



Nakuru County Civil Society Organizations Forum

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MEMORANDUM TO THE COUNTY ASSEMBLY BUDGET AND APPROPRIATION COMMITTEE ON THE NAKURU COUNTY BUDGET ESTIMATES FY2023/24

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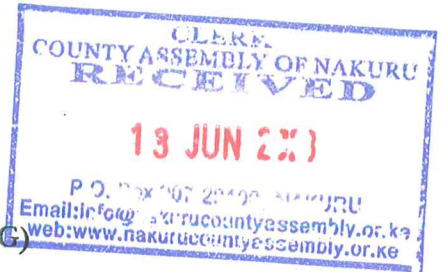
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Nakuru Civil Society Forum is a network of Public Benefits Organizations (PBOs) that are based and working in Nakuru County with the objective of creating synergies for the effective delivery of their respective mandates, promoting constitutionalism, 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 recognizing the rights of communities to manage their own affairs and to further their developments.
- Article 201 (a), of the Constitution, provides for openness and accountability in the management of public affairs including Public Participation in the Management of Public Finance.

- Article 232 (1) defines the values and principles of public service which include the involvement of the people in policy-making processes.
- Article 201 (1) provides for principles of public finance including openness, accountability, and public participation

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 held a physical meeting at Midrift Hurinet Offices on 31st May 2023. 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, Gender, Culture, Sports, and Social Services
2. Public Service, Devolution, Citizen Engagement, Disaster Management, and Humanitarian Assistance.
3. Education
4. 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: GENERAL OBSERVATIONS

A. Budget Implementation:

There has been consistency in the improvement of budget implementation - absorption rates for development expenditure for the past 3 financial years (2018/19 to 2022/22) with the absorption rate standing at 51%. **Even then, the low absorption rate of 51% implies that the 49% of the budget wasn't implemented thus critically affecting the provision of service delivery.** It is observed that there are a number of challenges affecting budget absorption, which include but are not limited to delays in the approval of the budget, and delays in National transfers which affect the implementation of planned activities.

We, therefore, ask the County Assembly to adhere to the timelines set for approving budget-related documents as per the PFM Act to ensure that implementation of the budget will kick off as planned. Further, the County Assembly needs to strengthen oversight on budget implementation to improve budget absorption and increase the uptake of the recommendations made by the Controller of Budget in the Quarterly Implementation Review Reports on County Budget Absorption Rates.

B. Budget Financing

It is observed that Nakuru County is projected to collect Kshs. 3.6 Billion in FY2023/24. It is noted that there is an underperformance for the half-year of FY2022/23 revenue performances, Nakuru County Revenue Office has collected 9.2% of the annual target compared to what was collected in a similar period for FY2021/22 at 33%. This is even after Nakuru County Government put in place measures/strategies to improve revenue for that particular year as highlighted in the CFSP 2022.

We Therefore Ask the County Assembly;

- 1. To Compel the County Treasury to put in place measures to improve collections of revenues from all revenue streams to a level above 75% of its target. Furthermore, there is a need for the county treasury to put in place mitigation measures against the effects posed by the slow economic recovery and the harsh economic times that are likely to affect the performance of local revenue streams.**
- 2. To work with the County Treasury puts in place revenue mobilization strategies to raise more sources of funds to improve the lives of the residents of Nakuru County, especially with the shrinking of Nakuru County support and grants from the development partners and world bank.**
- 3. To ensure that an Updated of the property valuation roll is done and have a review of rent payable on County-owned houses in line with market rates. Further, the county assembly needs to ensure that the revenue office conducts sensitization of stakeholders on the need to pay revenue to facilitate e.g. land owners, tenants in county-owned houses, business owners, etc.**

C. Resource Allocation

The analysis of the Budget Estimates shows how Kshs. 18.1 Billion will be shared among the Votes/sectors in Nakuru County. It is observed that Nakuru County Assembly made changes to the sector-level ceiling provided in the CFSP submitted to the County assembly. It is at this point that County Treasury, County Public Service Board, and Public Service, Devolution, Citizen Engagement, Disaster Management, and Humanitarian Assistance got reduced budget ceilings from 18%, 4%, and 4.7% to 10.8%, 0.4%, and 4.0% respectively. Despite all these changes, there is no justification provided in the Budget Estimates with regard to the changes in allocations.

Further, We noted improvement due to a reduction in expenditures related to compensation to employees by 3.6% to 39.3%. Despite there being improvement realized, the expenditures on compensation to employees for the financial year under review violate the 35% threshold set in the PFM regulations.

We, therefore, ask County Assembly;

- To compel the County Treasury to adhere to existing laws and regulations in place that guide budget formulation. The CFSP is the document that sets the final ceilings that are being used for the preparation of budget estimates; therefore, there is a need**

for information or justifications for changes in the allocations beyond the ceiling set in the CFSP; otherwise, the preparation of such documents won't be of any importance but only satisfy the legal requirements of the CFSP. The Provision of Justification will enable the stakeholders to understand the reasons for changes in allocations.

- 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.
- To monitor budget implementation to ensure that it conforms to the 70/30 rule in the utilization of resources by MDAs.

D. Debt Management/Pending Bills:

It is noted that the County has accrued a whopping 2.64 billion in pending bills since the onset of the counties and far Nakuru County has been able to offset Kshs. 1.3 billion eligible pending bills as captured in the Nakuru CBROP 2022. This is contrary to the information provided in the CFSP 2023 which places the County's pending bills to be at 3.533 Billion. This inability to pay suppliers and contractors not only jeopardizes the county's reputation and violates the national aim of paying outstanding debts as soon as possible, but it also has a detrimental effect on nearby businesses and the local economy.

We, therefore, ask the County Assembly

- To compel the County Treasury to adhere to National Treasury guidelines on prioritization of all eligible pending bills and further increase allocations for debt resolution. This would further reduce the number of debts owned by supplies and firms, and government repayment would be prioritized and improve the county's reputation for business and firm debt repayment, including works that have been finalized but unsettled, as well as ongoing works/contracts that are included in the budget estimates. This would reduce the pending bills from piling to an unmanageable level without affecting the operations of the service providers.
- To ensure that information provided in the budget documents is coherent with what is captured in other budget-related documents and they were changed, there should have been a further justification for the increase in the level of debt from what was captured in the CBROP 2022 at 2.64Billion to 3.533 in CFSP 2023.

E. Budget Transparency and Public Participation

(a) Public participation

Our experience as budget practitioners and active citizens engaging in budget advocacy is that there have been slight improvements in the involvement of citizens across all stages of the budget process as compared to the FY 2021/22. However, we noted changes made by the executive to the public

participation forums notice that had been circulated widely. This disillusioned the members of the public that did not receive the second notice, went to the venue, and found no sign of a meeting.

