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# QUARTERLY REPORT

Period April - June, 2014





## QUARTERLY REPORT Period April - June, 2014

*Quarterly Report of the Transition Authority  
on the Progress in the Implementation of  
the Transition to Devolved System of Government  
(Pursuant to Section 7 and 25 of the TDGA, 2012)*



Telephone: +254-0710287080  
Extelecoms House , Haile Selassie Avenue  
E-mail: [info@transauthority.go.ke](mailto:info@transauthority.go.ke)  
P.O. Box 10736- 00100, NAIROBI

Published by:

Transition Authority  
Telephone: +254-0710287080  
Extelecoms House , Haile Selassie Avenue  
E-mail: info@transauthority.go.ke  
P.O. Box 10736- 00100,  
NAIROBI - KENYA

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## Abbreviations

CASB	County Assembly Service Board
CEC	County Executive Committee
CIC	Commission for the Implementation of the Constitution
CIDP	County Integrated Development Plans
CRA	Commission for Revenue Allocation
CARPS	Capacity Assessment and Rationalization Programme, CGA - County Governments Act
CTCs	County Transition Coordinators
FACT	Functional Analysis Competency Team
FASTs	Functional Analysis Steering Team
ICRSD	International Centre for Research in Sustainable Development
IFMIS	Integrated Financial Management Information System
IPPD	Integrated Personnel Payroll Data
KENAO	Kenya National Audit Office.
KNICE	Kenya National Integrated Civic Education
LAs	Local Authorities
MDAs	Ministries Departments and Agencies
MTP	Medium Term Programmes
TA	Transition Authority
TDGA	Transition to Devolved Government Act
TIPS	Transition Implementation Plans
UNDP	United Nations Development Programme
IEC	Information, Education and Communication

## CHAIRMAN'S STATEMENT

During the reporting period under review (April-June 2014), the Transition Authority (TA) made substantial gains towards the attainment of key aspects of its mandate. A key activity continues to be ongoing consultations on the transfer of remaining functions to both levels of government,

In this regard, TA participated in a key consultative forum organized by the Council of Governors to discuss and build consensus on the resolutions of the Senate following appeals by the County Governments on transfer of roads, rural electrification, natural resources and environment and library services. Another crucial retreat was on 'Costing of Functions' whereby it was proposed that a Target-Based Standard Equivalence Costing Approach (TABSECA) be adopted. The unit of analysis to be used during the process would be the County.

Other key activities included the Management, Transfer and Audit of Public Assets and Liabilities, The Guide for Transfer and Sharing of Public Assets and Liabilities was developed and disseminated to both levels of government. The Authority also issued an advisory against disposal of boarded public assets without following due process. Approval was also granted for disposal of public assets to a number of entities that had applied..


In terms of capacity and capability development, the TA held a Capacity Building Coordination Stakeholders' meeting for organizations to address issues over concerns related to uncoordinated capacity building initiatives in the counties. In addition, the Institutional Framework for the Capacity Assessment and Rationalization of the Public Service (CARPS) programme was gazetted and the Inter-governmental Steering Committee, the policy organ of the CARPS was operationalized. Advisories on Establishment of Pension Schemes for the County Governments and Transfer of Staff Records were also issued.

The Authority worked on civic education and fast-tracking the development the development of public participation policy with the Office of the Attorney General Office and Department of Justice. However, the Authority has only been able to carry out opportunistic civic education in targeted forums due budgetary constraints.

A follow up on the Kenya Governors Strategic Execution Support (KEGOSES) UTAWALA Project County Budget Leadership Forum Training was also undertaken especially in the counties whose 2013/14 budgets had problems. This should help them improve on their future budgets.

The Urban Areas and Cities Act 2011 provides for the management, governance and classification of urban areas. The Act has been undergoing a review to align it with chapter 11 of the Constitution of Kenya 2010 as well as ensure its applicability and effectiveness. During the period, the Authority reviewed proposed amendments on classification of urban areas and cities as well as draft regulations to the Act.

The key challenge over the next quarter will be to make significant strides in fast-tracking the development of an inventory of assets and liabilities, assessment and rationalization of public staff and costing of functions. Meanwhile, I wish to thank our supporters who continue to back TA activities and look forward to our continued collaboration.

  
KINUTHIA WAMWANGI, EBS  
CHAIRMAN

## MESSAGE FROM THE CEO/SECRETARY

In the fourth quarter of April –June 2014, the Transition Authority continued with the implementation of its mandate in relation to inventory and audit of assets and liabilities, unbundling and costing of functions, capacity assessment and rationalization of staff, review of the urban areas and cities Act, development of civic education curriculum and support to the national and county governments in managing the transition issues.

While implementing these activities, the Authority continued to engage various stakeholders while seeking solutions to counter the transition challenges in play. Inadequate funding and threats for disbandment of the TA before expiry of its term were major stumbling blocks to the transition progress.

We are glad to note that, despite these challenges, the TA continued focusing on its core mandate through consultations with key stakeholders and actors at both levels of government. We highly appreciate the continued support that we received from the national and county governments. The development partners and especially UNDP through their financial and technical support enabled the Authority to realize substantive outputs.

We look forward to their continued support and collaboration in this journey towards devolution.



Stephen K. Makori  
Secretary/CEO

# 1. INTRODUCTION

The Transition Authority (TA) is a statutory body whose mandate is to facilitate and coordinate the transition to a devolved system of government in Kenya as per the Transition to Devolved Government Act 2012 and the provisions under section 15 of the sixth schedule to the Constitution. Section 25 of the Transition to Devolved Government Act (TDGA) mandates the Transition Authority to prepare quarterly progress reports to provide regular update on the implementation of transition to devolved government.

The Authority discharges its mandate through six operational committees.

- Functional Analysis and Competency Assignment Committee
- Legal and Inter-governmental Relations Committee
- Planning, Budgeting and Finance Committee
- Capacity and Capability Development Committee
- Management and Transfer of Assets and Liabilities Committee
- Civic Education Committee

These committees are supported by oversight committees on human resources, finance and administration, and audit. To implement the decisions of the committees, the Authority has a secretariat composed of three technical directorates and one Corporate Support Services.

This report covers the progress status of activities implemented during the months of April - June, 2014 which include:

- Inventory, management and audit of assets and liabilities
- Provision of advisories on legal issues related to transition process
- Further unbundling and costing of functions
- Monitoring and guidance on the preparation and implementation of Transition Implementation Plans (TIPs) by MDAs and county governments.
- Rationalization and deployment of public staff through the CARPs
- Review of the criteria for classification of urban areas and cities
- Facilitation and coordination of development of civic education curriculum
- Establishment of County Public Service Pension Scheme

The implementation of these activities was supported by UNDP through support to the Devolution Programme in Kenya. The detailed account of activities and progress made is presented in the next section.



## 2. PROGRESS ON IMPLEMENTATION OF TA MANDATE

The progress made is reported under various components of the TA mandate which include Functional Analysis and Competency Assignment, Management and Transfer of Assets and Liabilities, Capacity and Capability Development, Civic Education, Planning, Budgeting and Finance, and Legal and Inter-governmental Relations.

### 2.1 FUNCTIONAL ANALYSIS AND COMPETENCY ASSIGNMENT

The Transition Authority endeavored on its key mandate in pursuant to section 7 (a) and (b) of the TDGA 2012. The Authority also engaged and provided guidance on various issues emanating from the functions transferred to counties in relation to the Authority's core mandate of facilitating the analysis and phased transfer of functions to the national and county governments as provided for in the Fourth Schedule to the Constitution. The following were the key deliverables:

#### 2.1.1 Transfer of Functions to both Levels of Government

Arising from the transfer of devolved functions vide Kenya Gazette Supplement No. 116 of 9<sup>th</sup> August, 2013, a number of issues have emerged from the implementing agencies and actors. The TA undertook the following initiatives to address these issues:

##### *A. Recommendations of Senate on transfer of functions appealed by County Governments*

Following the gazettment of the transfer of functions to county governments, 29 counties successfully appealed against the decision of the Transition Authority to withhold certain functions. To facilitate the implementation of the senate recommendations, the Functional Analysis and Competency Assignment Committee held various engagements with the respective sectors. This was required to bring the sectors on board and to clearly unbundle the functions assigned to the national and county governments in line with the Fourth Schedule to the CoK, 2010.

On the same discussions on appealed functions, TA attended a consultative forum organized by the CoG on 25<sup>th</sup> April, 2014 at Panafric Hotel, Nairobi. The purpose of the meeting was to discuss and build consensus on the resolutions of the Senate on the appeals by the county governments on transfer of the following functions: Agricultural training centres and agricultural mechanization stations; roads; rural electrification; natural resources and environment; and library services.

The gazettment of transfer of the management of agricultural training centres and agricultural mechanization stations to the county governments was carried out through legal notice no. 33 of 17<sup>th</sup> March, 2014. In addition, it was agreed that there was need for further consultations and unbundling of the other functions.

##### *B. Betting, Casinos and other Forms of Gambling Function*

One of the core mandates of the Transition Authority is to facilitate the analysis and phased transfer of functions to the county governments. The process has not been without challenges especially in cases where the assignment of functions shows concurrency between the two levels of government. The betting function as outlined in the Fourth Schedule to the CoK, 2010 is assigned to the national and county governments as: *function no. 34, National Betting, casinos and other forms of gambling* and *function, no. 4(a), Betting, casinos and other forms of gambling* respectively. Efforts to further unbundle this function have been made through the following consultative processes.

#### **a) Consultative meeting with the Association of Gaming Operators**

The Transition Authority held a consultative meeting with the Association of Gaming Operators, Kenya (AGOK), CoG and CRA on 10<sup>th</sup> April, 2014 at the TA Boardroom 8<sup>th</sup> Floor. The objective of the consultative meeting was to deliberate on the emerging transition challenges arising from

the concurrent nature of the betting function. Some of the challenges raised by the Association of Gaming Operators in Kenya included the following:

- i. Double licensing by both the National Government and the county governments
- ii. Levying of taxes by counties prior to enactment of the necessary legislation
- iii. Operators losing about 30% more due to direct tax on revenue and withholding tax
- iv. Development of betting licensing bills by counties inconsistent with the National Bill
- v. Lack of understanding in terms of operation of the industry

**Outcome:** It was agreed that there was need to urgently convene an inter-governmental sectoral forum including all the key players in the industry to comprehensively discuss the above transition challenges in order to ensure optimal performance of the sector.

