaboration with the Ministry of Lands has developed the **County GIS implementation guidelines** that provide an extensive guide to GIS data acquisition, management, and use.

The Urban Areas and Cities Act, provides for the establishment of different categories of urban areas, their functions and management structure.

➤ **So far, 59 municipalities and 4 towns have been established in 45 Counties.**

**These entities** have fully functional Municipal Boards and town committees. Further, County Governments have fully decentralized the functions to the Municipalities and towns as provided for in law.

As a Council, we are proud to report that the Senate approved the elevation of Nakuru Municipality to City status. We take this early opportunity to congratulate HE Governor Lee Kinyanjui and the Government and people of Nakuru County for this milestone.

### **iii) LANDS**

The Council together with the Ministry of Lands and other stakeholders are reviewing the legal and institutional framework for the Survey function to align it with the Constitution and international best practice.

County Governments **have made significant efforts in improving service delivery in the land sector.**

The number of days for development approvals for Building plans, change of user, extension of user/lease **has significantly reduced from thirty (30) days to between 1-10 days.**

Further, Counties have embraced technology and are gradually automating services to improve efficiency in the approval process.

### **iv) ENERGY**

The 2018 Kenya National Electrification Strategy provides that 1.8 million households (HHs) be reached using off-grid and renewable energy solutions.

Currently, there are **2 million Households** in the Country that are out of the KPLC system. Out of these, **800,000** are utilizing solar home systems.

While access to the national grid in Arid and Semi-Arid Lands has increased from **22% to 30%**, we note that new taxes have been imposed targeting clean cooking, off-grid solar, and all types of mini-grids technologies (hydro, wind, and solar). These taxes will make the National goal of achieving universal access to energy by 2022 impossible.

I call upon the National Treasury to consider waiving these taxes to enable the common *mwananchi* to afford this product.

On Renewable Energy, County Governments continue to profile investment opportunities in small hydropower, wind, and solar energy technologies.

- **39** Counties have solar projects with a focus on the operating boreholes and water supply plants.
- **6** Counties have initiated wind energy projects, while another
- **6** Counties have Geothermal energy potential.
- **21 Counties** are establishing energy centers for training youth and women on the use of clean energy solutions.

#### **v) UPCOMING PROJECTS**

Together with the State Department of Housing and Urban Development, County Governments have continued to partner with development partners to ensure effective service delivery for the people of our Counties.

The **Kenya Urban Support Programme** has continued to significantly impact our urban areas and has over **600 complete and ongoing projects** ranging from modern markets, organized parking, recreational parks, stormwater drainage systems, connectivity, street lighting, Waste Management - Solid and Liquid, among others across various municipalities throughout our Counties.

The infrastructure development has transformed the beneficiary urban areas into thriving commercial hubs with livable residential neighborhoods.

**Apart from creating local jobs, the projects have also improved municipal revenues, urban mobility, economic efficiencies, pedestrian safety, public safety, and security.**

12 municipalities in Kenya, namely **Bungoma, Kisii, Eldoret, Iten, Isiolo, Mandera, Kathwana, Kerugoya/Kutus, Kitui, Wote, Malindi,** and **Lamu**, are also benefiting from the **Sustainable Urban Economic Development Programme**.

The program aims to **develop market-driven Urban Economic Plans and attract investment to the value chain and climate-resilient infrastructure projects**.

The Council has also negotiated for **Phase II of the Kenya Informal Settlements Improvement Project (KISIP II)** to improve residents' living conditions and land tenure security in **33 municipalities** in Kenya.

## 5. TRADE, INVESTMENTS, MANUFACTURING, AND COOPERATIVES

*Fellow Kenyans,*

The Trade, Manufacturing, and Cooperative's sectors are a significant contributor to our GDP in the country. Over the last year, these sectors were hard hit. However, we also witnessed innovations and opportunities for the local manufacturers.