(b) Budget Transparency

According to the Kenya budget transparency survey 2022 (IBP-CBTS 2022) Nakuru County has consistently improved from 36 points in CBTS 2020 to 51 in CBTS 51 and was also feted for having the best County Fiscal Strategy Paper 2022. However, Nakuru County has not been consistent in the provision and publishing of budget information, specifically the Finance Bills and Acts and quarterly implementation reports. The unavailability of this makes the residents of Nakuru vulnerable to being swindled of money in the name of implementing the finance bill.

In the Auditor General Citizen Accountability Audit report on Public Participation FY2021/22, A review of the Assembly website established that they had uploaded all the documents submitted for approval by the County Executive. Further, the County Assembly had not approved the Finance Bill for the financial year 2021/2022. It was also observed that the County Assembly approved the budget on August 2021 against the legal timeline of 30th June.

The audit noted that the County Government of Nakuru did not make a deliberate effort to avail budget documents to Citizens in a timely manner nor use suitable channels to reach Citizens with budget information.

We, therefore, ask the County Assembly

- To 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.
- To compel the County Treasury to ensure that the information provided in implementation reports is comprehensive enough to enable the citizens to utilize it to track the progress of the county in the implementation of the budgets.
- To revamp their website to a navigable website that citizens can easily get budget documents. Nakuru County Executive has one of the best Websites in the entire county that is availing budget-related information and is also easy to navigate.

SECTION ONE: SECTORAL OBSERVATIONS

1. Public Service, Devolution, Citizen Engagement, Disaster Management, and Humanitarian Assistance

For the FY 2023/2024, the department seems to be receiving reduced budgetary allocation compared with the previous FY 2022/2023; from Ksh. 1,080,242,383 to Ksh. 7381,336,060, 5.3% to 4.0% (-1.3) of the total Budget Estimate. The department has new substantive directorates namely Citizen Engagement and Disaster Management. For it to operate optimally there ought to be increased allocation to inherent functions of the specific units of the entire department. Therefore

our analysis shows that the allocation is not sufficient to address key institutional and public service delivery challenges.

We, therefore, ask the County Assembly;

1. To Increase resource allocation to cater to civic education and public participation. This would include hiring of qualified staff e.g. Director of CE and CE officers to function across the county to guard against the politicization of Civic Education and Public participation processes. This may contribute to proper coordination and effective implementation of the function.
2. To compel the department ought to share implementation reports so as to aid in the follow-up of projects such as the construction and rehabilitation of ward and sub-county offices. As it is, neither the baseline is provided nor information on the status of existing ones so as to guide public deliberation and participation on the same.
3. Develop a specific framework for civic education across the county. The government should fast-track the enactment of the Nakuru Civic Education Bill and review of the Public Participation Act 2015.
4. To increase resource allocations to the department in order to build the capacity of County Revenue enforcement officers should be a priority so as to seal revenue leakages as pointed out by Auditor General thereby increasing local revenue.

2. Education

The entire education sector is set to receive Kshs 1.12 Billion a decrease of Kshs. 352 million down from Kshs. 1.47Billion. The vocational training services have given the 34 current VTCs' staffing and equipment top priority in order to increase enrollment. To draw trainees from other regions or Counties, boarding, and complementary facilities are being developed. This is in contrast to the fact that the demand for vocational education is still quite low, as evidenced by the fact that 55.4% of candidates in the recently completed KCSE national tests received grades D+ or lower. Many of these candidates would be accepted into County-based VTCs. Therefore,

We, therefore, ask the County Assembly;

- To compel the directorate of vocational training to come up with diverse measures to sensitize the members of the public as a campaign to demystify the negative perception of the VTCs while campaigning for youths to join the VTCs without relying on the 4 sensitization forums that won't reach many target audience.
- To increase allocation to the directorate for employment of more tutors to bridge the cap that is existing of 114 tutors. Currently, the County has approximately 152 youth instructors in all 34 functional county vocational training centers with a trainee population of 5,321 trainees. The ratio of instructors to trainees is 1:35

3. Water

It is noted that there is a sharp decline in resource allocation to the water and environment sector. This sector expects to receive Kshs. 1.148 billion. This is a decline from what was allocated in the FY 2022/23 at Kshs. 1.291 Billion. This decline is a result of the poor absorption rate by the department. For instance, In FY2021/22 the department had an overall absorption rate of 51% of the Kshs. 1,490 Million targets and with a 42% absorption rate for the development. This implies that many of the capital projects under this department will be rolled over to the next financial years. Further, problems such as Inadequate staff keep on affecting the department largely due to natural attrition without replacement. There is only one water engineer in every sub-county thus limiting the monitoring of water projects while attending to people's requests.

It is observed that many of the community-managed water projects Such as boreholes have experienced poor management such that project beneficiaries are not able to access the much need service of water access. This is due to insufficient funds to repair the breakdown of water pumps, and high power bills. This requires the Department of Water to allocate resources towards these repairs while this could be averted and many used to provide water to areas of the county that are in dire need of water.

We, therefore, ask the County Assembly

- **The County Assembly is to liaise with the County Treasury on improving the absorption rates for the Department of Water to avoid the rollover of water projects to the next financial year thus denying the residents much-needed water access.**
- **To compel the water department to prioritize handing over struggling Community water-based projects to water companies such as Nakuru Rural Water and Sanitation Company to ensure effective management and allocated resources for capacity building of community-managed water projects committees on water management.**
- **The department should consider defluoridation of community water projects by considering the purchase of community filters when equipping the boreholes.**

4. Youth, Gender, Culture, Sports, and Social Services

With regards to the establishment of the GBV Rescue Center, notably, there has been a continuous allocation of Ksh. 10M in the last three years in the approved budget. The Department of Gender is on record announcing the design of the center, but no workmanship can be traced at the proposed site. This defeats the purpose of allocating resources for the implementation of projects intended to deliver service and eventually improve the livelihoods of the vulnerable members of the community.

We therefore ask the County Assembly to ensure that commitments made in the CIDP in relation to the setting and operationalization of a GBV Rescue Center and other social protection commitments are delivered to safeguard the lives of the residents of Nakuru while adhering to the set timelines.

SECTION TWO: NAKURU COUNTY INFO PACK FY2023/24

A. BUDGET IMPLEMENTATION

In the annual CBIRR FY2021/22, the overall budget absorption rate for Nakuru County in FY 2021/22 was 66% of the Kshs. 24 billion total budget. There have been improvements realized in the absorption rate for the development budget which stood at 51.6%, the highest since FY2017/18, however, the recurrent budget dropped below the 80% mark the lowest since FY2017/18 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	10,864.5	10,106.7	20,971.2	8,996.8	4,882.5	13,879.3	82.8	48.3
FY21/22	12,851.1	10,662.9	23,514.0	10,062.5	5,499.9	15,562.4	78.3	51.6
FY22/23	11,800.8	5,057.5	16,858.3					

Source: Controller of Budget Report for FY2017/18, FY 2018/19, FY2019/20, FY2020/21 & Programme-Based Budget for FY 20/21 and FY 2021/22

There have been constant increments in the rate of absorption for the development budgets from FY18/19 to FY2021/22. As observed in Table 1 above. *This could imply that Nakuru has put in place measures to fast-track the implementation of projects however, they need to do more to increase the absorption rates higher.* Despite there being improvements in the absorption rates, budget implementation still faces challenges of delay in the approval of budget estimates by the County Assembly and further delays in the disbursement of funds and cash flow constraints that hindered budget execution

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's quarterly implementation reports are not comprehensive enough to provide details of projects. The report has only made emphasized revenue performance.