#### **b) Inter-agency Technical Forum on Devolution of the Betting, Casinos and Gambling function**

TA held an Inter-agency Technical Forum on Devolution of the Betting, Casinos and Gambling function to the county governments on 13<sup>th</sup> May, 2014 at the Transition Authority Boardroom. The purpose of the forum was to bring on board all the key sector stakeholders including the County Executive Committee members in charge of betting from the seven counties (previous betting regional offices) to deliberate on the challenges facing the sector. Key among the challenges identified included the following:

- National Security: The betting industry involves a lot of money and if not well controlled could become an avenue for money laundering and exposure to terrorism, thereby posing a threat to our national security.
- Inadequate funding: Treasury disbursed funds to all the 47 counties; however, the BCLB activities were previously executed in only seven counties.
- Inadequate facilitation of the county gaming officers.
- Lack of clarity on function unbundling arising from its concurrent nature.
- Lack of transparency in lotteries.
- Regulation of tourist gambling.

It was resolved that:

- An Inter-Agency Technical Committee be constituted to analyze the transition challenges and propose an appropriate and equitable way forward to support optimal performance in the sector.
- BCLB expedites the finalization of the national policy and legal framework.
- BCLB/Ministry fast tracks the Constitution and operationalization of the inter-governmental sectoral forum.
- Actual data on the distribution of casinos and gamblers in the country be provided by BCLB.
- TA spearheads a more comprehensive functional analysis/unbundling of the betting function.
- County governments share their county bills and policies on betting control and licensing with the TA, BCLB, AGOK, CIC, KRA among other key stakeholders in the industry.
- Collection of national revenue/tax is the responsibility of KRA.

#### **c) First Inter-agency Technical Committee Meeting on Devolution**

The TA convened the first Inter-agency Technical Committee meeting on Devolution of the BCLB functions to the county governments on 13<sup>th</sup> June, 2014 at the Transition Authority Boardroom. This

technical committees mandate was to analyze the transition challenges facing the betting control and licensing subsector, and propose an appropriate and equitable way forward to support optimal performance in the sector. The specific terms of reference for the committee are to:

- Clearly unbundle the functions assigned to the national and county governments and determine the budgets/resources assigned to these functions
- Identify and comprehensively analyze the challenges facing the sector
- Review existing draft laws and regulations in the sector
- Benchmark on best practices to achieve optimal performance in the sector
- Provide a comprehensive report and recommendations

The report by the committee will be further validated at an inter-governmental forum. The committee will be required to complete its work within three months effective 11<sup>th</sup> June, 2014.

#### **d) Second Inter-agency Technical Working Committee Meeting on Devolution on BLCB**

The second Inter-agency Technical Working Committee meeting on Devolution of the BCLB functions to the county governments was held on 23<sup>rd</sup> June, 2014 at the Transition Authority Boardroom. This was a follow-up meeting to the first one held on 13<sup>th</sup> June, 2014 to review the existing legal frameworks in the subsector and the unbundled functions. The meeting unanimously agreed that there was need to hold a three-day retreat to effectively prepare a comprehensive report.

#### **e) Consultative forum with the Ministry of Education, Science and Technology**

The TA held a consultative forum with the Ministry of Education, Science and Technology (MoEST) (Directorate of Youth Polytechnics) on 15<sup>th</sup> April, 2014 at the TA offices, Extelecoms House. The key objective of the meeting was to deliberate on the unbundled functions of the youth polytechnics. This was a key resolution made during the National CEC Education forum held on 23<sup>rd</sup> March, 2014 at KICD where the two levels of government agreed that the terms *Village* and *Youth Polytechnics* were synonymous. The outcome of the meeting was that the revised unbundled functions be circulated to all the CECs Education for review and input prior to the second inter-governmental forum.

### **2.1.2 Preparation and Implementation of TIPS**

#### *a) Sensitization on Guidelines on Preparation of County Transition Implementation Plans*

The TA held a one-day sensitization workshop on 14<sup>th</sup> April at KICC in collaboration with CIC to sensitize the county governments on the guidelines to preparation of County Transition Implementation Plans (CTIPs). The purpose of the workshop was to sensitize the county governments on the guidelines to preparation of their county transition plans in line with section 16 (3) (5) of the TDGA, 2012 and to capture any comments and input to improve and facilitate development of CTIPs by the county governments (CGs).

The outcome of the workshop was that the joint technical team from TA and CIC would collate and incorporate the comments agreed upon during the workshop and thereafter the TA would circulate the revised guidelines to the CGs. It was also agreed that the CGs shall develop their CTIPs and submit them to the TA and CIC by 15<sup>th</sup> May, 2014.

#### *b) Technical Support to Preparation of County TIPS*

The TA continued to provide continuous technical support/capacity building to the county governments on development of their transition implementation plans. The support was based on county government requests (demand driven). This was basically to ensure compliance on the guidelines and enable the counties to expedite development and submission of their CTIPs within the agreed timelines.

### 2.1.3 Transport and Infrastructure Sector Issues

#### *a) Inter-governmental Forum for the Transport and Infrastructure sector*

The Ministry of Transport and Infrastructure and the Transition Authority jointly facilitated the second Inter-governmental Forum for the Transport and Infrastructure sector held at the Kenya School of Monetary Studies on 11<sup>th</sup> April, 2014. The objective was first, to review and build consensus on the proposed roads classification to the national and county governments; and second, to update the stakeholders on the status of the roads subsector law and policy in view of the devolved governance structure.

The stakeholders were taken through the proposed roads classification, construction of low volume seal roads technology and the status of devolution in the roads subsector. The following observations were made:

- That 70% of Kenya's road network is at the county level and 30% at the national level
- That the roads subsector bill and policy were still under review
- Neither the national nor the county governments have adequate capacity

#### **Key outcomes**

- i. Mechanical Transport Equipment: The county governments were informed that they can access the equipment through hire. It was also noted that there was need for the Ministry to align the Fund Act to the devolved structure of governance.
- ii. The Proposed Roads Classification: The proposed roads classification network was availed to the county governments in a CD format to review and input ahead of the next inter-governmental sectoral forum.
- iii. Road Construction Technology: The National Government appealed to the county governments to adopt the Low Volume Seals (LVS) technology for construction of low traffic volume roads.
- iv. Capacity Building the County Governments: Although this is a function constitutionally assigned to the National Government (NG) it was noted that the NG did not have adequate capacity too. However, the Engineers Board of Kenya (EBK) indicated that the Board was finalizing an internship curriculum for graduate engineers to prepare them for absorption into the industry.
- v. The Draft Roads Bill, 2014 and Policy: It was agreed that the cabinet secretary will fast track the finalization of the Draft Roads Bill, 2014 and its submission to Parliament.

#### *b) Consultative meeting with the Ministry of Transport and Infrastructure*

The Authority held a consultative meeting with the Ministry of Transport and Infrastructure on 5<sup>th</sup> May 2014 at the Kenya School of Monetary Studies. This was a follow-up meeting to the second inter-governmental forum held on 11<sup>th</sup> April, 2014. During the meeting, the regional managers reported that they had made arrangements to engage with the CECs to deliberate on the proposed road classification and assignment. They also requested to be issued with the CD to enable them expedite the engagements and provide a report within one week.

#### *c) Consultative meeting on unbundling the roads subsector function*

The TA held a follow-up consultative meeting on unbundling the roads subsector function with technical support from the former executive director, and KRB on 20<sup>th</sup> May, 2014 at the TA offices. The objective was to clearly unbundle the roads subsector functions assigned to the national and county governments. The key outcome of the meeting was a draft list of the roads unbundled functions.

#### *d) Transport and Infrastructure Inter-governmental Forum*

The TA participated in the transport and infrastructure inter-governmental forum held at the Kenya School of Monetary Studies (KSMS) on 26<sup>th</sup> May, 2014. This forum was organized by the Council of Governors (CoG) Committee on roads and infrastructure to harmonize the views of the national and county governments on roads classification and the sharing of equipment under the mechanical and transport fund (MTF). This meeting realized the following key outcomes:

e) *Roads Classification*

- i. Counties were in agreement that they are retaining the current classification format.
- ii. The county governments were of the general opinion that road Classes A, B and C are to be retained as national roads to be managed by the National Government, except for those specific roads that the county governments expressly stated that they wish to downgrade.
- iii. It was also agreed that the classification of all the roads selected for an upgrade to a national road be left to the National Government since it then becomes its mandate.
- iv. It was proposed that where the National Government neglects to maintain and manage a national road, the County Government should be allowed to repair and maintain the said road, and that the National Government should reimburse the said County Government for the funds expended in the maintenance of the national road.
- v. It was further proposed that the National Government should be free to invest in any county roads.

### 2.1.4 Unbundling of Functions

a) *Unbundling the Ferry Services function*

A consultative meeting was held on unbundling the ferry services function with the State Department of Transport on 27<sup>th</sup> May, 2014 at the TA Boardroom. A comprehensive unbundled list of the ferries services functions to the national and county governments was achieved. However, in regard to the Likoni Ferry in Mombasa, it was clarified that this is a bridge connecting 'A104' national road to an international highway. Therefore it is a National Government function. In addition, the Likoni Ferry services do not generate any revenue but it's fully funded by the National Government.

b) *Consultative meeting with the State Department of Planning (Department of Special Programmes) on Disaster Management.*

A consultative meeting with the State Department of Planning (Department of Special Programmes) on disaster management was held on 3<sup>rd</sup> June, 2014 at the TA Boardroom. This was in recognition of the concurrent nature of the disaster management function and the need to further unbundle the function in order to ensure clarity on assignment and delivery at the national and county governments. The unbundled functions have since been submitted and the TA will further engage the two levels of governments on how to coordinate and mitigate issues of disaster without overlap.

c) *Consultative meeting with IntraHealth International*

A consultative meeting with IntraHealth International was held on 23<sup>rd</sup> June, 2014 at the TA Boardroom. IntraHealth works in liaison with the Ministry of Health in strengthening the ability of the regulatory bodies/institutions in capacity building and strengthening the link between continuing professional development and registration.