### i) TRADE AND MANUFACTURING

The pandemic significantly affected business activities that saw some businesses closed down while others operated below capacity due to the government implementing the Non-Pharmaceutical Interventions (NPIs).

More than **89% of** businesses in Kenya are micro and small enterprises.

To mitigate the impact of the pandemic on micro and small enterprises, County Governments issued incentives to businesses which included

- Waivers of penalties,
- Waivers on land rates,
- Waiver of market fees,
- Waiver of Boda Boda fees and
- Waiver of Trade licenses.

These measures coupled with Business Enterprise funds **offered a life line to the enterprises.**

Further, the Counties took measures to **support trade development** through:

- a) Partnership with the National Government to adopt and start implementing the Integrated Export Development Value Chains in Agriculture, Manufacturing, Oil, and Gas, Handicraft, Mining, Livestock, and Fisheries.
- b) **Enhancing access to affordable credit** through the development of County Business Funds to provide cheap credit to **micro-enterprises in the Counties.**
- c) The partnership with National Government in **establishing and developing industrial parks in the Counties.** Currently, we are reviewing the guidelines on the development of industrial parks in the country.
- d) **Reducing the ease of doing business** through automation of services.

The Council is proud to report **County Governments' commitment to creating job opportunities and increasing our local manufacturing**. Some of the achievements include:

- a) The Partnership between Laikipia County Government and Dedan Kimathi University has seen the **production of local tuk-tuks**.
- b) **Kitui County KIKOTEX production** in the textile sector, especially the production of Surgical masks; and
- c) **Makueni value chain production** of Mango puree, among others.

These notable contributions are a clear indication of the County Governments' commitment to facilitate and participate in the development of our manufacturing sector.

The **County Governments have also made considerable progress in consolidating their biashara/MSE funds to support Micro and Small Enterprises to recover from the pandemic's effects on the economy**.

In this respect, the Council has submitted its memoranda on the MSE Fund Regulations to the Ministry of Industry, Trade, and Cooperatives.

**We urge the Minister for Industry, Trade, and Cooperatives** to move with speed and gazette the regulations to pave the way for support to the Micro and Small Enterprises to recover from the effects of the pandemic.

## ii) **COOPERATIVES SECTOR**

There are over **23,500** cooperative societies in Kenya, out of which about **8,800** cooperatives are actively operating.

The **Cooperative movement contributes approximately Kshs 175 billion to the economy each year**.

The role of County Governments in the development and regulation of the movement is critical, and currently, the following measures are being undertaken to support County Governments to discharge their mandate:

- a) Engaging the National Assembly to ensure that the National Cooperative policy is aligned to the Constitution and gives powers to County Governments to discharge its mandate.

- b) Engaging the National Government to ensure that requisite capacity building is enhanced at the County level to improve pre-cooperative education and management by Cooperative societies; and
- c) Engaging the Senate and the National Government to ensure that the Cooperatives Societies Act is repealed **to enhance the role of County Governments in the development and regulation of the movement.**



## 6. TOURISM AND NATURAL RESOURCES MANAGEMENT

*Fellow Kenyans,*

### i) TOURISM

The opportunity to develop and market Kenya as a tourist destination is immense and is clearly aligned to the efforts by the county governments. However, we regret to note that little effort has gone into making the county governments the hub for tourism development.

The efforts made by Narok County on the Masai Mara experience can be undertaken by each County.

We call upon the National Government to refocus this sector and undertake full unbundling and costing of function for a competitive tourism industry in the country.

According to the East African Business Council report, the East African Community partner states' tourism sector lost **\$4.8 billion** of revenue, with **4,200,000** tourists unable to travel, leading to a loss of over **2 million jobs** in the hotel industry in 2020.

We call upon the Ministry of Tourism and Wildlife to continue restoring destination confidence to ensure that Kenya remains a preferred travel destination globally.