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 ensure that the County Treasury prepares and publishes comprehensive quarterly implementation reports as per the PFM Act 2012 that contain; Revenue Information, Expenditure Performance, Non-financial information, Information

on Capital projects, and expenditure implementation challenges. This information will aid in the monitoring of Budget implementation by Nakuru residents.

B. BUDGET FINANCING

a. Overall County Revenue

Nakuru County relies on its own source and exchequer releases to fund its expenditure every financial year. Exchequer releases include equitable share, Conditional grants, Donor grants, and Balances in the County Revenue Fund (CRF). The table below provides an analysis of the overall revenue performance of the County Government of Nakuru over 5 years.

Table 2: Trends in County Revenue

Budget Year	Target (Ksh. M)	Actual (Kshs. M)	Variance (Kshs. M)
2017/18	16,098	15,910	-188
2018/19	18,478	18,491	13
2019/20	21,951	19,883	-2,068
2020/21	20,971	20,994	23
2021/22	23,514	21,240	-2274
2022/23	21,109		
2023/24	18,174		

Source: CoB Reports

The variance realized in the last two financial years FY219/20 and FY2021/22 show how the Nakuru county government was not able to achieve its intend revenue targets. From the perspective of the services, the variances could have been allocations to improve particular services to residents, and failure to implement it implies that residents of Nakuru County continue to face poor service delivery as they are forced to wait longer to access better services.

According to the Half Year Report of CBRIR FY2022/23, Nakuru County has been able to Kshs. 5.32 Billion as of the end of 31st December 2022 against an overall target of Kshs. 21.1 billion which represents an absorption rate of 11%.

Table 3 below provides a comparison between the actual revenue received and the estimated revenue. Equitable share, grants and loans, and conditional allocations.

Table 3: Trends in Revenue Allocation (Kshs. Million)

	Budget Estimates Kshs. Millions							
	20/21			21/22			22/23	23/24
	Budget	Actual	Variance	Budget	Actual	Variance	Estimates	Estimates
Equitable Share	10,476	10,476	149	14,438	17928	3,490	13036	13577
Conditional Grants	1393	1541	148	1412	303	-1,109	588	997
Local Revenue	1800	1629	-171	1980	1761	-219	2280	1900
AIA	1400	1200	-200	1400	1551	151	1300	1700
Total Local Revenue	3200	2829	-371	3380	3312	-68	3580	3600
Unspent Balance	5,902	5,902		5696	5696		3915	
Grand Total	20,971	20,748	-222	23,514	21240	-2,274	21119	18174

Source: Controller of Budget Annual Report for FY2019/20, FY2020/21 and FY2021/22 & Programme-Based Budget for FY 2019/20, FY 20/21 and FY 2021/22

a. Local Revenue Sources

In the 2022/23 Budget Estimates, Nakuru County projects to collect Kshs. 3.6 billion in local revenue sources (which is local revenue & AIA). It is observed that Nakuru County has improved in meeting its targets as it attained a 98% rate of revenue collection of the Kshs. 3.58 billion targets set for FY2021/22.

In Nakuru CFSP 2023, several strategies are progressive while others are build-up of the strategies initiated in the previous years. The strategies are highlighted below;

- Formulation and enactment of legislation/policy for selected streams of revenue.
- Mapping of revenue sources and approval of valuation roll.
- Full automation of the revenue streams that include cashless payment.
- Enhancing automated enforcement of revenue
- Data capture and clean-up of taxpayers' register.
- Enhanced reporting and monitoring both physically and through the system
- Training and capacity development of Revenue officers.

Despite having put in place revenue collection strategies, It noted that Nakuru County had underperformance in the collection of its own sources of revenue for the first 6 months. As of 31st December 2022, own-source revenue collected was at Kshs.210.20 million against an annual projection of Kshs.2.28 billion, representing 9.2% of the annual target. When compared with a similar period in the last financial year FY2021/22, Nakuru County was at 33% of the annual target for its own-source revenue collection.

This begs the question of whether Nakuru County will be able to achieve its target within the remaining 6 months and whether the strategies put in place having being implemented effectively.

According to the Office of the Auditor General Report, there is a huge missed opportunity in local revenue. For instance, as of June 2020, the County Government of Nakuru owed up to Ksh. 12 Billion in accrued plot rent, land rate, and single business permit arrears. Going by the total health sector expenditure for that financial year of Ksh. 6 Billion, the revenue not collected was enough to finance the health budget. Nakuru County Government has hardly achieved half of its own-source revenue potential of Kshs. 6,947,500,000 as established by CRA study. The County Executive has not undertaken a review of the rent payable or valuation of its houses to align them with the market rates. These, among other factors, account for continued underperformance in local revenue.

b. National Transfers

According to CARA Bill 2023, Nakuru County expects to receive Kshs. 13.59 billion in Equitable shares. The increased equitable share will boost the revenue for the County.

Conditional Grants

According to the County Allocation of Revenue Bill(Third Basis Formula) CARB 2021, conditional grants such as Grants to the Road Maintenance Fuel Levy Fund (RMFLF), Grant For Level 5 Hospitals, Grants for Rehabilitation of Youth Polytechnics, and User Fee Foregone have been converted to Equitable Share. It is noted that Nakuru Budget Estimates in Table 1 on Summary of County Funding have incorporated allocations for the above revenue streams into the Equitable share of allocation.