The objective of this meeting was to establish the link between the health regulatory/professional bodies and the county governments in line with devolution of the health function. It was resolved that in view of the role of IntraHealth, there was need to engage with the various regulatory bodies/councils in the sector to deliberate on the following issues:

- ✓ Devolution in the sector and the role of the regulatory bodies to the counties under the devolved government structure
- ✓ Emerging challenges
- ✓ Accreditation standards
- ✓ Cross cadre continuous professional development (CPD) - In-service training for different professional's i.e. first aid, resuscitation, basic emergency among others.

The Transition Authority facilitated the process of engagement with regulatory bodies and requested them to submit their transition implementation plans. TA also plans to organize a two days consultative meeting with the health regulatory bodies once they submit their transition plans.

### 1.1.5 Policy and Legal Review

#### *a) Consultative meeting with the Ministry of Environment, Water and Natural Resources*

TA held a consultative meeting with the Ministry of Environment, Water and Natural Resources on 26<sup>th</sup> May, 2014. The purpose of the meeting was for the TA and the Ministry to engage on the schedule of the specific policies for implementation by the county governments on natural resources and environmental conservation as provided for in Part II of the Fourth Schedule to the Constitution of Kenya, 2010. The Ministry informed the TA that all the above policies were under review and they were in draft form. However, the Ministry has since submitted a report of the unbundled functions to the national and county governments, including copies of the draft policies. The draft policies include:

- i. Forest Policy 2014
- ii. National Environment Policy 2013
- iii. National Education for Sustainable (ESD) Policy 2013
- iv. National Wetlands Conservation and Management Policy, 2013
- v. Integrated Coastal Zone Management (ICZM) Policy 2013

It was agreed that the Ministry will involve the counties in finalization of the draft policies.

#### *b) Water Subsector Inter-governmental Forum*

The Authority participated in the water subsector inter-governmental forum held at Kenya School of Monetary Studies (KSMS) on 29<sup>th</sup> May, 2014. The purpose of the meeting was to review the draft Water Bill, 2014. The bill was discussed in detail and the two levels of government agreed that there was need to align it to the CoK, 2010.

#### *c) Consultative meeting with the Poverty Eradication Commission (PEC)*

TA held a consultative meeting with the Poverty Eradication Commission (PEC) on 11<sup>th</sup> June, 2014 at the TA Boardroom. The Budget and Appropriation Committee of the National Assembly recommend that the PEC be dissolved before the end of financial year 2013/2014. This recommendation led to a directive from the Ministry of Devolution and Planning that the Commission comes up with modalities of winding up its operations.

This meeting with PEC was intended to guide on issues related to the transition processes/period. The following were the key outcomes:

- That the Commission provides more information pertaining to its winding-up to TA, including the AG issuing an advisory and the gazette notice establishing the Commission.
- That the Commission provides the list of assets and liabilities to the TA, its unbundled functions and a list of ongoing programmes.
- That the Commission has since submitted its unbundled functions and ongoing programmes and their assets and liabilities inventory. TA has also advised the Commission that its functions must be housed appropriately before it is disbanded.

#### *d) Kenya National Library Services (KNLS) Stakeholder forum on the proposed National Library of Kenya Bill, 2014*

TA participated in the Kenya National Library Services (KNLS) Stakeholder forum on the proposed National Library of Kenya Bill, 2014 held at Sarova Panafric Hotel Nairobi on 12<sup>th</sup> May, 2014. The objective of the forum was to have an overview of the key issues on the National Library of Kenya (NLK) Bill, 2014.

**Key outcome:**

The participants were taken through the NLK Bill, 2014 and it was noted that there was need to recast the National Government functions to be in line with the Fourth Schedule to the Constitution, 2010. It was also noted that there was need to relook at the bill's nomenclature. It was resolved that the consultant reviews the bill to incorporate the proposed changes and that a follow-up technical forum be held on 29<sup>th</sup> – 30<sup>th</sup> May, 2014.

*e) Workshop on Policy for Integrated Landscape Management in Kenya*

TA participated in a two days workshop on Policy for Integrated Landscape Management in Kenya organized by the World Agroforestry Centre and EcoAgriculture Partners held in Nairobi from 25<sup>th</sup> -26<sup>th</sup> June, 2014 at ICRAF, Gigiri, Nairobi. The objective of the forum was to enable the stakeholders to understand and support integrated agricultural landscape approaches that simultaneously meet goals for food production, ecosystem health and human wellbeing.

The key outcomes of the forum were:

- ✓ Collaboration among the multi stakeholders on policy development, implementation and evaluation to promote effective service delivery and sustainable development;
- ✓ Conservation of native habitats within the agricultural matrix;
- ✓ Promotion of partnerships among farmers, agronomists and foresters;
- ✓ Protection and sustainable management of tree cover within the agricultural matrix including the riparian strips; and
- ✓ Leveraging the national and county governments' political support for conservation of natural resources and sustainable development.

*f) Inter-Counties Sectoral Workshop on Arid and Semi-Arid Lands (ASAL)*

The Authority participated in the Inter-Counties Sectoral Workshop on Arid and Semi-Arid Lands (ASAL) organized jointly by the Council of Governors and the Transition Authority on 21<sup>st</sup> May, 2014 at the Boma Hotel, Nairobi. The objective of the forum was to discuss the current drought situation and ongoing resilience mechanism and agree on next steps; review the unbundling of disaster management functions; and to discuss ASAL and Disaster Management Policy and agree on the next course of action.

Key outcomes

- The ASAL and Disaster Management draft policy was discussed and it was agreed that the CoG interrogates the policy and bill and submits a 'write up' to the National Government.
- It was agreed that the Transition Authority finalizes the unbundling of the disaster management function.
- The county governments are to model their policy in line with the National Government policy.

**2.1.6 Costing of Functions***a) Consultative Meeting on Costing of functions*

TA held a consultative meeting with the CRA on costing of functions on 28<sup>th</sup> April, 2014 at the TA Boardroom. The purpose of the consultative meeting was to review the concept paper/TORs on costing of functions and arrange for a technical retreat to finalize the concept paper. The following stakeholders were identified to participate in the exercise: CIC, CoG, CRA, TA, the National Treasury, Office of the Deputy President, Ministry of Devolution and Planning, National Assembly Committee; key non-state actors viz: KIPPRA, IEA, IBP and Mars Group and professionals from the University of Nairobi and Kenyatta University. It was envisaged that, the above blend of stakeholders would ensure a more comprehensive and effective approach to the actual costing of functions at both the national and county governments.

### *b) Retreat for Costing of Functions*

The Authority held a two days retreat with the CRA, CIC, CoG, PBO, MoDP, IBP, UNDP and professionals from Kenyatta University on 'Costing of Functions' at Lake Elementaita, Gilgil Kenya from 14<sup>th</sup> -15<sup>th</sup> May, 2014. The objective of the retreat was to gain a shared understanding on costing of national and county government functions, develop terms of reference (TOR) for consultancy on costing functions, and to discuss and streamline the concept paper on costing of functions.

### **Key outcomes**

It was proposed that:

- A target-based standard equivalence costing approach (TABSECA) be adopted.
- The unit of analysis should be the county which would then be cascaded to sectors/functions and then to the decentralized units.
- The concept paper be revised to reflect input from the retreat.

## **2.2 MANAGEMENT, TRANSFER AND AUDIT OF PUBLIC ASSETS AND LIABILITIES**

The Transition to Devolved Government Act, 2012 in Section 7 (2) (e), (f), (g) & (h) (ii) enumerates the functions of TA in relation to management, audit and transfer of public assets and liabilities during the transition period. They include:

- a) Prepare and validate an inventory of all the existing assets and liabilities of government, other public entities and defunct local authorities;
- b) Make recommendations for the effective management of assets of the national and county governments;
- c) Provide mechanisms for the transfer of assets which may include vetting the transfer of assets during the transition period;
- d) Develop the criteria to determine the transfer of previously shared assets and liabilities of the Government and defunct local authorities.

During the quarter under review, TA in relation to securing, management, audit and transfer of public assets and liabilities was able to achieve the following:

### **2.2.1 Inventory of Public Assets and Liabilities**

The Authority was able to get more data on State Corporations from the State Corporation Advisory Council. The following are data submissions as at 30<sup>th</sup> June, 2014:

Defunct Local Authorities .....	89.14%
Ministries and Departments .....	61%
State Corporations and Agencies .....	44.12%

### **2.2.2 Audit of Public Assets and Liabilities**

The Authority together with the Office of the Auditor General is currently doing the following:

- Capturing the submitted data on AMIS templates;
- Data analysis of the filled AMIS templates to determine its completeness;
- Data audit of the filled AMIS templates to determine its integrity, classification and quality checks before uploading onto AMIS; and
- Re-evaluation of the AMIS templates and upgraded templates developed to ensure effective data collection and smoother synthesis with the AMIS.



The pilot programme for the 13 counties is ready for implementation in the month of July, 2014. The report generated from the pilot programme from the 13 counties will be used to achieve the following outputs:

- Assist in developing the terms of reference for the teams/consultants that will do the country-wide verification, validation, valuation and audit of all public assets and liabilities;
- Assess government/ public service expertise currently available at the counties that can assist when doing the country-wide verification, validation, valuation and audit of all public assets and liabilities;
- Fill in the missing gaps in specific assets and liabilities in the 13 counties; and
- Develop lessons to be learnt to mitigate against challenges that may be faced during the country- wide exercise.

The 13 counties considered for the pilot are: Mombasa, Tana River, Narok, Machakos, Isiolo, Bomet, Taita Taveta, Siaya, West Pokot, Bungoma, Nyeri and Garissa. Nairobi City County will be treated as a special assignment, the task being to verify and validate all its assets and liabilities owing to its close proximity, and the budget outlay is not expected to be enormous.

### 2.2.3 Transfer/Sharing of Public Assets

#### *a) Sharing of Mechanical and Transport Assets*

The Gazette Supplement No. 116 of 9<sup>th</sup> August 2013 in Section 5 (b) provides for “mechanical and transport equipment shall be retained by the national government for a period of six months and the Transition Authority shall during that period **develop modalities of sharing** the mechanical and transport equipment”. The Authority was able to develop the modalities for sharing of equipment between the two levels of government. The process entailed the following:

#### **Stakeholders Consultative Forum**

This was held on 26<sup>th</sup> and 27<sup>th</sup> May, 2014 at the Kenya School of Government and was attended by representatives of both levels of government notably: Ministry of Transport and Infrastructure and the Council of Governors while the TA facilitated the sessions.