### ii) WATER AND SANITATION

County Governments are responsible for provision of water and sanitation services. Over the year, there has been marked improvement in the establishment of water infrastructure to ensure an uninterrupted supply of water in both urban and rural settings.

Currently, the Households connected to piped water in the Counties is approximately **5.8 million**, about **48%**. In 28 Counties, over **50%** of the population have access to safe water.

**14** Counties have developed water master plans, an increase from the **6** Counties in the previous year. **30** Counties have either a Water Act or a Water Policy or both, an increase from the **14** Counties recorded in **2020**. **13** Counties are in the process of developing Water Acts and Policies.

On drilling of boreholes, each of the following Counties: **Turkana, Nairobi, Machakos, Kitui, and Busia** drilled more than **500 boreholes**, a true demonstration of commitment to water service provision.

### iii) ENVIRONMENT

So far, **46 Counties** have gazetted the **County Environmental Committees** from the previous **45** Counties reported last year.

Over the last year, **35 Counties**, in collaboration with **National Environment Management Authority**, trained **177 Environmental Inspectors**.

**81** of the trained officials have been gazetted. The Council will engage NEMA to ensure more County environmental inspectors are trained and gazetted to strengthen enforcement and compliance to environmental laws.

### iv) SOLID WASTE MANAGEMENT

County Governments have made tremendous progress in investments for both hardware and software for Municipal Waste Management.

**28 Counties** have enacted **Solid Waste Management Policies and laws** while **10 other Counties** are in the draft stage.

These policies provide a platform for promoting a circular economy that includes waste collection, segregation, recycling, standards, and design for materials recovery facilities and engineered landfills. Other significant developments in this area include:

- **24** Counties have domesticated the National Waste Management Strategy, and **9** are at advanced stages of finalizing the same.
- **45** Counties have established a total of **133 dumpsites**, while **5** Counties have landfills. **3** other Counties are in the process of developing their landfills.
- **21** Counties have engaged waste services providers, while **12** others have designated e-waste collection centers.

Despite the robust solid waste management practices by the Counties, **the emergence of COVID-19 has created a new stream of waste comprising of single-use Personal Protective Equipment (s) such as face masks and gloves** that are potentially infectious and is likely to compromise the capacities of Counties to manage their waste effectively.

However, County Governments have strengthened enforcement to comply with the Ministry of Health's hazardous waste disposal guidelines.

Additionally, **15 Counties** have received the **AmbEcosteryl** medical waste machine which are very effective and sophisticated devices to dispose of dangerous medical wastes safely.

#### **v) FORESTRY**

With the support of the UNDP REDD+ programme, the Council has developed a model law (policy and Bill) on sustainable forest management and tree growing in Counties.

This is expected to enable Counties to implement their Constitutional mandate on forestry.

- Notably, **36 Counties** have signed **Forest Transition Implementation Plans** from the previous **35 Counties** reported last year.

During the period under review, Counties have continued to promote afforestation and restoration activities to increase the tree forest cover and conservation of soil and water.

- The Most notable cases of forest restoration happened in **Bomet County**, with **25%** of Chepalungu Forest being restored, while in Nakuru County, **35%** of Mau Catchment (Ndundori and Menengai) have been restored.

#### **Well done Nakuru and Bomet Counties!**

Tree growing is one of the climate action strategies that best reduce the negative impacts of climate change.

County Governments have demonstrated unwavering commitment towards this course through **rigorous tree growing exercises in marking the Seventh Annual Devolution Conference, the International Day of Forests, and the World Environment Day.**

During the current rainy season, **38 Counties** have grown **5,133,608 tree seedlings.**

Counties are making an effort to grow an additional **7,378,150 seedlings** before the end of the rain season.

#### **vi) CLIMATE CHANGE**

The enactment of the Climate Change Act in 2016 gave the country an overarching legislative framework on climate action. In this regard county governments are also developing County specific laws on climate change.