Snapshot 1: Summary of County Funding FY2023/24

Annex I: County Government of Nakuru Operations FY 2023/2024 - 2025/2026

REVENUE SOURCE	ACTUAL COLLECTIONS	APPROVED ESTIMATES	CFSP PROJECTION	PROJECTIONS		GROWTH (ACTUAL FY2021/2022)	% GROWTH		
	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026		2023/24	2024/25	2025/26
Property tax (Plot rent and Land rates)	359,025,333	390,000,000	393,827,886	413,519,290	434,195,223	35,902,533	10.0%	5.0%	5.0%
Trade License	340,914,265	370,000,000	375,005,681	393,755,965	413,443,763	34,091,426	10.0%	5.0%	5.0%
Market Fees	42,902,255	70,000,000	47,192,481	49,552,105	52,029,710	4,290,226	10.0%	5.0%	5.0%
Building Approval	62,899,592	80,000,000	90,997,098	95,546,953	100,324,301	28,097,506	44.7%	5.0%	5.0%
Cess	19,906,004	40,000,000	21,896,604	22,991,435	24,141,006	1,990,900	10.0%	5.0%	5.0%
Royalties	226,165,890	230,000,000	248,732,479	261,221,603	274,282,683	22,816,589	10.0%	5.0%	5.0%
Stock/ Slaughter fees	10,032,019	27,000,000	11,035,221	11,588,982	12,166,331	1,003,202	10.0%	5.0%	5.0%
House Rent	12,925,091	50,000,000	14,107,800	14,812,990	15,553,629	1,282,509	10.0%	5.0%	5.0%
Advertising	135,841,899	130,000,000	149,205,989	158,886,162	164,499,470	13,564,170	10.0%	5.0%	5.0%
Parking fees	242,540,937	292,200,000	266,796,031	280,134,782	294,141,521	24,254,094	10.0%	5.0%	5.0%
Liquor Licensing	78,088,705	80,000,000	85,897,576	90,192,454	94,702,077	7,808,871	10.0%	5.0%	5.0%
County Park Fees	56,000	800,000	61,600	64,680	67,914	5,600	10.0%	5.0%	5.0%
Health fees and charges	58,230,055	90,000,000	65,153,061	68,410,714	71,831,249	5,923,008	10.0%	5.0%	5.0%
Other Fees and Charges	119,219,850	140,000,000	130,041,835	136,543,927	143,371,123	11,821,985	10.0%	5.0%	5.0%
Sub Total Local Sources	1,707,447,685	1,980,000,000	1,900,000,000	1,995,000,000	2,094,750,000	192,552,315	11.3%	5.0%	5.0%
Facility Improvement Fund	1,551,825,289	1,300,000,000	1,700,000,000	1,785,000,000	1,874,250,000	148,374,711	9.6%	5.0%	5.0%
SUB TOTAL (AIA & Local Sources)	3,259,072,974	3,280,000,000	3,600,000,000	3,780,000,000	3,969,000,000	340,927,026	10.5%	5.0%	5.0%
Balance in County Revenue Fund									
Donor Grants (DANIDA)	11,533,279	22,077,700	19,115,250			(2,962,450)	-13.4%	-100.0%	-
Loans and Grants CRA									
Kenya Devolution Support Program (KDSP) Level I									
Kenya Devolution Support Program (KDSP) Level II	120,374,189								
World Bank National Agricultural Value Chain Development Project (NAVCDP)			70,000,000	77,000,000	84,700,000	70,000,000	100.0%	10.0%	10.0%

REVENUE SOURCE	ACTUAL	APPROVED	CFSP	PROJECTIONS		GROWTH (ACTUAL FY2021/2022)	% GROWTH		
	COLLECTIONS 2021/2022	ESTIMATES 2022/2023	PROJECTION 2023/2024	2024/2025	2025/2026		2023/24	2024/25	2025/26
World Bank National Agricultural and Rural inclusive growth Projects (NARIGP)	187,794,783	269,563,385	187,911,173	206,702,290	227,372,519	(81,652,212)	-30.3%	10.0%	10.0%
Agricultural Sector Development Support Projects (ASDSP II)	21,508,143	9,518,784	5,282,858	5,777,924	8,355,716	(4,286,128)	-44.8%	10.0%	10.0%
IFAD Conditional grant Kenya Livestock Commercialization Project (KELCOP)			30,000,000	33,000,000	38,300,000	30,000,000			
Grant to Compensate Forgone User Fees				-	-	-			
Conditional Fund -Kenya Urban Support Project (KUSP) - Urban Development Grant				-	-	-			
Conditional Fund -Kenya Urban Support Project (KUSP) - Urban Institutional Grant				-	-	-			
Conditional Allocation from a World Bank credit to Finance Locally-Led Climate Action Program, (FLLoCA) for County Climate Institution Support (CCIS) Level I			11,000,000	12,100,000	13,310,000	11,000,000			
Conditional Allocation from a World Bank credit to Finance Locally-Led Climate Action Program, (FLLoCA)		125,000,000	125,000,000	137,500,000	151,250,000	-	0.0%	10.0%	10.0%
Conditional Fund - World Bank - Kenya Informal Settlement Improvement Project II (KISIP II)		300,000,000	300,000,000	330,000,000	363,000,000	-	0.0%	10.0%	10.0%
Nutrition International Grant	4,999,400		10,000,000	11,000,000	12,100,000	10,000,000	100%	10.0%	10.0%
Conditional Fund -Leasing of Medical Equipment	153,297,872	110,638,298	124,723,404	137,185,744	150,915,319	14,085,108	12.7%	0.0%	0.0%
Conditional grant from CoK for Aggregated Industrial Parks Programme			100,000,000	110,000,000	121,000,000	100,000,000	100.0%		
Grant to Road Maintenance Fuel Levy Fund (RMFLF)				-	-	-			
Grant For Level 5 Hospital				-	-	-			
World Bank THS-UC Conditional allocation	79,405,205			-	-	-			
Grant for Rehabilitation of Youth Polytechnics				-	-	-			
Transfers for Library Services function			14,033,063	15,438,369	16,990,006	14,033,063			
C.R.A Equitable Share	13,026,118,323	13,026,116,323	13,577,808,485	13,713,586,570	13,850,722,436	551,622,162	4.2%	1.0%	1.0%
SUB TOTAL	13,605,017,194	13,862,914,490	14,574,944,033	14,789,298,898	15,034,005,996	711,929,543	5.1%	1.5%	1.7%
GRAND TOTAL	16,864,080,168	17,142,914,490	18,174,844,033	18,569,298,898	19,003,005,996	1,031,929,543	6.0%	2.2%	2.3%

Source: Nakuru Budget Estimate FY2023/24

From the trends of the revenues, It is noted that there is a variance in the disbursement of conditional grants of up to -1,109 with having disbursed Kshs. 303 million against a target of Kshs. 1,412 Million. This is against the previous year's disbursement with surpassed its target with Kshs. 148 Million.

Nakuru County has set to get Kshs. 230 Million of new grants to what they received in the previous financial years. These conditional grants include; IFAD Conditional grant Kenya Livestock Commercialization Project (KELCOP), Conditional Allocation from a World Bank credit to Finance Locally-Led Climate Action Program, (FLLoCA) for County Climate Institution Support (CCIS) Level I, Conditional grant from GoK for Aggregated Industrial Parks Programme and Transfers for Library Services function, World Bank National Agricultural Value Chain Development Project (NAVCDP).

Emerging Issue

- 1. Implementation of Revenue Collection Strategies:** With the Nakuru County projecting to collect Kshs. 2.28 Billion in FY2022/23, It is noted there is an underperformance for half-year of FY2022/23 revenue performances, Nakuru County Revenue Office has collected 9.2% of the annual target compared to what was collected in the similar period for FY2021/22 at 33%. This is against Nakuru County Government putting in place measures/strategies to improve revenue for that particular year as highlighted in the CFSP 2022.