The resolution from the Stakeholders Consultative Forum was as follows:

- The assets of the Mechanical and Transport Fund would be shared on a 20:80 ratio between the national and county governments respectively
- All the liabilities (as at 28<sup>th</sup> May, 2014) of MTF would be taken over by the National Government
- There were 19 county regions that were agreed upon as the regions that would be used as bases for sharing of these assets. These were locations where the MTF facilities had been established.
- A smaller committee was formed to carry out the sharing of the assets of the MTF as per the agreed ratio. The committee comprised of TA, CEC members in charge of county roads and the Ministry of Transport and Infrastructure.
- The National Government was to support the counties in developing the much needed capacity.

#### **Sharing of MTF assets and equipment**

The selected committee that was tasked by the Stakeholders Consultative Forum to carry out the 20:80 ratio sharing, of MTF assets between the national and county governments, held its meeting on 28<sup>th</sup> May, 2014. The meeting was chaired by Member of TA/Chairman – Technical Committee on Transfer of Assets and Liabilities. The following were the deliverables of the meeting:

- Shared the MTF assets between the national and county governments as presented in **annexe 1**.

*b) Handing/Taking over Assets and Liabilities of Defunct Local Authorities*

The handing over/taking over exercise of assets and liabilities of defunct local authorities by the county governments has taken place in 27 out of the 47 counties. This represents a **57.5% response**.

**2.2.4 Framework for Transfer of Public Assets and Liabilities**

The Authority held a consultative meeting with the Senate on 10<sup>th</sup> June, 2014 on the developed Framework for the Transfer of public assets and liabilities. The senate proposed that a workshop be arranged between the TA, Senate, Ministry of Devolution and Planning, and the county governments to deliberate further on the document with the option of ratifying it for public engagement.

The Authority disseminated the above document to its stakeholders and is currently gathering the comments emanating from them, with a view to holding a stakeholders' forum to consolidate the comments and also satisfy the provisions of the CoK, 2010 for public engagement.

**2.2.5 Guide for Transfer and Sharing of Public Assets and Liabilities**

The Guide for Transfer and Sharing of Public Assets and Liabilities – ATCs and AMSs that was developed in May, 2014 was disseminated to the county governments and the Principal Secretaries. The remaining copies will be sent to the Heads of State Corporations and Independent Commissions. The guide will also be used in transferring and sharing of similar public assets and liabilities noting that it was developed from fundamental principles of the framework for transfer of public assets and liabilities between the two levels of government.

**2.2.6 Advisories on Disposal of Boarded Public Assets**

The Authority issued an advisory against disposal of boarded public assets without following due process. The advisory was sent to all Governors, Principal Secretaries, Independent Commissions and Heads of State Corporations /Agencies. The advisory was scheduled to be published in the print media in July, 2014.

**2.2.7 Approvals for Transfer of Public Assets**

The Authority granted approval for disposal of public assets to the following public entities:

- i) The National Treasury was granted approval to dispose of boarded government motor vehicles (280 No.) and other stores on 2<sup>nd</sup> May, 2014.
- ii) State House - Nairobi was granted approval to dispose of boarded government motor vehicles and other stores on 9<sup>th</sup> May, 2014.
- iii) The Teachers Service Commission was granted approval to dispose of boarded government motor vehicles and other stores on 16<sup>th</sup> May, 2014.
- iv) Water Resources Management Authority was granted approval to dispose of boarded government stores on 25<sup>th</sup> June, 2014.
- v) Ministry of Information, Communication and Technology was granted approval to dispose of boarded government motor vehicles and other stores on 25<sup>th</sup> June, 2014.
- vi) The Kenya Bureau of Standards was granted approval to dispose of boarded government motor vehicles and other stores on 19<sup>th</sup> June, 2014.
- vii) The National Treasury was granted approval to dispose of boarded government motor vehicles (9 No.) and other stores on 19<sup>th</sup> June, 2014.
- viii) The Kenya Accountants and Secretaries National Examinations Board was granted approval to dispose of boarded government stores on 9<sup>th</sup> June, 2014.

**2.2.7 Financing of Audit of Assets and Liabilities of the Defunct LAs**

The Authority held a consultative meeting on 3<sup>rd</sup> June, 2014, with the stakeholders (County Governments, Principal Secretaries, among others) on alternative financing of audit of liabilities of the defunct local authorities. The Uasin Gishu County funded the Audit of specific liabilities namely: unremitted statutory deductions to LAPTRUST and LAPFUND; and unpaid legal fees by the defunct local authorities within Uasin Gishu County. This was the basis for the consultative meeting, noting that most liabilities accrued

by the defunct local authorities are attracting penalties and fees with every passing day that they are not settled. The Audit was jointly conducted by TA and OAG.

Arising out of the consultative meeting the following resolutions were made:

- A formal letter of protest should be made to the relevant parliamentary committee by TA, protesting the inadequate budgetary allocation;
- Both assets and liabilities should be simultaneously audited;
- A proposal should be made by the Transition Authority to the Council of Governors before the matter goes to the IBEC; and
- A legal opinion should be sought from the office of the Attorney General on the legality of this initiative.

The TA acted on all the resolutions and it's to be noted that the Attorney General gave his opinion to the effect that the "county governments are the legal successors of the defunct local authorities; as such the county governments are to take over the assets and bear the liabilities of the defunct local authorities".

### **Challenges and way forward**

The major challenge is adequate financing of activities of TA that are related to securing, management, audit and transfer of public assets and liabilities during transition period. There is dire need for budgetary allocation to TA to enable it deliver this mandate.

Consultations are ongoing to explore the possibilities of county governments to finance partly or wholly, the audit of assets and liabilities of the defunct local authorities. The Authority will embark on auditing of the closer counties that may not necessarily require huge budgets in terms of audit e.g. Nairobi and the surrounding counties like Machakos, etc.

The Authority will evaluate the use of government/public Service expertise that are available at the counties when undertaking the country-wide verification, validation, valuation and audit of all public assets and liabilities.

More consultations among stakeholders on the most affordable way to undertake this exercise without compromising on the quality of the work to be done.

## 2.3 CAPACITY AND CAPABILITY DEVELOPMENT

The Transition Authority is charged with the responsibility of facilitating and coordinating smooth transition to the devolved system of government as provided under Section 15 of the Sixth Schedule to the Constitution. Further, Transition to Devolved Government Act 2012 mandates the Authority to ensure the national and county governments have adequate capacity to enable them undertake assigned functions and in addition, facilitate the county governments in the performance of their functions. This section of the report covers the capacity building and development activities undertaken at the national level.

- Establishment of a pension scheme for staff of county governments
- Preparation of guidelines for transition of staff to the counties
- Capacity Assessment and Rationalization of the Public Service (CARPS)
- Management of interim transition teams

### 2.3.1 Capacity Building Coordination

In discharging this mandate the TA held a stakeholders' meeting on 16<sup>th</sup> April 2014 for organizations dealing with capacity building at both levels of government in response to a letter from the Chairman of the Council of Governors concern over uncoordinated capacity building initiatives in the counties.

The objective of the meeting was to deliberate and ensure that all stakeholders responsible for the implementation of the National Capacity Building Framework were identified, vetted and their performance assessed against a pre-determined impact. The meeting also aimed at ensuring that all capacity building initiatives and support are aimed at enhancing overall capacity of the counties while avoiding duplication and overlapping efforts which are costly and unsustainable.

There was also need to agree on a comprehensive training programme for various categories of public officers and also develop, vet and approve a common training curriculum focusing on peculiar situations in each county based on identified gaps, needs and challenges.

The meeting brought together stakeholders from the following organizations:

- Office of the Controller of Budget
- Council of Governors
- CPST
- SUNY/AHADI
- Transition Authority
- The Public Service Commission
- Ministry of Devolution and Planning
- Commission on Revenue Allocation
- Commission for the Implementation of the Constitution
- West Minister Foundation of Democracy
- UNDP

The deliberations in the meeting revealed the following challenges in capacity building:

- Uncoordinated and fragmented approach to capacity building
- Duplication of capacity building efforts and resources between various stakeholders
- Resourcing for capacity building
- Lack of quality assurance mechanisms
- Uncoordinated reporting mechanisms
- Unclear tracking and feedback mechanisms
- Lack of information on impact of various capacity building initiatives
- Scope of capacity building initiatives.

It was resolved that national capacity building will be guided by the National Capacity Building Framework that was signed by the Council of Governors and the Ministry of Devolution and Planning and that all aspects of capacity building including systems and processes would be addressed. Transition Authority was charged with the responsibility of availing the signed framework.

### **2.3.2 Pension Scheme for the Staff Serving in the County Governments**

The technical committee appointed on 6<sup>th</sup> December 2013 to advise and make recommendations on the most suitable pension arrangement for the staff serving in the county governments presented its report to stakeholders on 29<sup>th</sup> April 2014 at the Kenya School of Monetary Studies.

The meeting resolved that an inter-agency committee chaired by the Council of Governors, coordinated by the Transition Authority and involving the Senate be established which would move the county pension issue to the next level. In this meeting, it emerged that a County Pension Bill had been tabled before the Senate and the Council of Governors and Transition Authority was asked to write to the Senate requesting the latter to allow for public participation on the bill, including allowing for incorporation of the recommendations of the technical committee. The Technical Committee chaired by RBA was to also prepare Terms of Reference for the Implementation Committee.

### **2.3.3 Advisory on Establishment of Pension Scheme for the County Governments**

TDGA Section 3 (d) mandates the Transition Authority to provide policy and operational mechanisms during the transition period for pension and other staff benefits.

The Technical Committee appointed to advise and recommend on the best pension option for county governments presented its report to the Council of Governors at a stakeholders' consultative meeting held on 29<sup>th</sup> April, 2014 at the Kenya School of Monetary Studies.

Key among the Technical Committee's recommendations were:

- a) Establishment of one uniform Umbrella Pension Scheme under an Act of Parliament by the Senate (as per Article 96 of the Constitution of Kenya 2010) to safeguard the scheme against any arbitrary changes to any aspects of the scheme and to give it a national outlook and protect public interest; and
- b) The new scheme to be established under the management of a new Board of Trustees established pursuant to the Act establishing the scheme.