**Currently, 29 County Governments have enacted Climate Change Acts**, from the previously reported 7 Counties. The other County governments are at **advanced stages of finalizing their Climate Change laws**.

Through the Climate Change Acts, the County Governments have established the County Climate Change Fund (CCCF) to provide for financing investments to reduce climate risk and promote adaptation.

Already, **5 Counties** (Kitui, Makueni, Garissa, Isiolo, and Wajir) have operational CCCFs in which they allocate between 1% to 3% of their development budget.

**Additionally**, the five Counties have developed Climate Information Service (CIS) Plans.

It is estimated that through these CIS services approximately **2.5 million** people (**375,076 households**) have access to Climate Information Services.

We are also proud to report **2 Counties**, Isiolo and Wajir, have published their resource atlases.

#### **vii) MINING**

The Mining Act 2016 requires the establishment of Artisanal Mining Committee in every County. So far, **6 Counties**, Taita Taveta, Migori, Kitui, Kakamega, and Embu, have established the Artisanal Mining Committees as required. These committees serve a critical role in the granting and renewal or revocation of artisanal mining permits.

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

*Fellow Kenyans,*

### i) GENDER AND SOCIAL SERVICES

County governments are progressively taking measures to mainstream gender and promote the participation of all citizens in development.

In the FY 2020/2021, **38 Counties allocated Kshs 1,881,385,763** towards Gender programmes.

A total of **142,912 men, women, and PWDs** benefitted from these empowerment programs.

In addition, the County Governments budgeted **Kshs 654,536,000** to support programs targeting PWDs.

Further, the county governments have been on the forefront in the following activities:

- a) Advocating against Sexual and Gender-Based Violence;
- b) Marking UN days like the International Day for Persons with Disabilities, Women's Day, and International Day of the Girl Child; and
- c) Civic empowerment. For instance, Nandi County initiated a training Programme for empowering women on land rights.

Various County Governments also utilized numerous credit facilities like the **SACCOs, women, youth, and PWD enterprise fund, revolving funds, and table banking**, among others, to support empowerment initiatives for the youths, women, and persons with disabilities.

For instance,

- Laikipia County, for instance, advanced loans worth **Kshs 17,320,000** to different women, youth, and disability groups this Financial Year.
- Meru County also advanced **Kshs 15,000,000** while Homabay County supported **280** women, youth, and disability groups.

**In terms of policy and legislation, 28 Counties** have policies & laws to promote affirmative action and the empowerment of women, children, youth & PWDs.

In order to **cushion the vulnerable members of our society during the COVID-19 pandemic, County Governments provided protective equipment (facemasks, hand sanitizers, and assorted sanitation equipment), relief food packages, and distribution of assistive devices for PWDs.**

They also enhanced access to bursary and scholarship funds to learners in colleges and high schools and offered specialized physiological and counselling services.

In addition, the County Governments have strengthened support towards child-serving institutions and children centers by **providing meals and outreach services.**

## ii) YOUTH

Some of the youth empowerment programmes and initiatives implemented by county governments included:

- **Youth training and development programmes,**
- **Purchase of assorted sports items,**
- **Youth technical skills development,**
- **Youth empowerment centers,**
- **Grants for youth,**
- **Youth funds, and**
- **Civic empowerment.**

**30** Counties allocated **Kshs 1,241,189,266** towards youth programmes in FY 2020/21. In these counties, **48,894** youth benefited from youth empowerment programmes.

**So far, 36%** of the Counties have existing credit facilities such as youth funds, revolving funds, and grants to support youth empowerment initiatives.

**90%** of the Counties have achieved the **County 30% Public Procurement Preservation & Reservation scheme.**

The average public procurement compliance uptake by the youth in the Counties is **29.04%.**

The majority of the Counties have also enacted the following policies and laws:

- Youth development policies,
- Bursary Fund Act,
- County Youth Service Acts,
- Internship policy,

- PWD Acts,
- Revolving Fund Act and
- Youth Empowerment Acts.

