

Nakuru Civil Society Organizations Forum

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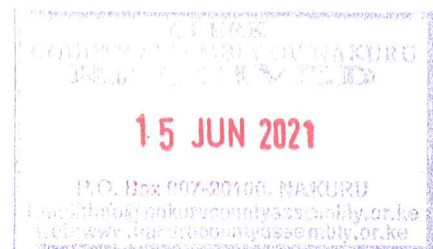


Memorandum to the County Assembly Budget and Appropriation Committee on the Nakuru County Budget Estimates FY 2021/22

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Nakuru Civil Society Forum is a network of Public Benefits Organizations (PBOs) that are based and working in Nakuru County with the objective of creating synergies for effective delivery of their respective mandates, promoting constitutionalism and contributing positively to the development of the County. The forum provides a Forum for PBOs within its network to share ideas and experiences as well as learn from each other in pursuit of their individual and shared objectives.

Citizen participation is an underlying principle in the Constitution of Kenya. In fact, various articles and sections of the Constitution and its supporting legislations support citizen participation in governance processes at both National and County levels. They include:

- Article 10 (2a) provides for Citizen Participation as a national value and principle of governance
- Article 174 (a and d) gives powers of self-governance to the people and enhance their participation in the exercise of the powers of the State and in making decisions affecting them and recognize the rights of communities to manage their own affairs and to further their developments
- Article 201 (a), the Constitution which provides for openness and accountability in management of public affairs including Public Participation in Management of Public Finance
- Article 232 (1) that defines the values and principles of public service which include involvement of the people in policy making processes
- Article 201 (1) that provides for principles of public finance including openness, accountability and public participation

In view of the above we laud the Department of Finance and Economic Planning for providing alternative mechanisms for public participation, in light of the limitations brought about by COVID-19 safety regulations. For instance the Civil Society- County Treasury Budget deliberations held on 9th April 2021 was very insightful.

Therefore this memorandum was prepared through comprehensive deliberations that involved members of civil society organizations working in various thematic areas in Nakuru County. The participants were convened via the Zoom meeting platform. The analysis covered 6 themes/ issues: *Budget Implementation, Budget Financing, Resource Allocation, Deficit and Debt Management, Public Participation & Budget Transparency*. The focus sectors are as follows;

1. Youth, Education and Social Services
2. Public Service, Training and Devolution
3. Health Services
4. Agriculture, Water and Natural Resources

This memorandum is organized into two sections. The first section summarizes the critical proposals for each of the thematic issues analyzed by the team, including justifications for those asks. The second section provides a detailed analysis of each of the themes.

SECTION ONE: KEY SUBMISSIONS

1. **Budget implementation:** We observe a constant trend in poor budget absorption especially for the capital expenditure having absorbed below 50% mark for the past three financial years(2017/18 to 2019/20). The low absorption of development budgets results in delayed implementation of projects. In some instances, development projects are initiated and are not completed. This means there is no value for money for residents of Nakuru as they are forced to wait longer to benefit from such projects. Citizens are not able to monitor project implementation in their localities because Nakuru County does not prepare nor publish quarterly implementation reports as required by the PFM Act.

We therefore ask the County Assembly to strengthen oversight on budget implementation to improve budget absorptions and increase the uptake of the recommendations of Controller of Budget in the Quarterly Implementation Review Reports on County Budget Absorption rates.

2. **Budget Financing:** The budget estimates 2021/22 anticipates a 10% growth in revenue projections for the local revenue streams contrary to the previous revenue performance due to the effects of COVID-19 pandemic to the economy at large. Some other revenue streams have been declining overtime and pose a threat to the quality of service delivery. It is noted that DANIDA grants have been declining since FY 2018/19 to FY 2021/22. DANIDA funds are intended to provide operational support to Level 2 and 3 Health Facilities, the reduced allocation implies a shrinking resource base for these facilities. As such, it is expected that the quality of services in these facilities will start to drop.

We therefore ask the County Assembly to ensure that the County Treasury is setting realistic revenue targets. This would enable the county to implement the budget without being forced to shelve some projects due to budget deficits as a result of poor revenue projection. There is a need to diversify revenue sources in order to fund service delivery in the health sector to avoid our local health facilities which rely heavily on donor funding to operate well.

3. **Resource Allocation:** With the resources being allocated in terms of economic classification that is in Recurrent and development expenditures. It is noted that the County treasury has been allocating resources within the existing requirements of 70% recurrent and 30% development expenditures but violates it when implementing the budget. Further, allocation to compensation to employees has been exceeding the set threshold of 35% by the PFM Regulations since FY 2018/19 to FY 2021/22.

We therefore ask the County Assembly to compel the County Treasury to adhere to existing laws and regulations in place that guide budget formulation and budget implementation. This will ensure that resources are used for the intended purposes and are spent lawfully.

4. **Debt Management/Pending Bills:** Nakuru County is not an exception when it comes to having pending bills, there has been a growing debt over the past 3 financial years occasioned by non payment for development expenditures. In the report for FY 19/20, the Controller of Budget (CoB) raised concerns over high pending bills and flagged it as an area that the County Treasury needs to look into. The county had pending bills amounting to Kshs. 630.26 million as at 30th June 2020. This was an increase of Kshs 536 million from the pending bills for FY18/19.

We Ask the County Assembly to ensure the County treasury including works that have been finalized but unsettled, as well as ongoing works/contracts are included in the budget estimates. This would reduce the pending bills from piling to unmanageable level without affecting the operations on the service providers

5. **Sector Focus Issues:**

- A. **Health Sector:** The budget Estimates 2021/22 shows that the department of health has a budget for critical budget lines e.g. *supply of medical drugs, non-pharmaceuticals, medical gases, health promotion and provision of Essential Health Services*. We note a decline of allocation to critical budget lines at Kshs. 675 Million in the budget estimates 2021/22 which is below what was spent in the FY2019/20 at Kshs 769 Million. This implies that supply of medical commodities would not be sustained even at current levels.

We therefore ask the County Assembly to interrogate how the Budget Estimates 2021/2022 sustains provision of health services. At minimum, allocations to critical budget lines should never go below the previous expenditure/ baseline lest service delivery deteriorates

- B. **Public Service Training and Devolution:** There has been no robust engagement with the community in regards to key policy documents. This has been largely attributed to the COVID19 pandemic and current government directives on holding meetings. County has not invested in other creative/innovative ways of conducting public participation. This will enable citizens of Nakuru to participate meaningfully in the process.

We therefore ask the County Assembly to fastrack enactment of the Nakuru Civic Education Bill and establishment of Directorate of Civic Education and Public participation. This will ensure enough resources are allocated for civic education and public participation. This may contribute to proper coordination and effective implementation of the function including coming up with innovative ways to reach out to the members of the public.

- C. **Youth, Education and Social Protection:** While we appreciate the county government's commitment to establish a GBV rescue centre, our analysis of the sub-programme under which funds will be drawn depict inadequate allocations to the GBV center.

We therefore ask the County Assembly to ensure that completion of the County Gender Violence Recovery Centre in Gilgil is a priority to the sector to address the rising cases of gender based violence cases resulting from the COVID-19 pandemic. It is also important that the project is aligned to the relevant sub-programmes and set up as a one stop-shop as envisioned in the CIDP.

- D. **Agriculture, Water and Natural Resources:** According to the Sector plan 2018/2019, indicates that the CSP was awaiting approval by the County Assembly, yet the department is still budgeting for approval. With the County gearing towards city status, it is prudent to fast track the delivery on the Land Use plans including the County Spatial Plans, Urban Development Plans and roll out their implementation as this shall inform planning and budgeting.

We therefore ask the County Assembly to ensure that the County Spatial Plan is completed. The completion of the CSP has been long overdue and the implementation ought to be the focus now with implementation ought to be at 20% as per the sector report. Lack of the plan affects how the county, especially the City and municipality areas are planned.

6. Budget Transparency and public participation; According to the Kenya budget transparency survey 2020 (IBP-CBTS 2020) Nakuru¹, the county has not been consistent in provision and publishing budget information. Specifically, Nakuru county has failed to publicly publish quarterly implementation reports for the last 5 years. The net effect of this is that it is difficult to evaluate the performance of the county government. And as such, our oversight responsibility is severely hampered.