On 16<sup>th</sup> June 2014, the Council of Governors (CoG) published an advisory to county governments, informing them that the CoG had endorsed LAPTRUST (Umbrella Retirement Fund) which had then changed its name to County Pension Fund as the scheme of choice to offer retirement benefits to members, officers and staff of county governments in line with the provisions of Section 132 of the CGA.

In line with its mandate to provide policy and operational mechanisms for staff benefits, the Transition Authority responded to the COG's advisory as follows:

- i. That establishment of a county pension is an issue of national importance which needs to be anchored in an Act of Parliament and which should take into consideration the interest of all affected staff including 70,000 seconded staff from the National Government, 32,000 defunct local authorities' staff and the newly recruited county staff.
- ii. The Authority further advised that the provision of pension for county staff is both a transitional as well as a technical issue and not just about the merger of LAPFUND and LAPTRUST and therefore proposed that the Taskforce on Parastatal Reforms should work jointly with the Technical Implementation Committee proposed in the Technical Committee Report.
- iii. That the concerned parties work together in protecting the pension rights of the County Public Service employees and to ensure smooth staff transition.

The Transition Authority is charged with the responsibility of facilitating and coordinating transition to a devolved system of government as provided under section 15 of the Sixth Schedule to the Constitution.

Transition to Devolved Government Act (TDGA), 2012 Section 3 (e) mandates the Transition Authority to provide for closure and transfer of public records; and in (f) to provide a mechanism for capacity building requirements of the national and county governments and make provisions for the gaps to be addressed.

#### **2.3.4 Advisory on Transfer of Staff Records**

The Transition Authority issued an advisory in response to a letter Ref. No. MDP.6/1/116 dated 21<sup>st</sup> May, 2014 from the Cabinet Secretary, Ministry of Devolution and Planning informing governors to confirm their readiness to receive staff records.

The Authority made the following observations:

- i. That county governments were yet to determine their optimal staffing levels and confirm seconded staff in appointment as envisaged in the County Governments Act (CGA), 2012 and Gazette Notice 825 of 7<sup>th</sup> February 2014 on *Guidelines for Transition of Staff to the counties*. This therefore means that the seconded staff still belong to the National Government until County Public Service Boards confirm them as county staff and absorb them in their establishments.
- ii. That the county governments were yet to establish a county pension scheme to facilitate transfer of service for seconded staff. The same files will be used by the National Government to process transfer documents.
- iii. Emerging issues are yet to be resolved. To date some seconded staff are yet to be paid since January 2014 because of misplaced payroll records.
- iv. Finally, the county governments are yet to establish adequate physical resource capacity to manage staff records.

In view of the above observations, the Transition Authority recommended and advised as follows:

- a. That ministries and agencies whose functions have been devolved to process all pending human resource issues including promotions, disciplinary cases, leave and other transfer documents before the transfer of the records;
- b. That counties conduct capacity needs assessment determining their optimal staffing levels and confirm the seconded staff in appointment to facilitate smooth transfer;
- c. That the County governments make use of provincial and district files which are at their disposal until all the transition issues including Pension are resolved.
- d. That dialogue and consultation between the ministries, Transition Authority, the Council of Governors, Public service Commission, the National Treasury and the Pensions Department be strengthened.

#### **2.3.5 Capacity Assessment and Rationalization of the Public Service (CARPS)**

The Transition Authority is mandated to advise on the effective and efficient rationalization and deployment of human resource to either level of government. The national and county governments coordinating summit during its meeting held on 19<sup>th</sup> June 2013, agreed to conduct a joint national and county government's capacity assessment and rationalization of the public service (CARPS) programme.

The objective of the programme is to study the current organizational structures of the national and county public service and recommend appropriate organizational structures and optimal staffing levels for effective service delivery.

During the reporting period, the inter-agency Technical Committee achieved the following:

- i. The secretariat of the CARPS Programme held a three-day retreat at the Kenya School of Government, Embu to finalize the CARPS strategy.

- ii. Sub-committees for development of various thematic guidelines were constituted and draft guidelines developed. The Transition Authority was mandated to develop guidelines on IEC and monitoring and evaluation strategy.
- iii. The amendments recommended by the office of the Attorney General to the institutional framework for CARPS were effected and the framework re-submitted for gazettelement.
- iv. The draft budget for the CARPS programme developed earlier was shared with the inter-agency committee and the input incorporated.
- v. The process of procurement of a Consultant to work with the technical committee was reviewed after the evaluation report revealed that there was need to re-look at the terms of reference.

In the month of May, the Institutional Framework for CARPS was gazetted, showing the membership and functions of every committee. The draft budget of the CARPS programme was developed and shared with the technical committee for their input. In the same month, a consultant was procured from Ernst & Young to undertake the exercise.

In June, the inter-governmental Steering Committee, the policy organ of the CARPS was operationalized.

## **2.4 FACILITATION AND COORDINATION OF CIVIC EDUCATION**

Vide section 1 (g) in the Fourth Schedule of the Transition to Devolved Government Act 2012, the Transition Authority is mandated to facilitate civic education, to ensure civic education on devolution is commenced and coordinated. The CGA states that the purpose of civic education is to have an informed citizenry that actively participates in governance affairs of the society on the basis of enhanced knowledge, understanding and ownership of the constitution.

In line with this provision, the Authority has been facilitating and coordinating activities on public participation and civic education through establishment of a committee of the board on civic education whose membership includes: the Ministry of Devolution and Planning, Office of the Attorney General and Department of Justice, Commission for the Implementation of the Constitution, and civil society organizations (Uraia Trust and Amkeni Wakenya). The committee meets on monthly basis to review planned activities and provide a platform for sharing civic education activities by the members. At county level, TA has a county transition coordination mechanism whereby TA has coordinators in all the counties who are supporting counties in matters of transition, including civic education.

### **2.4.1 Framework for Public Participation**

The Authority has been consulting and collaborating with the Office of the Attorney General and Department of Justice to fast-track the development of public participation policy. A concept note and draft roadmap for policy development was prepared and shared with wider stakeholders in April.

### **2.4.2 Framework for Civic Education**

The Authority has been in communication with the Ministry of Devolution and Planning and Office of the Attorney General and Department of Justice on this subject. Plans are underway to revamp and review the institutional framework for coordination and delivery of civic education under the Kenya National Integrated Civic Education Programme (K-NICE). This will provide general guidance on how civic education is coordinated and delivered by national and county governments respectively.

At county level the Authority has been participating in the review of the public participation model law for county government organized by Kenya Law Reform Commission and The Institute for Social Accountability (TISA). During these workshops, the model law was enriched with comments from different stakeholders. The county governments are at different stages of converting the model laws into bills.

### **2.4.3 Civic Education Curriculum on Devolution**

The Transition Authority collaborated with URAIA Trust and Ministry of Devolution and Planning in conjunction with the Kenya Institute of Curriculum Development. The first draft has been shared with TA civic education committee members for input. The draft was also subjected to stakeholders' validation in the month of May, 2014.

The Authority has also assisted in review of short messages (SMS) curriculum on devolution prepared by a local NGO called Sisi ni Amani Kenya (SNA-K). The NGO has a SMS subscriber base of about 65,000 who were reached by the text messages. This has enhanced civic awareness among subscribers.

### **2.4.4 Delivery of Civic Education**

With an inadequate budget, TA has been doing only opportunistic civic education using platforms and fora organized by other stakeholders both at national and county levels.



NO	COUNTY	PROGRESS
1	ISIOLO	<ul style="list-style-type: none"> <li>- Educated heads of departments in the County Government on PFM Act and budgeting processes.</li> <li>- Sensitized the new County Secretary on the processes of the County Government.</li> <li>- During the one year anniversary celebrations, the public were sensitized on functions and progress of the county and the role of citizens in the devolution process.</li> </ul>
2	KWALE	Educated the ward administrators on devolution across the four sub counties
3	MURANG'A	Carried out one day induction training and civic education in all sub counties for all public officers from the defunct local authority. Topics covered included: devolution, county functions, management of human resources, change management, code of conduct and etiquette, communication, leadership and management of financial resources.
4	KERICHO	<ul style="list-style-type: none"> <li>-TA facilitated sharing the contents of Kenya Gazette Notice, Vol. CXVI – No. 20 of 7th February 2014, on the “Guidelines for Transition Staff to Counties” with County Government officials and heads of departments.</li> <li>- Consultative/sensitization meetings with the County Budget Controller and County directors of departments was undertaken.</li> </ul> <p>All these have helped the target group to appreciate issues of devolution and transition.</p>
5	THARAKA NITHI	<ul style="list-style-type: none"> <li>- Informed County Government staff on devolution issues and areas covering fundamentals of development of action plans.</li> <li>- Coordinated forum which sensitized and created awareness on violence against the elderly in society which targeted and identified the victims, by the National Gender and Equality Commission.</li> </ul>
6	KISUMU	<ul style="list-style-type: none"> <li>- Sensitized County Government employees on the role of the County Assembly Service Board and distributed the special gazette notice no. 20 of 7th February 2014 to government officers and the Civil Servants Union.</li> <li>- Held fora on fiscal strategy paper where the TA Coordinator also participated to educate the public on the budgeting process.</li> </ul>
7	TRANS NZOIA	- Informed the private sector and farmers on major economic and political issues that affect their lives and educated them on citizen participation in the various activities of the County Government
8.	NAROK	<ul style="list-style-type: none"> <li>- Accorded 30 free minutes on Mayian FM radio station for civic education.</li> <li>- Discussed with 'SISI NI AMANI KENYA' Initiative, a group that is interested in partnering with TA in civic education and they have developed text messages for this exercise.</li> </ul>
9.	MARSABIT	Sensitized the newly appointed County Chief Officers for County Government of Marsabit on: Devolution; TA and its mandate; public participation and its place in all devolved organs; budget process; CIDP generation; and budget execution and reporting.
10	NAKURU	32 Public Health staff were educated on devolution, devolved functions and management of the same by the Transition Authority staff.
11.	SAMBURU	Transition to devolved system of government process and role of TA was shared at the Anglican Church Youth Conference. The youth appreciated the presentation.
14	Meru	Leaders meetings were held in all wards. The leaders were sensitized on the need and importance of public participation in governance in the county.