### iii) SPORTS

In FY 2020/2021, **23** Counties allocated a total of **Kshs 2,648,368,553** for sports programmes.

The most popularly supported category of sports are:

- Football,
- Volleyball,
- Netball,
- Athletics,
- Basketball,
- Boxing and
- Indoor games

In addition to in-county competitions, there are the Kenya Inter-County Sports and Culture Association (KICOSCA) games, Kenya Youth Inter-County Sports Association (KYISA) games that help to promote talent and the integration of our people.

**During the year, 127,508 athletes from 16 Counties** directly participated in various sports initiatives and programmes. By the end of FY 2020-2021, the counties will have a total of **120** sports facilities.

In order to promote sporting activities, all counties have passed the **County Sports Development Policy** and **Sports Act**.

### iv) CULTURE

In FY 2020/21, **26** Counties allocated **Kshs 391,791,165** for the promotion of cultural activities. So far, there are **77** cultural sites in **24** Counties, **39** recreational areas in **14** Counties, **102** historic sites in **19** Counties, and **61** sacred places in **15** Counties, all managed by the County Governments.

The Counties' culture empowerment programmes and initiatives included **music** and **cultural festival competitions** and the **Kenya Inter-County Sports and Music Association** games.

### v) VOCATIONAL TRAINING

The role of vocational training and imparting skills is very important to County Governments.

In FY 2020/2021, the County Governments allocated **Kshs 2.477 billion** to enhance access and service delivery in County Vocational Training Centers.

In addition, the County Governments received the **Kshs. 2 billion as Conditional Grants to rehabilitate and renovate infrastructure in the County Vocational Training Centers.**

The registered County Vocational Training Centers remained at **1,156**, with a further **1,035** with provisional registration.

**Trainee enrolment in County Vocational Training Centers increased by 11% to 150,460 from 135,550 in 2019.**

This growth is attributed to the **increased uptake of vocational training programmes by the youth and enhanced investment by the County Governments.**

#### **vi) EARLY CHILDHOOD DEVELOPMENT AND EDUCATION**

Early Childhood Development and Education is the foundation of formal learning and acquisition of skills.

The County Governments allocated **Kshs 4.970 billion** for Early Childhood Development and Education (ECDE) in FY 2020/2021.

The demand for pre-primary education is increasing and the enrollment in County ECDE Centers increased by **1.03%** to **2,832,897** learners in 2021 from **2,738,587** in 2020.

The gender parity index marginally declined from **0.96** to **0.97**, indicating a reduction in the gender gap between male and female learners.

The number of registered County ECDE Centers increased by **1.02%** to **29,130** from **28,383**. This includes **470** Special Needs Units established across all **47** Counties for learners with special needs.

In the wake of the COVID-19 pandemic, County Governments distributed **1.1 million** facemasks and **9,431** portable handwashing stations in County ECDE Centers and Vocational Training Centers.



## **vii) BURSARIES AND SCHOLARSHIPS**

To enhance access to education, **County Governments allocated and disbursed Kshs. 3.5 billion in full and partial scholarships and bursaries for 371,305 deserving students and learners in secondary schools and tertiary institutions.**

This financial support to needy and deserving learners in the country supplemented the efforts by the Ministry of Education and other partners in bridging financing gaps in secondary education and tertiary training.

## 8. LEGAL, HUMAN RIGHTS, AND INTERGOVERNMENTAL RELATIONS

*Fellow Kenyans,*

I applaud the Judiciary for remaining true in protecting the devolved system of government.

**Rich jurisprudence has been developed on devolution matters**, as demonstrated in the following issues concluded during the period under review.

- i. **Nairobi Constitutional Petition No. 252 of 2017; Council of Governors versus Attorney General & 4 others** whereby the Council of Governors instituted this petition after parliament went ahead and enacted the **Division of Revenue Allocation Act in 2016 and allocated Devolved Funds to the National Government**.