We therefore ask the County Assembly to Beyond making budget documents available, the county government of Nakuru should ensure that the information provided is comprehensive enough to enable the citizens to utilize it to track the progress of the county in the implementation of the budgets.

¹ <https://drive.google.com/file/d/1bjdztEyKIDdbPjP1qorbUkMF6hZyMnl/view?usp=sharing>

SECTION TWO: DETAILED ANALYSIS OF THE ISSUES

A) BUDGET IMPLEMENTATION

According to the Nakuru CFSP 2021, the overall budget absorption rate for Nakuru County in the FY 2019/20 was 66% of the Kshs. 20 billion total budget. Absorption rate for recurrent budget stood at 91% while absorption rate for development budget stood at 37.4% as indicated in the table below.

Table 1: Recurrent and Development Budget Performance

	Budget Allocation (Kshs. Million)			Actual Expenditure (Kshs. Millions)			Absorption Rate %	
	Current	Capital	Total	Current	Capital	Total	Current	Capital
FY17/18	9,947.6	6,151.3	16,098.9	7,977.1	1,576.6	9,553.7	80.2	25.6
FY18/19	10,467.0	8,012.0	18,479.0	8,659.0	1,477.0	10,136.0	82.0	18.4
FY19/20	10,970.3	10,980.9	21,951.2	9,969.1	4,109.7	14,078.8	90.9	37.4
FY20/21	10,933.9	9,813.0	20,746.9					
FY21/22	11,649.5	5,803.5	17,453.0					

Source: Controller of Budget Report for FY2017/18, FY 2018/19, FY2019/20 & Programme-Based Budget for FY 20/21 and FY 2021/22

Absorption rate for development budget has consistently remained low - below the 50% mark - over the last three financial years despite a 19% increment in absorption in the FY 2019/20. According to sector reports, low budget absorption has been attributed to delays in receiving disbursements from the National Treasury and challenges in utilization of IFMIS.

The low absorption of development budgets results in delayed implementation of projects. In some instances, development projects are initiated and are not completed. This means there is no value for money for residents of Nakuru as they are forced to wait longer to benefit from such projects. Citizens are not able to monitor project implementation in their localities because Nakuru County does not prepare nor publish quarterly implementation reports as required by the PFM Act.

Key Asks

- The County Assembly should compel the County Treasury to identify and address issues that cause low absorption of development budgets and consequently delay the implementation of development projects.
- The County Assembly needs to follow up on the implementation of the Controller of Budget QIRR recommendations to the County Treasury in regards to absorption of development budgets.
- The County Assembly needs to ensure that the County Treasury prepares and publishes quarterly implementation reports as per the PFM Act 2012 to aid in monitoring of Budget implementation by Nakuru residents.

B) BUDGET FINANCING

For the financial year 21/22, Nakuru County expects to spend Kshs. 17.3 Billion. The County plans to finance this budget through the following revenue sources:

- Equitable Share
- Grants and Loans
- Conditional Allocations
- Local Revenue

Table 2 below provides a comparison between actual revenue received and the estimated revenue. Equitable share, grants and loans and conditional allocations have been grouped as national transfers.

Table 2: Trends in Revenue Allocation (Kshs. Million)

Source	Budget Estimates (Kshs. Million)			
	19/20 Budget	19/20 Actuals	2020/21 Estimates	2021/22 Estimates
National Transfers	12,973	11,352	17,547	14,073
Local revenue	2,100	1,355	1,800	1,880
AIA	1,000	1,196	1,400	1,400
Total Local revenue	3,100	2,551	3,200	3,280
Grand Total	16,073	13,903	20,747	17,353

Source: Controller of Budget Annual Report for FY2019/20 & Programme-Based Budget for FY 2019/20, FY 20/21 and FY 2021/22

(a) Local Revenue Sources

In the 2021/22 Budget Estimates, Nakuru County projects to collect Kshs. 3.28 billion in local revenue sources (which is local revenue & AIA). This amount is Kshs. 180 million more than what was actually collected in FY 2019/20. This increment has been brought about by the expectation that revenue streams will grow by 10% from what was budgeted in FY 2020/21. According to the Nakuru CFSP 2020/21, the growth in revenue streams is as a result of the following strategies;

- Focus in formulation Finance Bill 2021 shall aim to provide relief to the most affected sectors.
- Full rollout of the new revenue management system.
- Deployment and redeployment of staff to better mobilise critical revenue streams.
- Acquisition of hardware and equipment support.
- Waiver of penalties and interest on selected revenue streams to encourage prompt payments.
- Enhancing checks and controls to reduce revenue leakages.
- Instituting enforcement and debt recovery measures.

However, we noted that none of these strategies has been mentioned in the budget estimates.

Snapshot 1: Summary of County Funding FY2021/22

TABLE 1: SUMMARY OF COUNTY FUNDING FOR FY2021/2022

IFMIS CODE	REVENUE SOURCE	REVISED ESTIMATES	CFSP	PROJECTIONS		ANNUAL GROWTH	% GROWTH		
		2020/2021	2021/2022	2022/2023	2023/2024		2021/2022	2022/2023	2023/2024
1520101	Property tax (Plot rent and Land rates)	289,390,000	318,329,000	334,245,450	350,957,723	28,939,000	10.0%	5.0%	5.0%
1520201	Trade License	330,000,000	363,000,000	381,150,000	400,207,500	33,000,000	10.0%	5.0%	5.0%
1550101	Market Fees	87,220,000	95,942,000	100,739,100	105,776,055	8,722,000	10.0%	5.0%	5.0%
1590112	Building Approval	90,000,000	99,000,000	103,950,000	109,147,500	9,000,000	10.0%	5.0%	5.0%
1520325	Cess	50,000,000	55,000,000	57,750,000	60,637,500	5,000,000	10.0%	5.0%	5.0%
1530301	Royalties	184,460,000	202,906,000	213,051,300	223,703,865	18,446,000	10.0%	5.0%	5.0%
1580401	Stock/ Slaughter fees	25,000,000	27,500,000	28,875,000	30,318,750	2,500,000	10.0%	5.0%	5.0%
1560101	House Rent	50,000,000	55,000,000	57,750,000	60,637,500	5,000,000	10.0%	5.0%	5.0%
1590132	Advertising	100,000,000	110,000,000	115,500,000	121,275,000	10,000,000	10.0%	5.0%	5.0%
1550221	Parking fees	300,000,000	330,000,000	346,500,000	363,825,000	30,000,000	10.0%	5.0%	5.0%
1420223	Liquor Licensing	72,150,000	79,365,000	83,333,250	87,499,913	7,215,000	10.0%	5.0%	5.0%
1530331	County Park Fees	750,000	825,000	866,250	909,563	75,000	10.0%	5.0%	5.0%
1530331	Water And Sewerage								
1580111	Health fees and charges	100,350,000	110,385,000	115,904,250	121,699,463	10,035,000	10.0%	5.0%	5.0%
1540105	Other Fees and Charges	120,680,000	132,748,000	139,385,400	146,354,670	12,068,000	10.0%	5.0%	5.0%
	Sub Total Local Sources	1,800,000,000	1,980,000,000	2,079,000,000	2,182,950,000	180,000,000			
1580211	Facility Improvement Fund	1,400,000,000	1,400,000,000	1,442,000,000	1,485,260,000	-	0.0%	3.0%	3.0%
	SUB TOTAL (AIA & Local Sources)	3,200,000,000	3,380,000,000	3,521,000,000	3,668,210,000	180,000,000	5.6%	4.2%	4.2%

Source: Nakuru Budget Estimate FY2021/22

(b) National Transfers

According to the CARA Bill 2021, Nakuru County expects to receive Kshs. 12.3 billion in Equitable share. The increase in equitable share is due to the change in revenue allocation formula. The increased equitable share will boost the revenue for the County.