Key Asks:

- The County Assembly needs to ensure that the County Treasury is implementing revenue collection strategies it has put in place to maximize on revenue collection. 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 collections.
- The County Assembly to ensure that an Updated of the property valuation roll is done and have a review of rent payable on County-owned houses in line with market rates. Further,

the county assembly needs to ensure that the revenue office conducts sensitization of stakeholders on the need to pay revenue to facilitate e.g. land owners, tenants in county-owned houses, business owners etc.

- County Assembly should ensure that Nakuru County residents are not burdened with the payment of permit fees, rates, cess, rent, levies, fees, and other charges when the County Treasury is preparing the Finance Bill 2021 in a bid to realize its set revenue targets.

C) RESOURCE ALLOCATION

The analysis of the Budget Estimates shows how Kshs. 18. 1 Billion will be shared among the Votes/sectors in Nakuru County. It is observed that the Department of Health continues to receive the lion's share at 38.2% of the total share. County Treasury comes second with 10.8% followed by Education, Vocational Training, ICT, and E-Government at 7.6%, Infrastructure at 7.5%, and Water, Environment, Energy, and Natural Resources at 6.3%. The table below highlights percentage allocation to various votes as well as trends in allocations.

Table 4: Trend in Expenditure Allocations to Sectors (Kshs. Million)

Vote (Sector)	Budget Estimates				Original Budget Estimates FY2023/24	
	Allocation	%Share	Allocation	%Share	Allocation	%Share
Office of the Governor and Deputy Governor	450	2.8	441	2.6	487	2.7
County Treasury	1,541	14.1	3,093	18.3	1,959	10.8
County Public Service Board	110	0.4	80	0.5	80	0.4
Health Services	7,585	39.6	6,581	39.0	6,939	38.2
Trade, Industrialization, Cooperatives and Tourism	595	2.5	286	1.7	568	3.1
Infrastructure	2,638	8	775	4.6	1,360	7.5
Agriculture, Livestock and Fisheries	1,401	5.2	994	5.9	1,010	5.6
Lands, Physical Planning and Housing	1,299	1.8	224	1.3	687	3.8
Water, Environment, Energy and Natural Resources	1,478	4.6	408	2.4	1,148	6.3
Public Service, Devolution, Citizen Engagement, Disaster Management and Humanitarian Assistance	939	4.6	771	4.6	731	4.0
Education, Vocational training, ICT and E-Government	1,515	5.6	833	4.9	1,389	7.6
Youth, Culture, Gender, Sports and Social Services.	648	2.4	344	2.0	368	2.0
Nakuru Municipality	890	0.6	115	0.7	90	0.5
Naivasha Municipality	512	0.5	89	0.5	78	0.4
Nakuru County Revenue Authority			136.1	0.8		0.0
Office of the County Attorney			27	0.2	71	0.4
County Assembly	1,587	7.2	1,660	9.8	1,206	6.6
TOTAL	23,246	100	16,858	100	18,171	100.0

Source: Nakuru County PBB FY2021/22, FY2022/23 FY2023/24

a. Priority Sectors

It is observed that Nakuru County has 6 priority sectors which include; Health Sector, Trade, Cooperatives, Tourism and Culture, Lands, Physical Planning, Housing and Urban Development, Water, Energy, Environment, Natural Resources and Climate Change and Education, ICT, e-Government and Public Communication. This is due to the increase in allocations to these sectors as compared to previous financial years. County Treasury is the biggest loser in this financial year as it received budget cuts of up to Kshs. 1,134 Million despite having prioritized completion of the County Treasury Building which is currently at a 34% completion rate.

Table 5 Comparison in Sector Ceiling in CFSP budget Ceiling to Budget Estimates FY2023/24

Vote (Sector)	CFSP FY2023/24		Original Budget Estimates FY2023/24	
	Allocation	%Share	Allocation	%Share
Office of the Governor and Deputy Governor	472	2.5	487	2.7
County Treasury	3471	18.3	1959	10.8
County Public Service Board	896	4.7	80	0.4
Health Services	6840	36.0	6939	38.2
Trade, Industrialization, Cooperatives and Tourism	412	2.2	568	3.1
Infrastructure	825	4.3	1360	7.5
Agriculture, Livestock and Fisheries	963	5.1	1010	5.6
Lands, Physical Planning and Housing	578	3.0	687	3.8
Water, Environment, Energy and Natural Resources	635	3.3	1148	6.3
Public Service, Devolution, Citizen Engagement, Disaster Management and Humanitarian Assistance	896	4.7	731	4.0
Education, Vocational training, ICT and E-Government	1135	6.0	1389	7.6
Youth, Culture, Gender, Sports and Social Services.	374	2.0	368	2.0
Nakuru Municipality	110	0.6	90	0.5
Naivasha Municipality	96	0.5	78	0.4
Nakuru County Revenue Authority		0.0		0.0
Office of the County Attorney	78	0.4	71	0.4
County Assembly	1206	6.4	1206	6.6
TOTAL	18,987	100.0	18171	100.0

Source: Nakuru County Fiscal Strategy Paper FY2023/24 & Nakuru PBB FY2023/24

It is observed that Nakuru County Assembly made changes to the sector-level ceiling provided in the CFSP submitted to the County assembly. It is at this point that County Treasury, County Public Service Board and Public Service, Devolution, Citizen Engagement, Disaster Management, and Humanitarian Assistance got reduced budget ceilings. Despite all these changes, there was no any explaining provided in the budget estimates for the deviations from the CFSP ceilings.

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 the implementation of the budget, the 70/30 rule is violated as observed in FY18/19, FY19/20 and FY2021/22 in Table 4 below.

Table 6: Trends in Expenditure Analysis by Economic Classification.

		Budget Estimates(Kshs)											
		FY18/19	%SHARE	FY19/20	%SHARE	FY20/21	%SHARE	FY21/22	%SHARE	FY22/23	%SHARE	FY23/24	%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	11,800,827,686	70.0	12,183,251,655	67
	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	5,057,497,580	30.0	5,991,592,378	33
	Total	10,138,000,000	100	13,998,697,891	100	20,747,308,967	100	17,453,042,571	100	16,858,325,266	100	18,174,844,033	10
	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	7,231,906,237	42.9	7,140,083,866	39

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

In the previous financial year, Nakuru County committed 42.9% to Compensation to Employees however, there is a decrease in expenditures to compensate employees by 3.6% to 39.3%. 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 financial years under review have violated the 35% threshold set in the PFM regulations.

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 the 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 FY2023/24 don't have a deficit. When it comes to financing the budget, expenditures are equal to the revenue collection projections for FY2023/24. 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

It is noted that the County has accrued a whopping 2.64 billion in pending bills since the onset of the counties and far Nakuru County has been able to offset Kshs. 1.3 billion eligible pending bills as captured in the Nakuru CBROP 2022. The snapshot below highlights the nature of the bills and amounts.