In an attempt to camouflage the Constitutional anomaly, the Act made the allocations as conditional grants.

The matter was heard and determined by the court on 3rd December 2020, whereby the court made a declaration that the **Division of Revenue Act, 2016** contravened the provisions of **Article 202(2) of the Constitution by defining that the conditional allocations to counties shall be from the revenue raised nationally instead of the national government's equitable share**.

- ii. **Petition 77 of 2020 Kenya Association of Health Administrators vs. Salaries and Remuneration Commission Council of Governors (Interested Party) case** was seeking to stop the SRCs directive for the COVID-19 Medical Emergency Allowance payment and benefits for frontline health workers in the National and County Governments.

In **dismissing the petition**, the court agreed with the Council's submissions and stated that an association does not have the locus to agitate for the terms and conditions of service they have to come under the ambit of a trade union.

- The judgment has since stabilized labor relations in the Counties.**
- iii. **Appeal No. 362 of 2014 At Nairobi Kenya: Okiya Omtatah & Another V the Attorney General And 2 Others:** The Petition sought orders that the court gives a declaration that the referral health facilities existing before the effective date and referred to in Part 1 Section 23 of the Fourth Schedule to the Constitution were not devolved to the county governments and remain a core function of the National Government.
- iv. **The judgment was entered in the Council's favor both in the High Court and the Court of Appeal. Both courts affirmed that the health facilities were devolved to the Counties.**

The year under review was a challenging year due to the global outbreak of COVID-19.

This required concerted efforts and mitigation strategies by the National and County Governments.

The National and County Government Coordination Summit was convened on 27th July 2020 and 4th November 2020 to discuss the COVID-19 situation in the country.

Both levels of government developed response measures and strategies to mitigate the impact of the pandemic.

The two meetings agreed on resolutions to be implemented by both levels of government.

In addition, the Intergovernmental Budget and Economic Council (IBEC) convened a meeting on 10th February 2021.

One of the critical agendas was the County's equitable share of the Financial Year 2021/2022.

**For the first time since the inception of devolution,** the National Treasury, Commission on Revenue Allocation, and County Governments agreed on a figure of **Ksh. 370 billion** equitable share, conditional allocations from the share of the National Government revenue, and conditional allocations from proceeds of loans and grants from the development partners.

## STATUS ON POLICY AND LEGISLATION ON DEVOLUTION

The Fourth Schedule of the Constitution of Kenya assigns County Governments fourteen (14) functions.

In this regard, County Governments are required to develop requisite policies and legislation to facilitate smooth implementation of the 14 devolved functions.

The status of policy and legislation per function is as follows:-

No.	Function	No. of Counties with requisite legislation
1.	Agriculture	33
2.	Health	32
3.	Control of air pollution, noise pollution, other public nuisances, and outdoor advertising	14
4.	Cultural activities, public entertainment, and public amenities	38
5.	County transport	24
6.	Animal control and welfare	7
7.	Trade development and regulation	43
8.	County planning and development	47
9.	Pre-primary education, village polytechnics, home-craft centers, and childcare facilities.	32
10.	Implementation of specific national government policies on natural resources and environmental conservation	32
11.	County public works and services	15
12.	Fire-fighting services and disaster management	34
13.	Control of drugs and pornography	39
14.	Ensuring and coordinating the participation of communities and locations in governance at the local level	38

In the period under review, we also note that key legislation has been passed to improve service delivery at the county level and enhance socio-economic activities. These include the **Office of the County Attorney Act, 2020; County Governments (Amendment) Act, 2020, the Petition to County Assemblies (Procedure) Act, 2020, County Outdoor Advertising Control Act No. 19 of 2020, Sectional Properties Act No. 21 of 2020**, among others.