### **2.4.5 Stakeholders engagements**

During this period, the TA continued with its Memorandum of Engagement with Non-State Actors who included:

- a) Institute for Education in Democracy (IED): The Memorandum of Engagement between TA and IED for resource mobilization and financing civic education activities is ongoing in the following areas:
  - i. Carry out fundraising together to support civic education activities on devolution
  - ii. Come up with a civic education strategy that would include a large scale (massive campaign) on civic education
  - iii. Do a baseline assessment of civic education in the counties
  - iv. Production of IEC materials on civic education such as booklets and posters.

### **2.4.9 Civic Education Providers Profile Database**

The first draft civic education providers' profile database has been produced and is to be subjected to an authentication process by a multiple group of stakeholders who include ministries, departments and civil society organizations.

### **2.4.10 Challenges and Recommendations**

The lack of national framework for public participation and civic education has resulted in disjointed efforts amid scarce resources for civic engagement. An elaborate Civic Education Programme would go a long way to fill any knowledge gaps on devolution. It is therefore strongly recommended that a public participation and civic education framework be formulated and financial resources allocated to execute it.

## 2.5 PLANNING BUDGETING AND FINANCE

The thematic area of Planning, Budgeting and Finance mandate in the Transition Authority includes undertaking an assessment and classification of urban areas and cities as required by Section 54 of the Urban Areas and Cities Act, 2011. It also assists counties in establishing monitoring and evaluation systems and in identification and enhancement of revenue sources, including devolved funds and other previous Local Authority transfer funds in order to make or recommend more mechanisms for utilization and resource mobilization.

### 2.5.1 Classification of Urban Areas and Cities

On the classification of urban areas and cities, the proposed amendments as well as the draft regulations to the Act were reviewed. This will be further subjected to the stakeholders for validation and buy in.

### 2.5.2 Budgeting-Kegoses/Utawala County Budget Leadership Forum Training

The Kenya Governors Strategic Execution Support (KEGOSES)/UTAWALA Project is a collaborative initiative by the project partners [Strathmore Governance Centre (SGC), Council of Governors (COG), Commission on Revenue Allocation, Office of the Controller of Budget (OCOB) and the Transition Authority (TA)]. The aim of the project is to have a coordinated approach towards:

- a) Building the capacity of the governors, deputy governors, county chief officers, County Executive Committee (CEC) members, members of the County Assemblies (MCAs) and other relevant county officials in identified key areas;
- b) Identifying and building mechanisms to facilitate active and effective public participation in County affairs;
- c) Promoting and conducting inter-disciplinary research into all aspects of institutional governance; and
- d) Building the capacity of the constitutional offices and TA in matters affecting institutional governance.

### Project Outcomes

The Project envisages the following outcomes:

- a) A database to aid county governments in planning and decision-making;
- b) A detailed report on the current and anticipated capacity needs of county governments;
- c) Continued support to county governments from the constitutional offices and Transition Authority;
- d) Institutionalization of mechanisms to facilitate public participation in county affairs;
- e) Enhancement capacity and entrenchment of good governance and sound financial management by county governments;
- f) Co-ordinated and mutually beneficial accountability structures between county governments, the constitutional offices and TA; and
- g) Enhanced capacity of the constitutional offices and TA in matters affecting institutional governance.

### The Target Audience

The training targeted the following county officials:

- County Executive Committee Member for Finance and Economic Planning
- Chief Officer for Finance and Economic Planning
- County Economic Advisor
- Chief of Staff
- County Secretary

- Clerk of the County Assembly
- Chair of the Budget and Appropriations Committee of the County Assembly

The KEGOSES project training programme took place in late February and early March across the country. The counties were grouped into 12 clusters with four counties per cluster.

The county budget leadership training programme was implemented successfully and covered the following areas:

- Overview of Public Finance Management
- Planning and Budgeting
- Budget Execution
- Devolution and Public Participation
- Monitoring and Evaluation

The county officials appreciated the importance of:

- Prudently managing public funds and how the two arms of the county governments should work together to ensure the counties move forward;
- Proper planning and consultations that need to be done during the finalization of the County Integrated Development Plans and how to prioritize projects;
- Adherence to the budget cycle timelines and the roles of either arm of government in the budget cycle and preparation of programme based budgets.
- Involving the public in all policy documents from the beginning to the end to ensure public ownership and also best methods to undertake public participation despite the high cost;
- Conducting monitoring and evaluation to ensure proper reporting and accountability to the public.

The counties also reported challenges as below:

- Prioritization of projects against the competing demands of the public and the Members of the County Assembly
- The delays in exchequer releases and monthly releases is a challenge to planning for capital expenditure
- Public participation is expensive, more so for expansive counties like Turkana
- Budget implementation reports should be channeled to the county assemblies before being made public
- How CDF projects should be fed into the CIDP.

A follow-up on the counties whose 2013/14 budgets had problems was also undertaken with the aim of improving the coming year's budgets.

### **2.5.3 Technical Support and Capacity Building for Fiscal Decentralization**

#### *(i) County Training Needs Assessment*

The main component of the project focuses on provision of technical expertise to support the county governments with skills to undertake their responsibilities with emphasis on budgeting and internal audit processes. This will be achieved by enhancing the capacity of the National Treasury and the 47 county government treasuries for effective budgeting and audit processes. Two consultants were contracted to provide technical assistance in fiscal decentralization, specifically handling budgeting and risk-based audit.

The consultants are expected to provide technical skills in the preparation of manuals and thereafter training county government staff (94 county budget and 94 county audit staff) on the sub-national budget and audit processes over a period of six months. The consultants held working meetings with several agencies especially to conduct a concise needs assessment and design of the manuals.

As part of the work-plan the consultants scheduled visits to nine counties for consultations on capacity and training needs assessment on the two PFM areas of interest to ensure that the views of the county governments are included in the manuals. The counties include: Kirinyaga, Nairobi City, Isiolo, Mombasa, Machakos, Kisumu, Kakamega, Turkana, and Garissa. The consultants were accompanied by officers drawn from the two user departments, Kenya School of Government, the National Treasury, the Transition Authority and the Ministry of Devolution and Planning. The Nairobi City County was visited during the month.

The contents of the two draft manuals were reviewed and validated in a retreat during the month. This was to give the key stakeholders the opportunity to share information and reflect on how the two manuals were going to address their institutional capacity development needs and agree on the modalities and methodology of undertaking the training.

### 2.5.4 County Information

#### a) County Planning

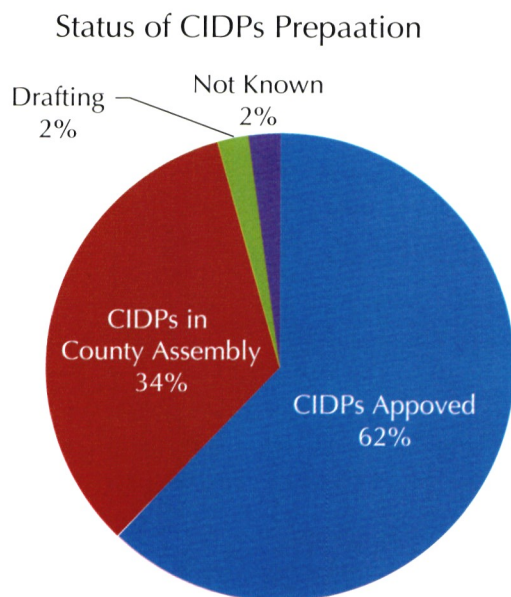
The Constitution apportions the responsibility of planning to both national and county levels of government. The County Government Act, 2012 requires that all county governments prepare and implement integrated county development plans. The County Integrated Development Plans (CIDP) are, according to the Act, five year plans that are implemented through annual budgetary allocation by the county governments.

In addition to an integrated county development plan, each county is expected to have the following:

- i) County Sectoral Plan (for the county departments and other county entities);
- ii) County Spatial Plan; and
- iii) City and Urban Areas plans.

To this effect, the Transition Authority in collaboration with the ministries of Devolution and Planning; and the Lands, Housing and Urban Development developed and issued guidelines for the preparation of integrated development plans and spatial plans respectively. The status of preparation of these plans as of May 2014 is analyzed below.

#### b) County Integrated Development Plan



From the chart above, 62% of the county governments have already approved their integrated plans, which are in use and 34% have their CIDPs in the County Assembly awaiting approval while 2% are

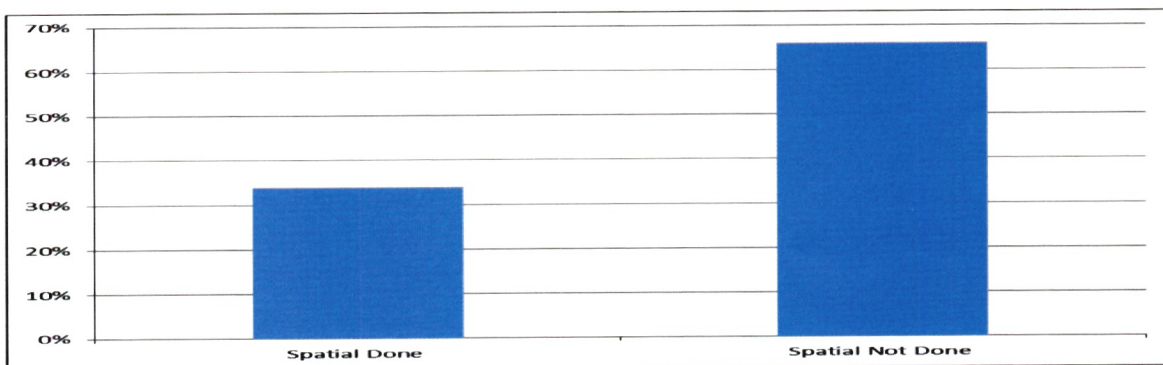
in the drafting stage. Some counties whose plans are still being drafted attributed this to challenges related to consultancy services. For example, in Muranga County, the planning unit which had earlier been at the periphery is currently working on the CIDP after the consultant failed to deliver.

Nine counties are currently reviewing their CIDPs. This has been occasioned by the many priorities which do not match the resources available. In some instances, some counties felt that the plan was quite ambitious and needs to be realistic. In other cases, for example in Tharaka Nithi, the lower decentralized units i.e. the wards are of the opinion that their priorities are not included in the plan and hence the need for a review. Bungoma County has expressed the need to review the plan to harmonize it with the priorities of the national government to avoid duplication of efforts and waste of resources. In Kisumu County, some departments and sectors have also expressed the need to review their sections due to the ever changing needs within the county.