Snapshot 2: Table 9 on Analysis of Pending Bills

Table 9: Analysis of Pending Bills

Categories	Balance for eligible pending bills as per audit Ksh
Financial statement updated as at 30th June 2022	772,881,486
Additional bills received after circularization by O.A. G	703,440,091.65
Nurgotory costs	28,932,239.40
Legal pending bills (law firms)	386,169,664.00
Pending bills received by the pending bills and resolution committee	31,629,846.14
Unremitted statutory deductions including penalties	718,779,579.41
Total	2,641,832,907

Source: County Treasury Provisional

We noted that CFSP 2023, mentions of the county government had accrued pending bills amounting to over Ksh. 3.553 billion at the end of June 2022. This inability to pay suppliers and contractors not only jeopardizes the county's reputation and violates the national aim of paying outstanding debts as soon as possible, but it also has a detrimental effect on nearby businesses and the local economy.

Conflicting information

There is a discrepancy in the information provided for the pending bills in the CBROP which amount to Kshs 2.642 while CFSP is at Kshs. 3.533 Billion.

Below is a summary of cumulative pending bills per sector/sub-sector for the FY 2021/22.

Table 7: Summary of Sector and Sub Sector Pending Bills

	FY2019/20	FY2020/21	FY2021/22
SECTOR	Pending Bills - FY19/20	Pending Bills FY20/21	Pending Bills FY21/22
Health Services	17,657,416	96,735,880	184,778,627
Finance & Economic Planning	28,769,232	57,000,000	105,267,276
Public Service Training & Devolution	4,113,555	4,112,722	4,805,520
Office of the Governor	4,031,858	0	0
County Public Service Board	4,079,173	3,559,905	4,200,000
Trade, Industrialization, Cooperatives &	39,125,871	39,125,870	105,988,831.00
ICT & E-Government	14,696,500	10,479,997	9,735,900
Infrastructure	87,892,990	34,829,862	112,456,972
Education	223,847,213	39,252,038	100,649,560
Agriculture, Livestock & Fisheries	25,629,348	53,756,987	43,646,399
Water, Enviroment, Energy and Natural Resource	31,147,680	90,479,890	56,122,061
Land Housing and Physical Planning	89,612,247	76,117,434	103,054,504
Youth Gender, Culture and Social Service	5,489,102	46,511,266	51,214,198
County Assembly	279,775,082	284,092,382	39,315,327
Nakuru Municipality	0	5,845,496	8,905,146
Naivasha Municipality	0	0	2,744,254
Total	855,867,267	841,899,729	932,884,575

Source: Nakuru County Sector Reports FY2021/22

As of June 30th, 2022, the pending bills at the sector level were at Kshs. 932 Million, this is according to the computation done for all the sectors. Health, Finance, and Economic Planning, trade, industrialization and infrastructure, and Land, housing, and physical planning are the leading with pending bills being above Kshs. 100 Million.

Emerging Issues

Discrepancies in Budget Document: It is noted that, information on the pending bills has been provided differently in the two documents that informed one another, CBROP 2022 and CFSP 2023. Total pending bill as of 30th June 2022 was at 2.64Billion in CBROP 2022 and Kshs. 3.55Billion in CFSP 2023.

Key Ask;

1. The County Treasury should ensure that finalized but unsettled pending bills, as well as ongoing works/contracts, are included in the budget for FY 2023/24

E) ALLOCATIONS TO FOCUS SECTORS

NACCSOF members analysed 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, Gender, Culture, Sports, and Social Services

This sector expects to receive Kshs. 16 Million less than it did in the FY 2022/23 to Kshs. 344 million.

P2, P3, and P4 have received an extra shilling from their previous allocation in FY 2022/23.

Table 8: Trends in Programme Allocation

Programmes	BUDGET ESTIMATES IN MILLIONS					
	ACTUAL FY2021/22	%SHARE	FY2022/23	%SHARE	FY2023/24	GROWTH
P1	184	45.3	254	70.6	139.0	-115
P2	10	2.5	27	7.5	104.0	77
P3	49	12.1	50	13.9	70.0	20
P4	163	40.1	29	8.1	31.0	2
	406	100.0	360	100.0	344	-16

Source: PBB FY2023/24

Table 8 Analysis of Sector Issues vs Budget Commitments

Sector Issue	Sub Programme Allocations	Budget Estimates FY 2023/24 Commitments	Comments
Response to SGBV through fast-tracking the completion of the Gender-Based Violence Recovery Centre in Gilgil	Gender empowerment and social inclusivity(sub programme 2.1 - gender equality and empowerment) has a total allocation of Kshs 28,550,000	The budget does not have a clear budget line for the completion of the Gender-Based Violence Recovery Center	The budget estimates should clearly specify how much will be directed to the completion of the Gender Recovery Centre under the gender empowerment and social inclusivity programme.
Sensitizing PWDs on AGPO and facilitating access to AGPO Provision of assistive devices to PWDs	Social inclusion and development program. Total allocation of Kshs. 75,633,063 in 2023/24 FY. Social Inclusion and Development Program	The Department of social services will Conduct a total of 4 sensitization forums on AGPO. 500 assistive devices to be issued in 2023/24 FY.	The budget estimate does not provide the information on beneficiaries to be reached. Ideally, the budget estimates should provide information on the number of beneficiaries to be reached. The budget is not clear on the total amount allocated to the purchase of assistive devices. Is this kitty different from the 27.5 Million that is earmarked for the PWD fund, and if different what is the criteria for disbursement and utilization of this fund. Does it require amendment of the Disability Bill?
Youth empowerment - increasing youth empowerment opportunities.	Youth Empowerment	Ksh. 31,100,000	The budget estimates do not indicate the basis for setting the target indicators in the form of baseline targets. This means that The targets cited across the majority of the indicators are not realistic

Key ASKS

- The establishment of the Gender Rescue Centre committed in the previous budgets and in the ADP 2022/23 is long overdue. **We are concerned that there is no clear allocation to this project in the Budget Estimates 2023/24** despite the rise in the cases of SGBV in Nakuru County.
- There is a need to fast-track the enactment of the Nakuru youth policy in order to provide anchorage for youth programming activities.
- The County government ought to undertake the Mapping and enumeration of persons with disability at the Ward level by making use of Ward admins and Assistant chiefs. This shall provide a correct record that can be used for planning and allocation of funds to the disability Kitty.

2. Public Service, Devolution, Citizen Engagement, Disaster Management, and Humanitarian Assistance.

For the FY 2023/2024, the department seems to be receiving reduced budgetary allocation compared with the previous FY 2022/2023; from Ksh. 1,080,242,383 to Ksh. 7381,336,060, 5.3% to 4.0% (-1.3) of the total Budget Estimate. The department has new substantive directorates namely Citizen Engagement and Disaster Management. For it to operate optimally, there ought to be increased allocation to inherent functions of the specific units of the entire department. Therefore, 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.