(c) Conditional Grants

According to the County Allocation of Revenue Bill(Third Basis Formula) CARB 2021, conditional grants such as Grant to Road Maintenance Fuel Levy Fund (RMFLF), Grant For Level 5 Hospital, Grant for Rehabilitation of Youth Polytechnics and User Fee,Foregone have been converted to Equitable Share. It is noted that Nakuru Budget Estimates on Table 1 on Summary of County Funding page 5 still provides allocations for the above revenue streams despite them being collapsed in the Equitable share of allocation. Revenue projection for the above 5 streams are not provided for in the CARB 2021.

Our analysis of conditional grants revealed a worrying trend where the amount from the DANIDA grant kitty has been declining. As a matter of fact, Nakuru County's allocation by DANIDA has dropped from Kshs. 41 million in the 2019/20 FY to Kshs. 23 million in the 2021/22 FY, representing a 21% reduction from what was budgeted for in FY 2020/21.

Snapshot 2: Summary of County Funding FY2021/22

9910201	Balance in County Revenue Fund	5,629,941,240	74,343,117			(5,555,598,123)	-98.7%		
1580211	Balance in Facility Improvement Fund (FIF) Account	197,404,907				(197,404,907)			
1310101	Donor Grants (DANIDA)	29,790,000	23,211,375	25,532,513	28,085,764	(6,578,625)	-22.1%	10.0%	10.0%
1310102	Loans and Grants CRA		716,280,908	787,908,999	866,699,899	716,280,908		0.0%	0.0%
1310101	Symbiocity Programme								
1330203	Kenya Devolution Support Program (KDSP) Level I	45,000,000		-	-	(45,000,000)	-100.0%	0.0%	0.0%
1330203	Kenya Devolution Support Program (KDSP) Level II			-	-	-	0.0%	0.0%	0.0%
1310102	World bank National Agricultural and Rural inclusive growth Projects (NARIGP)	198,441,600		-	-	(198,441,600)		0.0%	0.0%

Source: Nakuru Budget Estimate FY2021/22

Since the DANIDA funds are intended to provide operational support to Level 2 and 3 Health Facilities, the reduced allocation implies a shrinking resource base for these facilities. As such, it is expected that the quality of services in these facilities will start to drop. However, there is an increase in allocation from conditional allocation under the World Bank THS-UC Conditional allocation by Kshs.39 million to Kshs. 79 million

Emerging Issues

- Donor Reliance:** Declining resource allocation by DANIDA to Nakuru County is worrying since this allocation is meant to support level 2 & 3 Health facilities in delivery of health services. Reduction in allocation affects the resources that trickle down to the frontline health facilities, which in turn affects operations and eventually service delivery at the mentioned facilities.
- Unrealistic Revenue Projections:** There is a general increment in revenue sources without considering the performance of the individual revenue sources. For instance, The County park fees are projected at Kshs. 850,000 up from Kshs. 750,000 in FY 2020/21. According to the Nakuru CFSP 2021 half year performance there was no collection for the County Park fee recorded.

Key Asks:

- The County Assembly needs to ensure that the County Treasury is setting realistic revenue targets. This would enable the county to implement the budget without being forced to shelve some projects due to budget deficits as a result of poor revenue projection.
- County Assembly should compel the County Treasury to diversify revenue sources in order to fund service delivery in the health sector to avoid our local health facilities (Level 1 & 2) which rely heavily on donor funding to operate well.
- County Assembly should ensure that Nakuru County residents are not burdened in payment of permit fees, rates, cess, rent, levies, fees and other charges when County Treasury is preparing the Finance Bill 2021 in the bid to realize its set revenue targets.

C) RESOURCE ALLOCATION

Our analysis of the budget estimates showed that the health department will be receiving the lion's share of the budget with allocation standing at 39.6%. County Treasury comes second with a 14.1% allocation followed by Infrastructure at 8%, Education, County Assembly at 7.2%, Vocational Training, ICT and e-Governance at 5.6%, Agriculture, Livestock and Fisheries at 5.2% and Water, Environment, Energy and Natural Resource and

Public Service, Training and Devolution each with a 4.6% allocation. The table below highlights percentage allocation to various votes as well as trends in allocations.

Snapshot 3 : Trend in Expenditure Allocations to Sectors (Kshs. Million)

Vote (Sector)	Budget Estimates							
	FY2018/19		FY2019/20		FY2020/21		FY2021/22	
	Actual	% share	Actual	%share	Allocation	%share	Allocation	%Share
Office of the Governor and Deputy Governor	279	2.7	253	1.8	414	2.1	487	2.8
County Treasury	1,052	10.4	1,295	9.2	1,543	7.7	2,467	14.1
County Public Service Board	35	0.3	41	0.3	70	0.3	78	0.4
Health Services	3,765	37.1	6,047	43.0	6,823	34.1	6,913	39.6
Trade, Industrialization, Cooperatives and Tourism	201	2.0	377	2.7	363	1.8	431	2.5
Infrastructure	919	9.1	997	7.1	2,606	13	1,404	8
Agriculture, Livestock and Fisheries	646	6.4	938	6.7	1,011	5.1	905	5.2
Lands, Physical Planning and Housing	189	1.9	498	3.5	1,298	6.5	319	1.8
Water, Environment, Energy and Natural Resources	380	3.7	695	4.9	1,405	7	804	4.6
Public Service, Training and Devolution	740	7.3	742	5.3	757	3.8	795	4.6
Education, Vocational training, ICT and E-Government	431	4.2	700	5.0	1,226	6.1	982	5.6
Youth, Culture, Gender, Sports and Social Services.	386	3.8	340	2.4	408	2	413	2.4
Nakuru Municipality	0	0.0	0	0.0	557	2.8	111	0.6
Naivasha Municipality	0	0.0	0	0.0	270	1.3	84	0.5
County Assembly	1,114	11.0	1,155	8.2	1,254	6.3	1,260	7.2
TOTAL	10,135	100	14,077	100	20,004	100	17,451	100

Source: Nakuru County Budget Estimates FY2021/22

a. Priority Sectors

From the table above, two votes/sectors that have been protected by the government over the years - the County Treasury and Health Services. This is due to the increments in allocations and spending over the last three financial years. The County Treasury is a priority sector in the budget estimates as it gets an increase of Kshs. 924 million, up from Kshs. 1.54 billion in the FY 2020/21. According to the Nakuru CFSP 2021, County Treasury intends to undertake new projects including construction of a County Treasury block, conduct training of staff on the new revenue collection system, and recruitment of additional staff.

b. Expenditure by Economic Classifications

Our analysis shows that the County Treasury conforms to the 70/30 allocation rule when allocating resources to recurrent and development expenditures. However when it comes to implementation of the budget, the 70/30 rule is violated as observed in FY18/19 and FY19/20 in table 4 below.

Table 3: Trends in Expenditure Analysis by Economic Classification.

		Budget Estimates(Kshs)							
		FY18/19	%SHARE	FY19/20	%SHARE	FY20/21	%SHARE	FY21/22	%SHARE
County Expenditure	Recurrent	8,660,000,000	85.4	9,888,963,610	70.6	10,933,955,307	52.7	11,649,495,079	66.7
	Development	1,478,000,000	14.6	4,109,734,281	29.4	9,813,353,660	47.3	5,803,547,492	33.3
	Total	10,138,000,000	100	13,998,697,891	100	20,747,308,967	100	17,453,042,571	100
	Compensation to employees	5,918,000,000	58.4	5,638,436,303	40.3	7,032,693,623	33.9	7,413,334,671	42.5

Source: Controller of Budget Annual Report for FY2018/19, FY2019/20 & Programme-Based Budget for FY2019/20, FY 20/21 and FY 2021/22

Expenditure on Compensation to Employees was 40.3% of the total expenditure for the FY 2019/20 and represented a decrease of 3.4% compared to FY 2018/19 when the County spent Kshs.5.91 billion. This implies that the County Treasury is implementing recommendations of the Controller of Budget on Nakuru County's huge wage bill. However, the expenditures on compensation to employees for the FY 2018/19 and FY 2019/20 violates the 35% threshold set in the PFM regulations. Further, in the FY 2021/22, compensation of employees is projected to be at 42.5% of the total budget.