## 9. PUBLIC PARTICIPATION

The Constitution of Kenya **placed people at the center of their development.**

While COVID-19 restrictions prohibited public gatherings, County Governments leveraged other modalities and structures for citizen participation beyond physical town hall meetings in line with section 91 of the County Governments Act 2012.

**Radio stations** proved as an essential forum across the 47 county governments for facilitating public awareness and flow of information not only on the Corona Virus but also on County development initiatives and the County budget processes.

County Governments used county social media platforms, including WhatsApp, in collecting, especially from the youth, views on last year's budgeting process and other topical issues surrounding the covid 19 pandemic.

Additionally, websites, including SMSs, remained the primary tool to share and exchange information with their constituents.

Guided by Covid 19 protocols, participatory mechanisms such as ward emergency committees and Ward Development Committees customized the Nyumba Kumi approach and now serve the dual purpose of;

- identifying, monitoring, and reporting on County projects across wards and;
- coordinating and harmonizing the Covid-19 services rendered in the County jointly by the National and County Governments.

As Kenya recovers from the crisis, let us take advantage of the community structures that have shown that they are essential to building back better the structures for public participation.

## 10. SUSTAINABLE DEVELOPMENT GOALS

The **County Governments have remained resolute in the implementation of SDGs** despite the huge challenge caused by the Covid-19 pandemic.

County governments are working to ensure that the socio-economic re-engineering strategies are anchored on the SDGs to ensure accelerated implementation of the SDGs.

Towards this, County Governments have mainstreamed SDGs as part of the mid-term review of CIDPs.

Further, SDGs have become an integral part of County Performance Contracts and have informed performance contract design and target setting for County Officers.

The SDGs have a review and reporting mechanism through the Voluntary National Reviews (VNR) for National Government and Voluntary Local Reviews (VLRs) for Sub-national Governments.

The County Governments contributed to the VNR report for Kenya 2020, which was presented to the UN in July 2020 during the High-Level Political Forum held virtually.

County governments are currently undertaking local reporting of SDGs through Voluntary Local Reviews (VLRs) and intend to share their progress with other sub-national governments worldwide.

The Council of Governors has developed a report on the status of localization of SDGs, highlighting the progress made in SDGs implementation and best practices in County Governments.

With less than nine years to deliver the SDGs, it is evident that the Counties need to do more to realize the goals.

The County Governments have developed SDGs acceleration action plans to fast track implementation of the goals while considering the Covid-19 Socio-economic re-engineering and recovery strategy.

## 11. KNOWLEDGE SHARING AND LEARNING

Drawing from section 20 (b) of the Intergovernmental Relations Act, the Council of Governors (CoG) Strategic Plan 2017-2022 gives prominence to Knowledge Management by having Knowledge-driven Performance as one of its Key Performance Areas.

This is also in line with Vision 2030, which envisages a knowledge-based economy for sustainable growth and prosperity.

Institutionalization of Knowledge Management (KM) is pivotal for all County Departments and entities since it can contribute towards efficient use of resources, improved performance, and sustained productivity.

County Governments have nominated Knowledge Management focal point persons who work collaboratively with the COG Maarifa Centre team to document County initiatives, experience, and transformative innovations.

Sharing these knowledge assets through the Maarifa Centre has given Counties and other devolution stakeholders an online platform to learn from their peers and replicate some of the lessons.

Further, the Council has **developed a Handbook to assist County Governments in setting up structures, processes, and systems to capture and share consistent and organized County knowledge assets.**

The Handbook development was informed by a survey conducted to assess the Knowledge Management capability of County Governments.

In collaboration with the County Governments, CoG Maarifa Centre, in the last year, has documented and uploaded **26 County Initiatives, experiences, and stories** in response to and management of COVID-19 pandemic and other related issues, from the previous 11 stories shared in the last year.

In this era of the pandemic, County Governments were the largest providers of public healthcare services in the country, and it was inevitable that they needed to remodel their projects and programmes to cope with the COVID-19 crisis, which called for a transformational and sustainable way of working.