Table 9: Analysis of Sector Issues vs Budget Commitment

Sector Issues	Sub-programme Allocations	Budget Estimates FY 2021/22 Commitments	Comments
Allocation for coordination and facilitation of Civic Education and public participation forums	SP 2.1: Civic Education and Public Participation	Ksh. 7,486,875	<p>The Government intends to undertake 100 civic education and 10 public participation forums. The location for the forums is not indicated(County/ward or village?</p> <p>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 would be.</p>

			<p>It is not clear what the allocated amount would cater to - whether it's for technical or logistical support for each forum.</p> <p>While there is mention of mapping of Civic education partners, their roles and expectation towards promoting meaningful CE ought to have been provided for e.g technical support.</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 1.1 Construction and Rehabilitation of Sub-County and Ward Offices</p>	<p>Ksh.41,187,984</p>	<p>Notably, there is more focus on the construction and equipping of decentralized offices. This is a good thing because it will help promote effective public participation in governance and development processes.</p> <p>However, the budget document is not specific on the levels of offices completed and equipped(ward/sub-county) and the remaining ones. Efforts should be employed toward the completion of these construction processes to guard against delays in service delivery.10 years of devolution, construction of offices still ongoing?</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 4.1: Staff Development Through Capacity Building & Training</p>	<p>No Allocation</p>	<p>While the budget provides for the training of ward and sub-county administrators on CE&PP, it remains unclear how this will be done. The focus seems to be on the Development of a Human Resource Management Information System at a cost of Ksh. 10,500,000</p>
<p>Fund Own source Revenue boosting</p>	<p>SP 2.2 Coordination Of County Compliance &</p>	<p>No allocation</p>	<p>The government risks losing revenue that would be used to improve service</p>

<p>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>Enforcement Agents</p>		<p>delivery to the residents of Nakuru County. According to the Directorate, the priority is uniform and traffic decongestion. Some substantive amount of money should be allocated to address the issue so as to enable the county to 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 received virtually</p>	<p>SP. 1.4 Coordination of Public and Special Community Programmes</p>	<p>No allocation</p>	<p>While the County government established online Platforms, it was not publicized enough and the capacity of the public towards utilization of the online tools was not considered. This is one area of improvement. Perhaps in the future, a report on online participation should be published to communicate the uptake of online proposals and utilization of the platforms otherwise it would be an exercise in futility. This will enable citizens of Nakuru to participate meaningfully in the process hence increasing access to services hence better livelihood.</p>

Snapshot 3: Summary of the Programme Key Outputs and Performance Indicators for FY 23/2024/2024/2025 and Respective Allocations

PROGRAMME 2: Coordination of County civic education and public participation										
Outcome: Improved dissemination of government policies and public engagement in governance.										
SP 2.1: Civic Education and Public participation.	Chief Officer Citizen Engagement & Public Participation	Improved Public participation and Civic Education	Civic Education structure established:	Number of CE Stakeholders mapped.	-	-	-	6	6	6
				Number of ward and sub county administrators trained on CE&PP	-	-	-	66	263	263
				Number of CE forums held.	-	-	-	100	100	100
				Monitoring, Evaluation and	-	-	-	1	1	1

Snapshot 4: Summary of programme allocations

Programme 2: Coordination of County civic education and public participation						
SP 2.1: Civic Education and Public participation.	-	-	3,905,000	6,806,250	7,486,875	8,235,563
Total Expenditure Prog 2	-	-	3,905,000	6,806,250	7,486,875	8,235,563
Programme 3: Co-ordination of County Laws enforcement and compliance.						
SP 3.1: Provision of Legal services	10,575,000	10,372,885	-	-	-	-
SP 3.2: County Laws enforcement and compliance.	5,625,000	4,702,000	13,500,000	12,795,750	14,075,325	15,482,858
Total Expenditure Prog 3	16,200,000	15,074,885	13,500,000	12,795,750	14,075,325	15,482,858

Source: Pg 230 and 237 of PBB

Snapshot 5: Summary of programme allocations

	SUB TOTAL				34,600,000			32,600,000
	Programme: Human Resource and Performance Management							
	Sub Programme: Staff Training and Development							
311112	Development of a Human Resource Management Information System	HQ	HQ	10,500,000	2023/24	2023/24	10,500,000	
	SUB TOTAL			10,500,000			10,500,000	

Source: Pg. 354 of PBB

Key Asks:

1. We congratulate the government for the establishment of the Directorate of Civic Education and Public Participation. However, enough resources are allocated for civic education and public participation. This would include hiring of qualified staff e.g. Director of CE and CE officers to function across the county to guard against the politicization of CE and PP processes. 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 the follow-up of projects such as the construction and rehabilitation of ward and sub-county offices. As it is, neither the baseline is provided nor information on the status of existing ones so as to guide public deliberation and participation on the same.
3. We applaud the government for putting in place deliberate measures for ensuring effective public participation in Governance and development processes. However, to enhance inclusivity and equity, alternative approaches for access to information and public participation should be adopted. We propose the development of a specific framework for civic education across the county. The government should fast-track the enactment of the Nakuru Civic Education Bill and review of PP Act 2015.
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.

As it is there is a lot of emphasis on enhanced county enforcement officers' outlook, motivation, and professionalism and Improved flow and control of traffic in Nakuru City

- Generally, budget information should be as comprehensive as possible to necessitate effective citizen participation and follow-up. E,g Information on Construction of Decentralised offices. Construction seems to be taking forever... This delays service delivery to citizens.

3. Education Sector

Table 10: Trends in Programme Allocation

Programmes	BUDGET ESTIMATES IN MILLIONS						
	ACTUAL FY2021/22	%SHARE	FY2022/23	%SHARE	FY2023/24	%SHARE	GROWTH
P1	439	55.2	944	64.1	559	49.9	-385
P2	265	33.3	341	23.2	319	28.5	-22
P3 (VOCATIONA	70	8.8	164	11.1	187	16.7	23
P4	17	2.1	16	1.1	43	3.8	27
P5	5	0.6	8	0.5	13	1.2	5
	796	100.0	1,473	100.0	1,121	100.0	

The entire education sector is set to receive Kshs 1.12 Billion a decrease of kshs. 352 million down from Kshs. 1.47Billion. The vocational training programme has realized a growth of Kshs. 23 Million signaling that the programme is the second prioritized programme in the education sector after programme 4.

It should be mentioned that the vocational training services have given the 34 current VTCs' staffing and equipment top priority in order to increase enrollment. To draw trainees from other regions or Counties, boarding, and complementary facilities are being developed. This is in contrast to the fact that the demand for vocational education is still quite low, as evidenced by the fact that 55,4% of candidates in the recently completed KCSE national tests received grades D+ or lower. Many of these candidates will be accepted into County-based VTCs.