Key Asks:

- County Assembly to ensure that County Treasury has a strategy in place that will enable County to adhere to the existing regulations and especially adherence to the 35% threshold set for compensation to Employees as provided in the PFM Regulations.
- County Assembly to monitor budget implementation to ensure that it conforms to the 70/30 rule in utilization of resources by MDAs.

D) BUDGET DEFICIT/DEBT MANAGEMENT

The budget analysis also focused on the budget deficit and evaluated the strategies that Nakuru County Government has put in place to manage debt.

(a) Deficit

Nakuru County Budget Estimates for the 2021/22 FY don't have a deficit. When it comes to financing the budget, expenditures are equal to the revenue collection projections for the FY 2021/22. In the event of a shortfall in revenue collection, some of the planned/proposed projects that are not prioritized will have to be pushed to the next financial year or removed from the budget completely. By doing this, a deficit will be avoided.

(b) Pending Bills/Debts

From the snapshot below, there is an increase by 248% in debt management allocations meant to clear pending bills in the FY 2021/22. This means that the county has not been able to honour its payments for provision of goods and services in the FY 2020/21

Table 4: Analysis of Allocations to Pending Bills

	Budget Estimates			
	FY2018/19	FY2019/20	FY2020/21	FY2021/22
Debt Management	189,730,000	187,618,013	180,000,000	445,714,470

Source: NACCSOF's Computation from County Budget Estimates - FYs 2018/19, 2019/20, 2020/21, 2021/22

In the report for FY 19/20, the Controller of Budget (CoB) raised concerns over high pending bills and flagged it as an area that the County Treasury needs to look into. The county had pending bills amounting to Kshs. 630.26 million as at 30th June 2020. This was an increase of Kshs 536 million from the pending bills for FY18/19, which stood at Kshs. 94 Million. Below is a summary of cumulative pending bills per sector/sub-sector for the FY 2019/20.

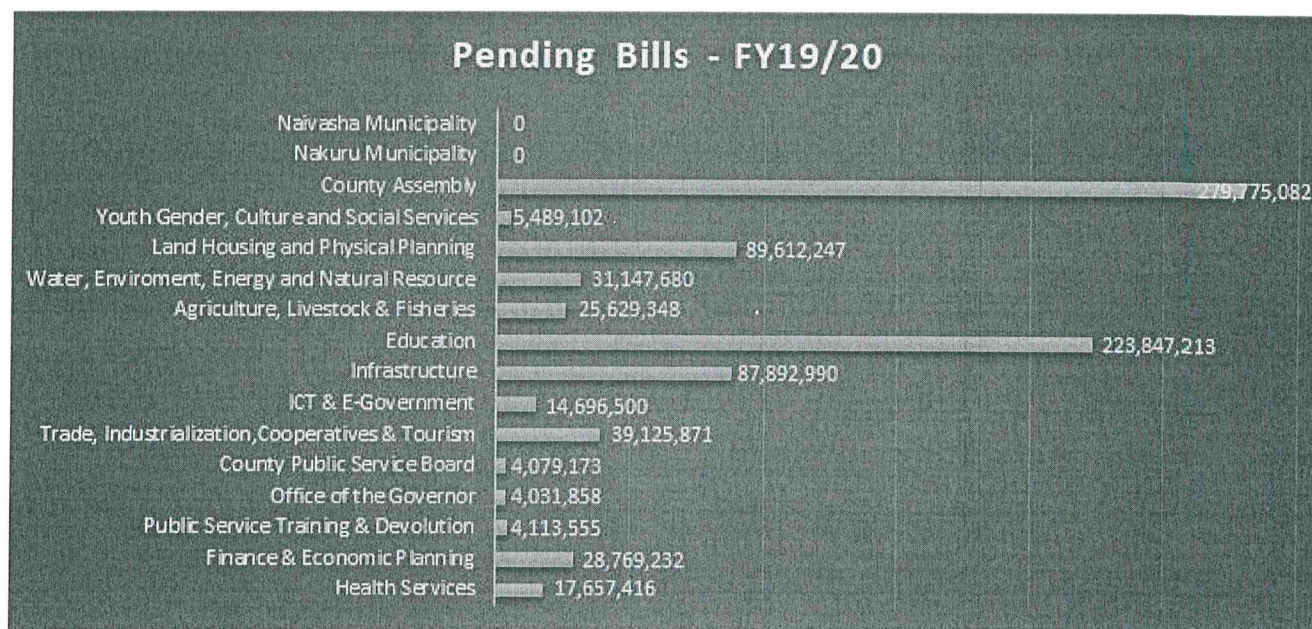


Table 5: Summary of Sector and Sub Sector Pending Bills

Nakuru County has a total of Kshs.886 Million in pending bills as of FY 2019/20. From the snapshot above, the County Assembly and Education sub-sectors have the highest pending bills at Kshs. 279.7 million and Kshs. 224 million respectively. No justifications were provided by the two sub-sectors for the high pending bills in the 2021 sector reports. However, some sectors linked high pending bills to delays in disbursements of funds. Most of the pending bills owed by different sectors and sub-sectors are from the development expenditures.

Key Ask;

The County Treasury should ensure that finalized but unsettled, as well as ongoing works/contracts are included in the budget for FY 2020/21

E) ALLOCATIONS TO FOCUS SECTORS

NACCSOF members analyzed allocations towards four key sectors namely Youth, Education and Social Protection, Health and Sanitation, Public Service, Devolution and Training and Agriculture, Water and Natural Resources. Below are out key findings:

1. Youth, Education and Social Protection

This sector expects to receive Kshs. 5 Million more than it did in the FY 2020/21 to Kshs. 413 million.

P3, P2 and P4 have received an extra shilling from their previous allocation in the FY 2020/21.

Table 6: Trends in Programme Allocation

Programmes	BUDGET ESTIMATES						
	ACTUAL FY2019/20	%SHARE	FY2020/21	%SHARE	FY2021/22	%SHARE	GROWTH
P1	181,497,166	58.1	274,979,042	67.4	198,708,870	48.1	-76,270,172
P2	59,300,215	19.0	55,474,075	13.6	81,898,603	19.8	26,424,528
P3	59,791,944	19.2	52,880,000	13.0	92,785,866	22.4	39,905,866
P4	11,530,914	3.7	24,946,522	6.1	40,037,866	9.7	15,091,344
	312,120,239	100	408,279,639	100	413,431,205	100	5,151,566

Analysis of Sector Issues vs Budget Commitments

Sector Issue	Sub Programme Allocations	Budget Estimates FY 2021/22 Commitments	Comments
Response to SGBV through fast tracking the completion of the Gender Recovery Centre in Gilgil	The Social-cultural Development SP has a total allocation of Kshs 24,640,737	The budget does not have a clear budget line for completion of the Gender Recovery Center	The budget estimates should clearly specify how much will be directed to completion of the Gender Recovery Centre under the Social Cultural Development sub-programme
Increase the number of beneficiaries with the capacity to promote gender equality and women empowerment	Promotion of gender equality and women empowerment	Kshs. 6,500,000	We commend the department for increasing the number of target beneficiaries over the years. However, more information is needed on the justification for 200 beneficiaries annually as reflected in the MTEF Budget estimates do not indicate the kind of interventions that will lead to attainment of outputs explicitly The County has planned for the formation of 2 additional Sub County Clusters and Commemoration of International Calendar dates. However, no adequate information on

			<p>allocations for these activities is provided.</p> <p>In previous Financial Years, these key outputs have featured in the budget but were never conducted by the respective departments and were largely funded by non-governmental actors.</p>
<p>Sensitizing PWDs on AGPO and facilitating access to AGPO</p> <p>Provision of assistive devices to PWDs</p> <p>Development of a PWD database</p>	<p>Social development program.</p> <p>Kshs. 41,057,866</p>	<p>The department of social services will sensitize 900 pwds and issue 44 AGPO certificates.</p> <p>County Treasury to issue 70 AGPO certificates to Pwds.</p> <p>3200 Pwds to receive assistive devices</p> <p>PWD database to be in place by the end of FY 2021/22</p>	<p>Not all beneficiaries targeted in the previous financial years had benefited as indicated in the estimates. The budget estimates should provide information on how this gap can be addressed.</p> <p>Kshs. 41,057,866 may not be sufficient to cover all the proposed activities e.g 27.5 million has been allocated to the PWD fund for assistive devices. This utilizes over half the budget, which means some of the proposed activities may suffer.</p> <p>The PWD database has been included in budget estimates for the last 3 years, but it has not been implemented. The budget estimates should highlight how the department of social services plans to realize this in the coming financial year.</p>