The CoG Maarifa Centre also facilitated a webinar under the sub-theme, ***“Enlivening and integrating indigenous knowledge in climate action at the subnational level in the wake of the COVID-19 pandemic”***.

The webinar's objective was to brainstorm sustainable solutions drawn from indigenous knowledge to address climate change in the COVID-19 period as a build-up to the Devolution Conference to be held from 23rd to 26th August 2021.

You can access the information through the Maarifa online platform (<https://maarifa.cog.go.ke/home/>).



## 12. PARTNERSHIPS FOR DEVOLUTION

### *Excellency Governors and fellow Citizens,*

On behalf of the 47 County Governments, I want to thank our International Development Partners, Local Non-Governmental Organizations, Civil Society Organizations, the media, and the citizens for their continued commitment to supporting County Government functions.

Your continuous engagement, expertise, and experience, and the fruitful, constructive, and open exchanges during the previous year have played a significant role in helping the County Governments achieve the successes.

### **Ladies and Gentlemen,**

Allow me to address some of the **challenges** Counties have faced in the past year:

- i. Delayed disbursement of equitable share to the County Governments by the National Treasury and have led to a myriad of challenges for the County Governments, which include but not limited to:
  - Non-compliance of County Governments regarding timely payment of employees' salaries and remittance of County employees' statutory deductions.
  - Delayed settlement of eligible pending bills.
  - Derailment of Counties' response measures towards emergencies such as droughts, floods, and locusts in various parts of the country and the Covid-19 pandemic.
  - Negatively affecting service delivery to Kenyans.
- ii. Delayed approval of Division of Revenue Act (DoRA) and County Allocation of Revenue Act (CARA) 2020 by both the Senate and the National Assembly has led to County Governments having to wait for long before receiving their allocation of the shareable revenue.
- iii. Underperformance in Own Source Revenue (OSR) and gap in legislation framework.
- iv. The increase in fuel costs and agricultural inputs has severely affected the agricultural sector, with food production expected to deteriorate due to high production costs.
- v. Several pieces of legislation claw back on devolution, such as:

- **Tea Act, 2021**, that establishes the Tea Board of Kenya, which will undertake regulatory functions meant for Counties under the Constitution.
- The Business Laws (Amendment) Act No. 1 of 2020, which amends the Land Act, 2012 and Land Registration Act, 2012 by removing the requirement of obtaining certificates of payment of land rates or rent from the county governments, a key source of revenue for counties.

These laws seek to undermine devolution, and the Council and Parliamentarians of good will must work together to amend the offending statutes and ensure that they conform to the Constitution of Kenya.

## CLOSING REMARKS

**Fellow Kenyans,**

Devolution is working! And the numbers do not lie.

As Governors, we want to reiterate our continued commitment to driving the devolved governance transformative agenda, the challenges notwithstanding.

The progress made in the year under review is proof of the Governors' commitment to implementing many life-changing projects.

We call upon you, as the citizens, to continue supporting the devolution spirit as we seek to address the many developmental challenges still facing our Counties.

As I conclude this address, I want to remind all Kenyans that the threat of COVID-19 is still alive, and we **MUST** be our brothers' keepers.

Please continue observing the MoH protocols of **social distancing, proper wearing of masks, and frequent handwashing.**

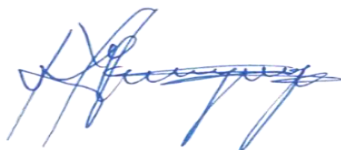
I now call upon my Fellow Excellencies to proceed and deliver the State of County Addresses in their respective Counties.

Long Live the 48 Governments and One United Kenya Nation!

May God bless All Kenyans.

May God bless KENYA.

Thank you for listening to me.



**H. E. Hon. Martin Wambora, EGH**  
**Chairman, Council of Governors**