Table 11: Analysis of Sector Issues vs Budget Commitment

Sector Issues	Sub-program Allocations	Key Observations in the Budget Estimates FY 2023/24	Comments
Education - Vocational Training Services	Programme 3. Vocational Training and Skills Upgrading Kshs. 187,025,470	2400 trainees to graduate with vocational & technical skills 4 sensitization sessions	To counter the perceptions on the VTCs, the County needs to have more deliberate efforts towards sensitizing members of the public. 4 sensitization sessions are not enough to sensitize everyone in the county. There is still a further need to add

		2300 graduates and attaches supported on exit programmes Recruiting 60 Tutors	more tutors to bridge the gap that is existing of 114 tutors. Currently, the County has approximately 152 youth instructors in all 34 functional county vocational training centers with a trainee population of 5,321 trainees. The ratio of instructors to trainees is 1:35
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However, the department has continued to experience a number of challenges ranging from (i) very low budgetary allocations which in turn affects the implementation of the sector's recurrent and development programs in line with the departmental requirements. (ii) Construction of VTC's classrooms is being done without the accompanying requirements e.g. furniture, qualified instructors, and sanitary facilities. (iii) The negative perception of vocational training centers hence low enrolment and lastly (iv) the misconception of VTCs capitation grants that the training is totally free, which is not the case.

Key Asks to the County Assembly:

- To compel The directorate of vocational training to come up with diverse measures to sensitize the members of the public as a campaign to demystify the negative perception of the VTCs while campaigning for youths to join the VTCs without relying on the 4 sensitization forums that won't reach.
-

4. Water and Natural Resources

It is noted that there is a sharp decline in resource allocation to the water and environment sector. This sector expects to receive Kshs. 1.148 billion. This is a decline from what was allocated in the FY 2022/23 at Kshs. 1.291Billion. Further, It is noted that there was an increase in allocations by Kshs 513 million in the Budget Estimates that were set in the CFSP ceiling of kshs. 635 million

Table 12: Trends in Programme Allocation in Millions

Programmes	BUDGET ESTIMATES						
	ACTUAL FY2021/2	%SHARE	FY2022/23	%SHARE	FY2023/24	%SHARE	GROWTH
P1	197	29.8	260	20.1	277	43.6	17
P2 (Water)	448	67.8	953	73.8	83	13.1	-870
P3		0.0	38	2.9	85	13.4	47
P4	16	2.4	40	3.1	191	30.0	151
	661	100.0	1,291	100.0	636.0	100.0	

Source: Original Budget Estimates FY2023/24

From table 12, it is observed that there is a sharp decline in allocation to the water programme which includes water and sewage. There is no explanation as to why there is such a decline being observed. This implies that the above-prioritized areas for the Department of Water might not be realized. These priorities include; *human resource development which includes the development of a service charter and scheme of service, training, promotion, and recruitment/replacement of 50, 190, and 155 staff respectively. The Sector also targets to drill 104 No. boreholes solarize 71 No. boreholes, desilt 23 No. dams, and rehabilitate 227 No of water projects as highlighted in the budget estimates FY2023/24.*

In the FY2021/22 the department had an overall absorption rate of 51% of the Kshs. 1,490 Million targets and with a 42% absorption rate for the development. This implies that many of the capital projects under this department will be rolled over to the next financial years thus prolonging access to water-related services by citizens.

Table 13: Budgetary Allocation vs Commitments

Sector Issues	Sub-program Allocations	Budget Estimates FY2023/24	Commitments	Comments
water and Natural resources 1. Supply of adequate water. 2. Recruitment of additional staff	SP 2.1 Water Services Provision 79,917,588/=	Identification of 35 boreholes and drilling of 15 boreholes Equipping 21 boreholes with solar power Desilting of 7 water dams and pans Rehabilitation of 72 water projects 15 500L water tanks purchased and supplied to vulnerable groups	35 21 7 72 15	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 Fluoridation of community water projects is a growing concern and should therefore be put into consideration. The commitments and budgetary allocation are not commensurate with one another.

There is a myriad of challenges that have been consistently facing the Department of Water which have a net effect on the budget implementation as captured in the County Fiscal Strategy Paper. These challenges are as follows;

- **Inadequate staff** - There are not enough staff in the department largely due to natural attrition without replacement. There is only one water engineer in every sub-county thus limiting the monitoring of water projects while attending to people's requests.
- **Rollover of projects** - There has been a backlog of investments into the sector creating a challenge for the county as some facilities or structures have to be carried forward to the next financial year due to budgetary constraints.
- **Poor Management of Water Projects** - Water Projects Such as boreholes have experienced poor management such that project beneficiaries are not able to access the much need service of water access. This is due to insufficient funds to repair the breakdown of water pumps, and high power bills.

Key Asks

1. The County Assembly is to liaise with the County Treasury on improving the absorption rates for the Department of Water to avoid the rollover of water projects to the next financial year thus denying the residents much-needed water access.

2. The county assembly to compel the water department to prioritize handing over of struggling Community water based projects to water companies such as Nakuru Rural Water and Sanitation Company to ensure effective management.
3. The department should consider defluoridation of community water projects by considering the purchase of community filters when equipping the boreholes.

BUDGET TRANSPARENCY & PUBLIC PARTICIPATION

a. Public participation

Our experience as budget practitioners and active citizens engaging in budget advocacy is that there have been slight improvements in the involvement of citizens across all stages of the budget process as compared to the FY2021/22. However, we noted changes made by the executive to the public participation forums notice that had been circulated widely. This disillusioned the members of the public that did not receive the second notice, went to the venue, and found no sign of a meeting.

b. Budget Transparency

According to the Kenya budget transparency survey 2022 (IBP-CBTS 2022) Nakuru County has consistently improved from 36 points in CBTS 2020 to 51 in CBTS 2022 and was also feted for having the best County Fiscal Strategy Paper 2022. However, Nakuru County has not been consistent in the provision and publishing of budget information specifically the Finance Bills and Acts. The unavailability of this makes the residents of Nakuru vulnerable to being swindled of money in the name of implementing the finance bill. From the feedback received, residents have been paying for rates without a referring policy document. These rates such as the ground rate which is collected from those with stalls within the City and municipality but captured in the current uploaded finance bill 2023 as a new rate. This begs the question of illegal collection of rates by the county government for its not in any of the Finance Acts and how it will be accounted for.

	Name	Gender	County	Organization	Phone Number
In the Auditor General CAA report on Public website established by the Executive. The Assembly had not approved the Finance Bill for the financial year 2021/22. The Assembly had not approved the budget for the financial year 2021/22. The County Government did not make a deliberate effort to avail budget documents to Citizens in a timely manner nor use suitable channels to reach Citizens with budget information.	Edwin Omiminy	Male	Nakuru	Victorious Tross	0728580791
	Mikipert Emani	Male	Nakuru	Bridge International	0713 611 513

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.

ANNEX 1.LIST OF CONTRIBUTORS

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