Providing Youth with transferable skills, market access, and networking opportunities to enable them create economic opportunities for themselves and spearhead economic recovery	Youth Empowerment and participation	Ksh. 15,037,866	<p>The budget estimates do not indicate the kind of interventions that will lead to attainment of the outputs indicated in some activities e.g on SRHR and mental health.</p> <p>The targets cited in some priority areas such as internships for youth and mental health are too low. Further, the uniform target used across the years fails to recognize the increasing number of youths in the county and may not reflect the true need for these services</p> <p>Activity and indicators per output on green jobs are not clear</p>
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Emerging Issues

1. Budget Inconsistency

While we appreciate the county government's commitment to establish a GBV rescue centre, our analysis of the sub-programme under which funds will be drawn depict inadequate allocations to the GBV center. As indicated below, the allocation for the centre for the FY 2021/2022 is Kshs. 10,000,000. The allocation for the SP 2.2 Gender Development activities is 7,510,000, which is not really enough to establish the rescue centre. Therefore, it's not very clear under which sub-programme the GBV Rescue Centre should fall as it appears under SPs 2.5, 2.2 as indicated in the tables below:

Snapshot 4: Summary of the Programme Key Outputs and Performance Indicators for FY 2021/2022-2023/2024

SP 2.5 Social cultural Development	Directorate Social services	Enhanced community empowerment centers	Number. of social halls constructed, rehabilitated, renovated and equipped	6	7	8
	Directorate Social services	Enhanced social welfare	No of drop-in centers rehabilitated and equipped	1	0	0
	Directorate Social services	Enhanced social welfare	Number of new rooms constructed and equipped at Alms House	4	4	4
	Directorate of culture	Construction and equipping of a GBV Centre	Number of Centers Expanded and equipped	1	0	0

Source: PBB-2021/ 2022- page 263

PROGRAMME 2: DEVELOPMENT OF SOCIO-CULTURAL DIVERSITY, ECONOMIC EMPOWERMENT AND RESPONSIBLE GAMING						
SP 2.1 Cultural development activities	8,500,000	7,735,773	4,690,000	7,900,000	8,690,000	9,559,000
SP 2.2 Gender development activities	7,000,000	5,021,265	4,690,000	6,500,000	7,150,000	7,865,000
SP 2.3 Promotion of responsible gaming.	1,000,000	1,293,973	1,800,000	1,800,000	1,980,000	2,178,000
SP 2.4 Social Development activities	47,500,000	45,249,204	33,880,000	41,057,866	45,163,653	49,680,018
SP 2.5 Social Cultural Development	32,585,925		10,414,075	24,640,737	27,104,811	29,815,292
Total Expenditure Prog 2	96,585,925	59,300,215	55,474,075	81,898,603	90,088,463	99,097,310

Snapshot 5: Summary of Expenditure by Programmes and Sub Programmes 2021/2022-2023/2024 (Ksb. Millions)

Source: PBB-2021/ 2022- page 269 of the PBB

2. Bulk Allocations

Whereas the draft estimates have clearly spelt out the key outputs and the performance indicators for the sector, allocations have been pooled per sub-program as opposed to respective outputs. This makes it difficult to ascertain the specific allocations for the key performance indicators and does not adhere to program-based budgeting guidelines.

3. Complementarity of outputs with other sub programmes and departments

Our analysis noted that there has been consideration for outputs aimed at **Improved Prevention and response to sexual and gender-based violence**. The indicator on the “*Number of schools sensitized on Reproductive Health*” under the Promoting Gender Equality and Women Empowerment Sub Programme is commendable. However, our submission is that activities under this output be clearly explained to provide more information about the specific programs, targeting approaches and criteria for selecting target schools. Additionally, there is need for this and other activities including those under the **Youth Empowerment and Participation on “Empowerment of Youths on Health and Sexuality”** and other similar activities under the Department of Health to synergize for greater impact and value addition.

4. Policy Framework for Youth Engagement Activities.

We welcome the creation of the *Nakuru County Youth Service Engagement*. We are confident that this shall set the pace for coordinated activities targeted for young people in the county. Nevertheless, there is a need for this kind of engagement to be structured to ensure that it upholds objectivity and equity. This calls for a broader regulatory framework to guide resource allocation and distribution of activities under the Sub Programme on Youth Empowerment and Participation. Additionally, sub county specific databases of youth would be strategic in mapping out the intended beneficiaries prior to the roll out of the Youth Engagement Service.

5. Gender Disaggregated Data

There is lack of gender (and other factors describing inequalities in County) disaggregated data to guide implementation of development projects across all the sectors. There are no clear criteria on beneficiaries targeted. The emphasis in completion of projects as opposed to change of livelihood of individual residents of the County. It is imperative that the budget document provides disaggregated data for beneficiaries segregated into male and female for equitable allocation of resources. This shall ensure that the diverse needs of all individuals are adequately addressed, hence gender responsive. We therefore applaud the county for its effort in developing the Gender Policy. We hope that the above concerns shall be addressed through implementation of the proposed Nakuru County Gender and development policy.

6. Equity

We also noted provision of a vote on Gender mainstreaming across all the departments. Out of 14 service delivery units, trade had an allocation of 300,000, Public Service, 500,000, Youth and Gender, 1,700,00. The rest, that is 11, had zero allocation. The government should **advance equity and insist that issues of Persons with Disability PWDs and other factors of inequalities such as Gender are not only catered by the social services sector but they are included in all key sectors like Health, Education, Agriculture, Water, Infrastructure, Trade etc.** Nakuru County is not homogenous. For sustainable development to be realized, and in the spirit of leaving no one behind, the planning and budgeting process must be all- Inclusive.

Key Asks

1. County Treasury to prioritize completion of the County Gender Violence Recovery Centre to address the rising cases of gender-based violence cases resulting from the COVID-19 pandemic. It is also important that the project is aligned to the relevant sub-programmes and set up as a one stop-shop as envisioned in the CIDP.

2. All youth friendly programs offered by the departments of Health and Social Protection should be well planned, coordinated and monitored to ensure that better outcomes are realized and duplication is at all times avoided.
3. Relevant policy and regulatory measures including finalization of the County Youth and Gender Policies should be in place before the roll out of the planned activities under the MTEF 2021/2022- 2022/2023. This shall ensure that these activities are objective, can be easily monitored and are implemented in line with Public Financial Management principles as required by law.
4. The MTEF should be elaborate and provide specific allocations for the key outputs under every sub programme. This information is key in planning and monitoring of the projects and programs and promotes budget transparency as it upholds Program Based Budgeting guidelines.

2. Public Service Training and Devolution (PSTD)

The PSTD department continues to attract an increase in budgetary allocation as indicated on the table below. However, our analysis shows that the allocation is not sufficient to address key institutional and public service delivery challenges as highlighted in our findings here below.