Some counties have not yet approved their CIDPs. This is attributed to push and pull in projects allocations amongst the wards and limited consultation between the County Assembly and the Executive during the preparation process.

All the counties reported to have involved the public in the preparation of the CIDP. The public participation forums should be properly constituted to yield meaningful contributions and inputs from the public. The preparation of the integrated plans requires enormous data which is lacking in the counties. The other challenge is that the county planning units are not adequately staffed or constituted to manage the entire county planning process. The planning units are also facing capacity challenges and this also caused delays in their finalization and submission to the County Assembly for approval.

*c) Spatial Plans*



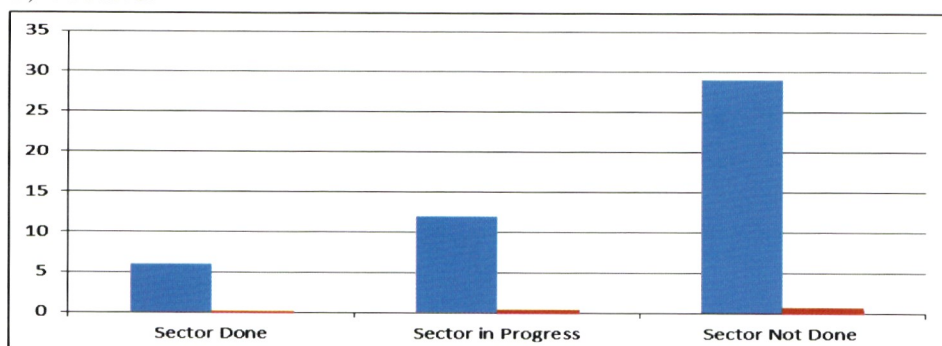
**Kenya National Audit Office**

The preparation of spatial plans is on course in some counties though most are suffering from the availability of requisite manpower and equipment to prepare the plans. Some counties are also of the opinion that the chapter in the CIDP is adequate and this calls for more sensitization.

From the analysis, 34% of the counties are either in the process of preparing their spatial plans or drafting them. In this category, there are also those who feel that spatial plans are embedded in the integrated plan. This means that it has been brought to their attention that there is need to have stand-alone spatial plans since what is in the CIDP is a brief overview of all the details required of a spatial plan. Wajir County, for example, has indicated that a plan exists but many other small towns continue to sprawl which is still a challenge.

66% percent of the counties have not started the preparation of their spatial plans. The counties have attributed this to the enormous resources required to prepare a spatial plan. The skills necessary for the preparation of the plan are also lacking in the counties and they are forced to seek the services of consultants who charge exorbitantly.

d) Sectoral



The sectoral plans are assumed by most counties to have been included in the CIDP. The law requires that they be prepared separately for a ten-year period. Some counties are in the process of drafting the plans.

From the tabular representation above, it can be deduced that only six counties have prepared their sector plans and in twelve of them, the preparation of the sector plans is ongoing. For example, Isiolo’s water and health sector plans are ready for legislation. In Wajir, the sector plans have been finalized but programmes and projects have not been prioritized. Sixty two percent of the counties are yet to start preparing sector plans. Tharaka Nithi County is yet to prepare its plan due to lack of capacity in some sectors. In Embu, the sector plans were done concurrently with the CIDP. However, the county report indicates that initially there was lack of clarity on transferred functions and this affected the preparation of the sector plans.

e) Establishment of Planning Unit

Section 105 of County Government Act 2012 envisages establishment of a County Planning Unit whose task is to ensure coordinated development planning in the county and linkage between county plans and the national planning framework, among other roles pertaining to planning.

The reports from the counties indicate that half the counties have already established their planning units while the remaining 50% are yet to set them up. However, some of the counties which have established their planning units have various challenges ranging from office space, personnel and capacity issues. West Pokot and Garissa counties for example have indicated that the units have lean staff and plans are underway to recruit more and build their capacities. In Tana River, the unit has been established but needs to be restructured and staffed. In Narok County, the planning unit is in place although other units of statistics and monitoring and evaluation need to be incorporated and strengthened.

f) Monitoring and Evaluation

The monitoring and evaluation unit in most of the counties is not in place. About 17% of the counties have either established the unit or it is in the formative stages. This is a very crucial unit within the counties and they should hasten the process of establishing it to track the implementation of programmes and projects. There is therefore need for guidelines for the establishment of the system.

g) County Budget Process

All the county governments complied with the 30th April 2014 deadline for the submission of the budget to the County Assembly. Most of the counties complied with the legislations though challenges were faced in terms of balancing competing projects with the constraints of the budget, declining revenue collections, and overwhelming expectations from the public. The public participation forums organized for the discussion of the budget estimates were inadequate due to time constraints.

h) County Fiscal Strategy Paper

Information from the counties indicates that all counties prepared their County Fiscal Strategy Papers and submitted them to the county assemblies. The main challenges reported by the counties were

inadequate background information to advice on county ceilings, inadequate capacity to prepare the paper given that the counties are new institutions; lack of proper baseline information; and the format for preparation of the CFSP.

The counties have requested for a more focused and hands on training on preparation of the CFSP. The 15th February deadline for the submission of the Budget Policy Statement (BPS) and 28th of February deadlines for submission of the CFSP is too short to allow counties to realign their CFSPs to the BPS.

The debt strategy paper which in essence is supposed to be prepared and submitted together with the County Fiscal Strategy Paper (CFSP) is yet to be prepared by most of the counties.

Regarding the Programme Based Budgeting, most counties have embraced it but are slowly adjusting it. This they attributed to capacity gaps of the officers undertaking the budget process. The officers lack the requisite skills and more training is needed.

Own revenues are being collected in all the counties and some counties have plans of cascading the collection to the lower decentralized units. There are also proposals of collecting revenue electronically to curb corruption. In most counties, revenue collection potential is yet to be fully exploited because there are cases where revenues are declining.

#### *i) Establishment of the County Budget and Economic Forum*

Section 137 of the County Governments Act, 2012, requires the county governments to establish a County Budget and Economic Forum. However, the information from the counties indicates that only 19 (40%) of them have the forum in place. In some instances, the forum is in place but not operationalised. This therefore calls for more sensitization on the importance and roles of the forum to the members and the counties.

#### *j) Budget Implementation and Execution*

All the county governments prepared their appropriation bills for the financial year 2013/14 including the supplementary budgets. Some have started preparing their reports and others are relying on the report by the Office of the Controller of Budget. Garissa County reported having spent only about 40% of their budget and this is attributed to the delays in the procurement process and low absorption capacity.

#### *k) Internal Audit Department*

Counties have set up the department. However, reports indicate that the departments are not fully operationalized. The county audit committees have not also been set up in most of the counties to support the department. The counties have operational county treasuries.

### **2.5.5 Emerging Issues**

#### *Devolution and Public Participation:*

From the county visits conducted during the period, there is need to build the public capacity on participation and prioritization of the projects. During the public participation forums, the public demand to be paid allowances during the sessions. There is lack of public interest to participate in the exercise and as a result it has been taken over by the elite in the counties. Most sector working groups do not have clear terms of reference to guide them during public participation meetings.

The Finance and Budget Committee members of the county assemblies need to have proper capacity building to ensure that they understand their roles and responsibilities.

The Exchequer releases are sometimes erratic, thus hindering proper planning and implementation of projects. The monthly exchequer releases, especially the development budget is a challenge in implementation of projects.

IFMIS has challenges in connectivity especially when using modems. There is also continuous



interruption of the optic fibre where applicable. Similarly, IFMIS does not have the revenue module thus a challenge arises in revenue collection.

Most county officers need to be trained on confidentiality. Change management needs to be inculcated in officers to ensure that business is done differently.

Modalities to harmonize the salaries of the former LAs staff and the devolved staff needs to be put in place as it is weighing heavily on the county governments' revenues and financial resources.

*Planning and Budgeting:*

There are challenges in prioritization of projects and programmes in the CIDP versus competing demands of MCAs and the public. In some counties, there is continuous rejection of the CIDP by the MCAs, causing delays in its implementation. Equity as opposed to equality in project allocations in the county needs to be emphasized.

The format for the preparation of the County Fiscal Strategy Paper (CFSP) varies across counties. There is need to harmonize this through an agreed upon single format. Also the timeline between the time the Budget Policy Statement is released and the requirement of the county fiscal strategy paper being aligned to it is short.

Preparation of programme-based budgets needs to be elaborated more through further capacity building. It is important that counties comply with the budget ceilings.

### **2.5.6 Recommendations and Way forward**

There is need to conduct hands on training on programme-based budgeting for all the concerned budgeting officers at the county level. In addition, there is need to conduct a capacity needs assessment on PFM in the counties and their utilization to achieve the intended purpose.

It is imperative to undertake an assessment of the level of operation of IFMIS in the counties to ensure continuous support.

There is need to undertake training for the County Assembly members on their roles once the budgets have been submitted to the County Assembly. Continuous capacity building on devolution laws and the Constitution is also a necessity.

Lastly is the need to build the capacities of the counties on the preparation of the CIDPS, spatial plans and sector plans.

## 2.6. LEGAL AND INTER-GOVERNMENTAL RELATIONS

The legal and inter-governmental function in the TA supports all the other committees in the day-to-day running of their activities. The committee is charged with advising, overseeing and coordinating the legal and inter-governmental aspects of the organization's mandate.

### 2.6.1 Policy and Legal Review

#### *a) Water Bill 2014*

The Transition Authority contributed towards submitting comments on the provisions of the Water Bill 2014 which is currently before the National Assembly. In a session attended by the Chairperson of the Departmental Committee of the National Assembly on Natural Resources, the TA submitted its comments on the Bill so as to ensure that the devolved function of provision of water services is legislated in accordance with the constitutional requirements and provisions.

#### *b) Review of the Order of Precedence Bill*

TA received a request from the Commission on the Implementation of the Constitution to review and make comments on the Order of Precedence Bill before the Bill is tabled in Parliament. The Bill provides for the Order of Precedence for officials at diplomatic, official and social state functions within Kenya and abroad. TA submitted its comments on the Bill and proposed the redrafting of certain provisions of the Bill that were in conflict with the Constitution.