Programmes	BUDGET ESTIMATES						
	ACTUAL FY2019/20	%SHARE	FY2020/21	%SHARE	FY2021/22	%SHARE	GROWTH
P1	693,572,509	93.5	715,553,240	94.5	756,392,476	95.2	40,839,236
P2	20,690,092	2.8	20,288,457	2.7	16,200,000	2.0	-4,088,457
P3	27,321,489	3.7	21,250,000	2.8	16,393,631	2.1	-4,856,369
P4	0	0.0	0	0.0	5,500,000	0.7	5,500,000
	741,584,090	100	757,091,697	100	794,486,107	100	37,394,410

Table 7: Trends in Programme Allocation

Analysis of Sector Issues vs Budget Commitment

Sector Issues	Sub Programme Allocations	Budget Estimates FY 2021/22 Commitments	Comments

<p>Allocation for coordination and facilitation of public participation forums at the Sub County and Ward Level.</p>	<p>SP 1.4 Coordination of Public and Special Community Programmes</p>	<p>Ksh. 3,550,000</p>	<p>Nakuru County has 55 wards. According to the Budget Estimate, the Government intends to undertake 15 civic education and public participation forums in every ward as highlighted on Part E of Snapshot 6 below this table.</p> <p>With this allocation, it is expected that each ward will be allocated Ksh. 63,636, which translates to Ksh. 4,242 per forum. While this is a good step towards enhancing public participation, the estimates do not provide information on the number of participants who'll be targeted and how representative it will be. It is not clear what the Kshs. 4,242 will cater for - whether it's for technical or logistical support for each forum.</p>
<p>Strengthening Decentralized units for effective service delivery:-Support to ward administrators coordination of service delivery and monitoring of development projects</p>	<p>SP 1.4 and SP 1.6 Construction and rehabilitation of Sub-County and Ward Offices</p>	<p>Ksh. 63,711,822</p>	<p>To bring services closer to the people, the County Government ought to refurbish, rehabilitate and construct ward and sub-County offices as provided in the ADP FY 2021/22.</p> <p>This is a good thing because it will help promote effective public participation in governance and development processes. The budget provides for construction of 1 and refurbishment of 8. The government should put up mechanisms to ensure full implementation of the task and that there is value for every shilling spent.</p>
<p>Allocation for capacity building of county staff especially the Administrators to ensure smooth delivery of services at the lower levels.</p>	<p>SP 3.3 Staff Development Through Capacity Building & Training</p>	<p>Ksh. 6,393,631</p>	<p>In the year 2020/2021, Ksh. 7 M was spent for this purpose. In the year 2021/2022, the County Government intends to increase the number of staff by 550. Expenditure for this sub-programme is expected to reduce by around 1.3 million. With the rising inflation and economic effects of covid-19, it is not very clear how the government will train the extra staff with a reduced budget.</p>

<p>Fund Own source Revenue boosting projects-e.g. completion and operationalization of markets, sale yards etc.</p> <p>Sealing revenue leakages by addressing the concerns raised by the Office of the Auditor General - Training revenue enforcement officers, full automation , Establish a master register to maintain a database of all businesses in Nakuru County as per the zoning criteria etc.,</p>	<p>SP 2.2</p> <p>Coordination Of County</p> <p>Compliance & Enforcement Agents</p>	<p>No allocation</p>	<p>The government risks losing revenue that would be used to improve service delivery to the residents of Nakuru County. According to the Directorate, the priority is uniform as per snapshot 6 below this table. Some substantive amount of money should be allocated to address the issue so as to enable the county increase its local revenue base.</p>
<p>Innovative mechanisms for public participation in light of COVID-19 restrictions, building on lessons from previous engagement- Strengthen mechanism (human resources and tools) to receive and analyze views revived virtually</p>	<p>SP. 1.4 Coordination of Public and Special Community Programmes</p>	<p>No allocation</p>	<p>For effective public participation, especially with the COVID19 pandemic and current government directives on holding meetings, There is a need for the county government to invest in other creative/innovative ways of conducting public participation.</p> <p>This will enable citizens of Nakuru to participate meaningfully in the process. Very few residents of Nakuru can access the virtual spaces of public participation currently adopted by the government.</p> <p>This will lock out many people from decision-making processes eventually causing limited access to services hence poor livelihood.</p>

Snapshot 6; Summary of the Programme Key Outputs and Performance Indicators for FY 2021/2021-2022/2023

SP 1.4: Co-ordination of Public and Special Community Programmes	Public Affairs	Civic education Public participation Forums held	No. of forums held at the Ward level	15	15	15
SP 1.5: Workplace HIV and Gender Mainstreaming	HRM	Survey Reports on Gender and AIDS/HIV	No. of surveys reports conducted	5	5	5
SP 1.6: Construction and Rehabilitation of Sub-County and Ward Offices	Chief Officer	Refurbished offices	No. of offices refurbished	1	3	4
		Rehabilitation and construction of Offices	No. of Offices rehabilitated	8	8	8
			No. of offices Constructed	1	1	1
SP 2.2: Co-Ordination Of County Compliance & Enforcement Agents	Enforcement Directorate	Enforcement officers equipped	No. of enforcement staff with full uniform	300	300	300
			No. of assorted operation equipment in place	Cane sticks	150	150
		Handcuffs		300	-	-
		Whistle		300	150	150
		Torch		200	50	50
		Batons		150	150	150
	Enforcement Directorate	Development and operationalization of County band	Fully operational band	50%	70%	100%

Source: Pg 219 and 220 of PBB

Key Asks:

1. Fastrack enactment of the Nakuru Civic Education Bill and establishment of Directorate of Civic Education and Public participation. This will ensure enough resources are allocated for civic education and public participation. This may contribute to proper coordination and **effective** implementation of the function.
2. The department ought to share implementation reports so as to aid in follow-up of projects such as construction and rehabilitation of ward and sub-county offices. As it is, neither the base line is provided nor information on the status of existing ones so as to guide public deliberation and participation on the same.
3. The government should put in place deliberate measures for ensuring effective public participation in Governance and development processes in light of covid-19 pandemic. In order to enhance inclusivity and equity, alternative approaches for access to information and public participation should be adopted.
4. Capacity building for County Revenue enforcement officers should be a priority so as to seal revenue leakages as pointed out by Auditor General thereby increasing local revenue.

3. Health Services

Programmes	BUDGET ESTIMATES						
	ACTUAL FY2019/20	%SHARE	FY2020/21	%SHARE	FY2021/22	%SHARE	GROWTH
P1	781,076,376	12.6	213,338,649	3.1	758,770,155	11.0	545,431,506
P2	1,428,142,534	23.1	1,567,194,745	23.0	1,765,100,388	25.5	197,905,643
P3	3,976,932,939	64.3	5,042,344,827	73.9	4,389,519,324	63.5	-652,825,503
	6,186,151,849	100	6,822,878,221	100	6,913,389,867	100	90,511,646

Table 8: Trends in Programme Allocation

From the above analysis there is a clear indication that service delivery is bound to be affected by reduction in allocations to programme 3. Provision of essential services in all levels is the biggest loser in the entire department by losing Kshs. 500 Million from its allocation of Kshs.2.3Billion while allocations to Governance and Leadership and Human resource in programme 2 have increased by Kshs. 376 Million and Kshs. 324Million respectively

Sector Issues	Sub Programme Allocations	Key Observations in the Budget Estimates FY 2021 /22	Comments
<p>Weakening Community Health Strategy</p> <p>Allocation for stipends/facilitation for CHVs /take up of donor-funded programmes</p>	SP 2.1: Primary Health Care	There is no provision for stipends for CHVs	<p>Community health Volunteers play a crucial role in promotion of primary health care. Sustained prevention and response to COVID-19 and emerging diseases is highly dependent on active community</p> <p>A draft policy has been prepared but is yet to be debated and approved by the county assembly.</p>
Adequate and timely supply of drugs and medical commodities	SP 3.1: Provision of Essential Health Services in all levels	<p>Kshs. 675 Million has been allocated to Drugs, Non Pharmaceutical items and Medical & Industrial gases</p> <p>We note a decline of allocation to medical drugs from 362M in the approved budget 2020/21 to an allocation of 327M in the current budget estimates</p>	<p>Allocation in FY 2021/22 has gone below 769 M that spent in FY 2019/2020. This implies that supply of medical commodities will be sustained even at current levels.</p> <p>Social audits and community scorecards have shown that most health facilities experience periodic shortage drugs and non-pharmaceuticals hence the need to allocate more resources.</p> <p>Supply chain of essential FP commodities was greatly increased by COVID 19. Supply chain management also needs to be improved for effectiveness and efficiency in making sure supplies are delivered where they are needed.²</p>

² Micro Modeling: Modeling the Impact of COVID-19 Mitigation on Contraceptive Needs

<p>Progressive recruitment of medical staff</p>	<p>SP 2.3: Human Resource</p> <p>SP 3.3: Human Resource</p>	<p>4.6 Billion has been allocated to compensation for employees offering health services</p> <p>In the programme-based budget, the county targets to recruit 340 staff across all cadres every year, <i>is this realistic?</i></p>	<p>In 2019/20, Nakuru County spent 3.36 Billion for compensation of Health Workers. While we laud the increase in budget allocation to 4.6 Billion, we are not certain on how much is meant to retain existing staff and how much is going to recruitment of additional staff.</p> <p>There is a need to allocate more funds on recruitment of new staff to replace the aging workforce.</p> <p>The needed staff also need training on YFS to integrate comprehensive care in all levels of health services provision.</p>
<p>Strengthening service delivery with a focus on Primary Health Care</p>	<p>SP 3.1: Provision of essential services in all levels</p> <p>SP 2.1: Primary Health Care</p>	<p>Allocation of 1.75 Billion to provision of essential services in all levels</p> <p>Allocation of 237 Million to Primary Health Care</p> <p>Under the Ward Resource envelope, there are various projects meant to expand services ranging from construction of maternity wings, laboratory services, in-patient facilities, improvement of sanitation levels etc</p>	<p>NACSO supports the strategic direction of shifting from construction of new health facilities to equipping of level II and level III facilities to strengthen service delivery.</p> <p>Even then 1.75 Billion is a reduction from 2.98 Billion that was spent in 2019/20. Allocation to primary health care is also reducing from 397 Million to 237 Million. This implies that there are services that will not be sustained.</p> <p>Social audits and community scorecards have shown that there are disparities in service delivery among health facilities with some having achieved minimum standards as regards service delivery inputs while many others are struggling with very basic inputs such as staffing and sanitation facilities.</p> <p>Supply chain management of essential supplies including Family Planning and equipment used in laboratories also limits access to health services.³</p>

³ Social Accountability of YFS in Gilgil SC Hospital and Bondeni dispensary by DSW - Feb 2021

Strengthening of Mother and Child Health (MCH)	SP 3.1: Provision of Essential Health Services in all levels	1,8 Billion has been allocated to provision of Essential Health Services in all levels No specific provision for RMNCAH/FP or laboratory services	The county does not have a specific budget line for RMNCAH/FP and lab services. To achieve UHC it is important that the county prioritizes RMNCAH/FP according to the PMNCH commitment of 2015 SDGs. ⁴ At minimum all health facilities should be equipped and staffed to offer MCH services as per their standards. A key challenge observed in lack of requisite infrastructure (MCH rooms), equipment (Delivery Beds, Labour beds, weighing machines) and staff
WASH in Health Facilities	SP 2.2: Health a	3.1 M has been allocated to Environmental Health and Sanitation No specific budget line for water supplies in health facilities	The 3.1 M allocation for environmental health and sanitation is too small to cater for the demand for sanitation and environmental needs in health facilities. Several health facilities especially in the rural areas are not connected to reliable sources of water. There is a need to create a budget line – <i>'water for health facilities'</i> to ensure that all health facilities have access to clean , safe and adequate.

⁴ The Partnership for Maternal, Newborn & Child Health document

<p>Need for specific programmes for mental health –mental health awareness, counseling and linkages/ referrals for rehabilitation etc.</p>	<p>SP 3.1: Provision of Essential Health Services in all levels</p>	<p>1.8 Billion has been allocated to Provision of Essential Health Services</p> <p>No provision of mental health as a sub program</p>	<p>Mental health is a critical component that needs resource allocation as a subprogram, putting in mind the current situation of Covid19 pandemic and effects of SGBV in the county.</p> <p>1 out of 4 persons who seek healthcare in Kenya have a mental health condition. This means Nakuru County is one of the most affected counties in Kenya with its large population having being the hotspot of Covid19 and SGBV cases, it directly affects the mental health status of residents.⁵</p> <p>The National Mental Health Policy⁶ recommends investment in the mental health system for health financing, leadership, health products and technologies, health information and research, human resource, service delivery and infrastructure.⁷</p>
<p>Promotion of youth-friendly services and allocation of specific budget on family planning commodities</p>	<p>SP 2.5: Health Promotive</p>	<p>1 M has been allocated to Health Promotive</p> <p>The PBB targets to establish youth friendly Centres in all sub-county hospitals.</p>	<p>The 1 M allocated to the Health Promotive sub-programme is too small to support activities needed under the sub-programme.</p> <p>There is no clear budget line on the roll out of Youth Friendly Services</p> <p>The trained staff on SRHR Youth friendly services are aging and there is shortage of staff with the same capacity (Social accountability from Gilgil Sub county hospital and Bondeni dispensary)</p> <p><i>(Nakuru PET Study by DSW, Feb 2021)</i></p>

⁵ Experts join forces for mental health in Kenya

⁶ KENYA MENTAL HEALTH POLICY 2015-2030

	SP 2.8: Reproductive Health	1.8 M has been allocated to Reproductive Health	<p>One of the challenges observed in the health sector (see pg. 6) is an increase in teenage pregnancies. On the contrary the budget reproductive health care is decreasing to 1.8 M compared to an expenditure 3 M in 2019/2020.</p> <p>There is a need to separate Youth Friendly Services from Reproductive Health services because reproductive health is wide.</p>
Sustained response to COVID-19 monitoring and strengthen prevention measures ; establishing and equipping more isolation and treatment across the county	Disease Surveillance and Emergency Response	1.99 billion has been allocated to Disease Surveillance and Emergency Response	We laud the increase to the sub programme, Disease Surveillance and Emergency Response from an expenditure of 424 M in 2019/2020, to an allocation of about 2 Billion in 2021/2022.

Key Asks to the County Assembly:

1. The County Assembly should interrogate how the Budget Estimates 2021/2022 sustains provision of health services. At minimum, allocations to critical budget lines e.g. *supply of medical drugs, non-pharmaceuticals, medical gases, health promotion and provision of Essential Health Services*, should never go below the previous expenditure/ baseline lest service delivery deteriorates.
2. The Department of Health Services should provide technical guidance on health projects that are funded under the ward resource envelope in order to standardize equipment, infrastructure, staffing and service delivery across these facilities. The technical guidance should start with public participation forums.
3. The County Assembly should put the Department of Health service to task to clarify and justify the targets for recruitment of health workers. Is it possible for the department to recruit 340 healthcare workers annually? How much of the allocation for compensation to employees (4.6BN) is going towards sustaining the existing staff? How much is remaining for recruiting new ones?
4. Even as the County Government puts a lot of effort into providing specialised health services (mega projects at the PGH and sub-county hospitals), the County Assembly should ensure that the primary health care is not left behind. For instance, investment in health prevention and promotion, will translate to reduced cost incurred by households and governments in treatment. As per our analysis key components of primary health care such as community Health Units, immunization, Mother Child Health, youth friendly services that constitute the preventive and promotive services, are left at the mercy of donors.
5. There is a need to fast-track the process of policy formulation for revival and adequate financing of the Community Health Strategy. Given the dwindling donor support for CHV stipends, the County Assembly should start appropriating resources for this budget line.
6. The County Assembly should interrogate how Budget Estimates 2021/2022 responds to emerging issues. NACCSOF is concerned that there are minimal allocations to curb the rising cases of mental health and teenage pregnancies.

7. COVID-19 still remains a big challenge therefore budget lines geared towards containment of the pandemic including equipping of isolation and treatment facilities should be sustained.

4. Agriculture, Water and Natural Resources

This sector expects to receive Kshs. 904 Million. This is a decline from what it did in the FY 2020/21 at Kshs. 1.01Billion. This implies that the sector is not a priority sector for Nakuru County for even the allocations have a ceiling of below what was actually spent in the FY2019/20. More effort goes into programme 1, 2 and 3 due to the increment in resource allocation.

Programmes	BUDGET ESTIMATES						
	ACTUAL FY2019/20	%SHARE	FY2020/21	%SHARE	FY2021/22	%SHARE	GROWTH
P1	378,208,453	40.9	439,600,016	43.5	457,128,198	50.5	17,528,182
P2	146,854,692	15.9	86,792,994	8.6	157,313,708	17.4	70,520,714
P3	12,558,818	1.4	4,343,115	0.4	16,933,210	1.9	12,590,095
P4	386,839,237	41.8	479,778,843	47.5	273,445,366	30.2	-206,333,477
	924,461,200	100	1,010,514,968	100	904,820,482	100	-105,694,486

Table 9: Trends in Programme Allocation

Sector Issues vs Budget Commitments

Sector Issues	Sub Programme Allocations	Budget Estimates FY2021/22 Commitments	Comments
Agriculture Sector 1. Progressive recruitment of extension officers (agriculture, livestock and fisheries)- Facilitation of extension programs for the sub-sectors	SP 2.3: Livestock extension Service delivery (1,230,295/-) SP 1.2: Human Resource Services (405, 726,056/-) SP 3.1: Aquaculture development (10, 500,000/-) SP 4.1: Agriculture extension research and training 6,308,006	The department of livestock production targets to support 1100 extension services that shall be offered through farmer trainings, demonstrations, barazas and meetings. 100 staff to be trained to improve service delivery. CDFS targets to recruit 2 extension officers to enhance extension service delivery.	Whereas there is allocation for supporting extension services, the amount of money allocated for SP 2.3 may not be sufficient to support all the activities proposed under the programme.

<p>2. Construction and operationalization of milk cooling plants</p> <p>3. Procurement and distribution of high-quality seeds</p> <p>4. Setting up of lake Naivasha fish market</p>	<p>SP 2.2: Livestock Products Value addition and Marketing</p> <p>SP 4.2: Farm input support programme</p> <p>256, 586, 786</p> <p>3.3: Fish Quality Assurance, Value Addition and Marketing</p>	<p>CDA targets to hire 20 extension personnel to enhance extension service provision to farmers.</p> <p>CDLP targets to commission 4 milk coolers.</p> <p>Commissioning 2 milk coolers</p> <p>CDA targets to purchase and distribute 200,000 sweet potato vines, 1,000 farmers supported with coffee/tea/Macadamia seedlings, 2,200 farmers supported with Avacado/mango seedlings and 500 farmers supported with pyrethrum seedlings.</p> <p>The department also targets to support 3,000 farmers with fertilizers and seeds.</p> <p>2,562,140/-</p>	<p>There is need to clarify on the coolers that are proposed to be commissioned since there are 2 different values within the programme.</p> <p>CDFS has not prioritized the development of fish markets along the Nakuru-Nairobi highway yet this would increase the revenue income collected in the County as well as improve the livelihoods of citizens in the county.</p>
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<p>Environmental Protection, water and Natural resources</p> <ol style="list-style-type: none"> Solarization of water bore-holes Desilting of dams Setting and up and resource allocation of a directorate on Climate Change 	<p>SP 2.1 Water Services Provision 420,569,122/=</p>	<p>10 boreholes equipped with solar powered installation. 7 pans and dams desilted.</p>	<p>The budget estimate does not mention the number of people targeted for improved access to water. The PBB has emphasized no. of boreholes drilled, no. of water supplies constructed etc at the expense of changes in access to water.</p> <p>Fluoridation of community water projects is a growing concern and should therefore be put into consideration.</p> <p>Electric solar pumping systems have been expensive in terms of maintenance and therefore solar powered community projects would reduce the community expenditures.</p> <p>Fast track the enactment of the Climate Change Bill at the county government to operationalize the strategies on climate action.</p>
<p>Land Physical Planning and Housing</p> <ol style="list-style-type: none"> Allocation of fund for the planning processes (Spatial Plan and Urban Centres Plan Employment of staff for maintenance of the database (LIMS) 	<p>Land Use Planning and Development:</p> <ul style="list-style-type: none"> Nakuru County Land Use plan 159,300,000 Urban development plan <p>Land Information Management Systems 3,400,000</p>	<p>Approved county spatial plan (100%)</p> <p>1 development plan approved</p> <p>No targets</p>	<p>According to the Sector plan 2018/2019, indicates that the CSP was awaiting approval by the County Assembly, yet the department is still budgeting for approval.</p> <p>With the County gearing towards city status, it is prudent to fast track the delivery on the Land Use plans including the County Spatial Plans, Urban Development Plans and roll out their implementation as this shall inform planning and budgeting. It is noted that the targets under S.P 2.4 (Urban planning and development) is quite low given the number of towns coming up within the county. This shall ensure compliance with the principles and requirements for city status.</p> <p>The summary of the key programme key outputs and performance indicators for S.P 2.2 Land information Management System (LIMS) and 2.7 on Establishment of survey centers and mapping centres are not provided for. This makes it hard to critically analyze the budget.</p>

3. Engagement of casual laborers for maintenance of estates	S.P 3.1: Maintenance of County estates. 6,310,000		Clarity on the budgets under SP 2.6 (facilitation of lease processing) which the NCL plays a key role in the process. The budgets ought to be complementary.
4. Funding the settlement programmes for displaced persons		300 housing units rehabilitated, 1 safe asbestos disposal bunkers built, 2km sewer line built, 5 improved toilet blocks constructed	The county has increased the budget for this programme as compared to the previous financial years

Key Asks

1. The department should be clear on the percentage of completion of the LIMs sub-programme. It should also budget for the establishment and equipping of the GIS lab and consider human resources to support a GIS Lab and manage the LIMs database.
2. The department should be budgeting for implementation of the County Spatial Plan (CSP) and be clear on its status because as per the report (2018/2019), implementation should now be at 20%. The completion of the CSP has been long overdue and the implementation ought to be the focus now.
3. The department should consider defluoridation of community water projects by considering purchase of community filters.
4. There needs to be synergy between Sub-programme 2.3(Survey and Mapping of Nakuru County) and 2.5(Surveying of trading centers) which are targeting survey work. The two may be budgeted for as one to ensure reduction of the financial resources , human resources and time.
5. The Department of Agriculture needs to consider budgeting for more storage facilities such as the cold stores and Silos to mitigate the post-harvest wastage. The budget targets construction of 1 cold store which is quite low considering agriculture shall enhance food security.

BUDGET TRANSPARENCY & PUBLIC PARTICIPATION

(a) Public participation

Our experience as budget practitioners and active citizens engaging in budget advocacy is that there has been low involvement of citizens across all stages of the budget process. This situation has particularly worsened since the onset of covid-19 pandemic. We note with great concern that the only available avenue for budget deliberations and consultations is through submission of memorandum. This is hardly adequate. Meaningful public participation requires approaches that are alive to the needs and capacity gap of citizens across the board.

(b) Budget Transparency

According to the Kenya budget transparency survey 2020 (IBP-CBTS 2020) Nakuru⁸ county has not been consistent in provision and publishing budget information. Specifically, Nakuru county has failed to publicly publish quarterly implementation reports for the last 5 years. The net effect of this is that it is difficult to evaluate the performance of the county government. And as such, our oversight responsibility is severely hampered. In addition, the county also did not publish the 2021/2022 county budget review and outlook paper (CBROP). An analysis of ADP and programmed based budget (PBB) gathered that the narrative justification for revenue performance and explanation on measures geared towards addressing poor performance are not provided. The essential information on county personnel's expenditure, including the number of staff members, their designation, and staff costs per department is also not disclosed. The ripple effect of this is a lack of meaningful public participation in the budget process since citizens do not have the information that would enable them to make informed decisions. Consequently, services that are provided by counties do not reflect the priorities and needs of the citizens due to lack of participation.

Key Asks

- Nakuru County governments should adhere to the Public Finance Management Act and the Constitution by ensuring that they publicly provide budget documents at the right time, in the right format, and with the right information. This will enable citizens to meaningfully engage in the budgeting process.
- Beyond making budget documents available, the county government of Nakuru should ensure that the information provided is comprehensive enough to enable the citizens to utilize it to track the progress of the county in the implementation of the budgets.
- The County Government of Nakuru should integrate models like a delegate system where a small section of community representatives are supported to convene small meetings at the ward for the purposes of identifying budget priorities including full participation in the budget calendar. These meetings should be held with strict compliance to MOH guidelines.

⁸ <https://drive.google.com/file/d/1bjdztEyKIDdbPjP1qorbUkMF6hZyMnl/view?usp=sharing>

Annex 1- List of Contributors

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