#### *c) Aligning the Energy Bill to the Constitution*

TA played a facilitation role in assisting the technical committee in the Ministry of Energy by informing them on the on-going process of aligning the energy sector with the new Constitution. There is a draft Energy Policy and Energy Bill which has proposed the distribution of functions between the national and county governments. TA officers travelled to Mombasa to effect the process which included unbundling of the functions and legal guidance. The main purpose of the Act is to amend and consolidate the laws relating to energy; to provide for national and county government functions in relation to energy; to provide for the establishment, powers and functions of the energy sector entities; promotion of renewable energy; and for connection purposes.

### 2.6.2 Advisories

#### *1) Drafting of advisories to be issued to public and private institutions*

The Transition Authority held a consultative meeting with the Poverty Eradication Commission to discuss the proposed dissolution of the Commission (PEC) and chart a way forward with reference to its functions and resources. Following this meeting, TA drafted an advisory to guide the discussions that were later held with the Board of PEC. The board was advised on the manner of handling its assets and ongoing projects as it holds further consultations with stakeholders on the issue of its dissolution.

TA also received a complaint from Base Titanium Limited against the County Government of Kwale, which is imposing a mining levy on different companies. We advised the County Government to desist from imposing this levy as it is in breach of the Constitution of Kenya, 2010, the Public Finance Management Act, 2012 and further, it is detrimental to national economic interest.

During the month of June, it also came to the attention of the Transition Authority that several public entities continue to engage in transactions that contravene the provisions of the law with reference to the management and transfer of assets and liabilities. TA drafted an advisory to warn and advice the public on the manner of handling public assets during the transition period.

*II) Advice on Restructuring of Joint Boards established Under the Local Governments Act*

The repealed Local Government Act at Section 104 made provision for arrangements or agreements between local authorities for the joint management of any of their activities or functions. Section 104 also made provision for the joint management of activities between local authorities and the central government. The management of these joint activities pursuant to the provisions of the Local Government Act was through the establishment of joint boards by the Minister responsible for local government.

The Ministry currently responsible for the joint boards is in the process of restructuring them, following advice from the TA on the need to ensure that the boards are operated in accordance with the devolved system of government.

*III) Advisory on County Revenue Raising Legislation*

The Transition Authority led the process of bringing stakeholders together so as to provide guidance on the issue of county revenue raising legislation. The TA developed an advisory which was adopted by the relevant stakeholders, advising on the need for county governments to enact substantive revenue-raising laws. This was occasioned by the fact that the County Finance Laws did not provide sufficient information required in revenue-raising legislation. The TA further advised that the National Government lead the process of building capacity of the counties to enact revenue-raising legislation as well as strengthened Finance Laws.

*IV) Advice on the Management of Staff during the Transition Period*

Following the dissolution of the local authorities and creation of county governments in March 2013, the geographical area covered by some local authorities ended up being located in separate counties. One such example is the Thika County Council, part of which is now geographically in Kiambu County while part of it ended up in Gatanga Sub County in Muranga County.

The above scenario meant that some staff that used to serve the Thika County Council ended up in Kiambu County while some ended up in Muranga County. An issue arose in relation to the management of the personnel emoluments of these officers as they were all paid from Kiambu County despite the fact that some were serving Muranga County. The assistance of the TA was sought in transferring the 29 officers who were serving in Gatanga Sub County in Muranga, while they were receiving their salaries and other personnel emoluments from Kiambu County.

The TA facilitated the drafting of an inter-governmental agreement between the two counties, providing for the transfer of the payroll of the 29 officers from Kiambu to Muranga. The inter-governmental agreement further provided for reimbursement by Muranga County to Kiambu County of all the moneys spent on paying the 29 officers for the financial year 2013-2014.

*VI) Guidance on National Housing and Corporation Houses*

A Councilor from Thika sought TA's guidance on how to buy houses from the National Housing Corporation (NHC). His concern was that, any individual who purchased the houses from the NHC needs to have documents from the Ministry of Lands i.e. letters of allotments in order to have their lease titles from either the National Lands Commission or Ministry of Lands, Housing and Urban Development after the payment is done to NHC. He is further seeking our assistance in enabling him pay for and own the houses by NHC KAMENU Estate where he alleges that the tenants have defaulted in their pay.

We relied on Section 35 of the TDGA and further, in the case in point, where the councilor is seeking to buy houses from the NHC, which entails transfer of an asset, it is the duty and role of the NHC to officially write to the Transition Authority requesting for authority to sell the houses.

We need to refer the writer to the NHC since his request for assistance to be allowed to purchase houses in Kamenu Estate is beyond the mandate of TA.

### 2.6.3 Legal Support to Counties

#### *a) Facilitating a smooth transition of public officers to county governments*

The Committee ensured compliance with the Transition Authority Guidelines for Transition of Staff to Counties (Gazette Notice No 825 of 2014) by guiding various counties on the operationalization of these guidelines. This has provided clarity on the management of seconded staff during the transition period, while ensuring that officers are not disadvantaged.

The Transition Authority received complaints relating to Kakamega County and Nyandarua County where allegations were made of contraventions to Section 138 of the County Governments Act as well as the guidelines issued by the Transition Authority on the welfare of seconded officers. The requisite advice was given to the complainants on how to proceed in line with the relevant provisions of the law.

#### *b) Composition of County Assembly Service Boards*

It was noted that some County Assembly Service Boards (CASB) had omitted or delayed to appoint the final member of the Board, who is supposed to be a person ordinarily resident in the County. The membership of the CASB as provided under Section 12 of the County Governments Act is the Majority Leader, the Minority Leader, the Speaker and the Clerk who is also the secretary. Some CASBs had conducted business for over one year without having the final member of the Board in place.

The Transition Authority made proposals to the Senate to amend the provisions of the County Governments Act so as to provide clarity as to whether or not a CASB can conduct business without appointing the final member of the Board. This is aimed at avoiding a situation where the CASB for one reason or another fails to appoint the final member of the Board indefinitely.

#### *c) County Revenue Raising Legislation*

The Transition Authority has been collaborating with other stake holders as well as the county governments to develop modalities for ensuring that counties have the requisite revenue raising legislation in place. It was noted that the Finance Laws of most counties have no supporting legislation which they can rely on to create new charges and fees on the services they offer. Unlike the National Finance Act which seeks to amend various laws such as the VAT Act, Income Tax Act and such other legislation touching on revenue generation, the counties had no revenue laws, other than the County Finance Act.

#### *d) Guidance to Garissa County*

Following the nullification of the election of the Governor of Garissa County by the courts, the Transition Authority was in constant touch with the County, giving advisories on the transitional procedures, so as to ensure there was no disruption in service delivery.

Our advice was sought by Garissa County on the procedure for the removal of the CPSB. The County Assembly of Garissa had voted to remove the CPSB, following which the TA was consulted on whether the procedure used was proper. The TA gave the requisite advice, despite the fact that the matter was already a 'fait accompli' and the CPSB had already been removed from office. The CPSB proceeded to court to seek judicial review of the decision to remove them from office. The case is ongoing.

### 2.6.4 Court Cases

#### *Kenya National Union of Teachers Vs the AG, Teachers Service Commission and the Cabinet Secretary Education*

The KNUT filed a case in court challenging the power of counties to recruit early childhood education teachers, despite the fact that pre-primary education is a county government function. The TA's position on the matter is that counties have the power of employing ECE teachers in exercise of their powers of managing pre-primary education. The setting of policy and standards in all professions, including the education sector is a function of the National Government. It was the TA position therefore, that the county governments should only hire ECE teachers that are duly registered by the TSC.

The TA communicated this position to the Office of the Attorney General, in order to assist them adequately represent the Government in the case. (Copy of the Advisory annexed herein).

### **2.6.5 Participation in other Activities**

#### *a) Engagement with Senate on the transfer of devolved functions*

Following the appeal to the Senate by various counties against the transfer of devolved functions as was done by the Transition Authority in August 2013, the Senate made certain resolutions as to how the remaining devolved functions should be transferred. The Transition Authority engaged the Senate on this issue with the aim of ensuring that the legal requirements in relation to the transfer of functions are complied with. The engagement with the Senate was also aimed at promoting understanding by the TA of the Senate Report on the Transfer of Devolved Functions as well as charting the way forward on its implementation.

A clear way forward on the transfer of the devolved functions was agreed with the Senate and the Transition Authority has embarked on implementing the same.

#### *b) Celebrating the Challenges and Successes of Devolution*

The Transition Authority was involved in technically organizing the Devolution Conference which was held from the 3<sup>rd</sup> to 5<sup>th</sup> April in Kwale County. The Conference dubbed “*One Year into Devolution Celebrating the Milestones and Confronting the Challenges*” aimed at analyzing the challenges faced by the county governments one year later and also to highlight the successes that counties have achieved so far. TA as the body mandated to oversee devolution was involved in providing the technical know-how.

#### *c) County Women Representatives Empowerment*

The Transition Authority partnered with the Kenya Women Parliamentarian Association to look at the increased women’s political representation vis-a-vis the challenges that exist pertaining to the County Women Representatives fully exercising their constitutional mandate.

This was done through a workshop in partnership with the State University of New York Parliamentary Support Programme which held a workshop for the 47 County Women MPs to reflect and take stock of the last one year together, come up with ways of addressing their challenges as well as build on their successes. The workshop brought together a pool of international experts, constitutional commissions and former legislators including renowned women leaders in Kenya.

#### *d) Consultative Meeting on the Rehabilitation of Nairobi City Park*

TA was invited to attend a meeting convened by the Governor of Nairobi County on rehabilitation of Nairobi City Park. The purpose of the meeting was to seek views from various stakeholders before an agreement between the Nairobi County Government, the Aga Khan Foundation and the Ministry of Lands was signed. At the meeting, it was decided that a sub-committee be formed including the Nairobi County, Ministry of Lands, and the Treasury with the purpose of going through the agreement before signing it with the Aga Khan Foundation. The date for the next meeting shall be communicated. TA’s role in this meeting was to oversee the signing of the agreement since the function was devolved.

## 2.7 FINANCE AND ADMINISTRATION COMMITTEE

Finance and Administration committee is one of the oversight committees of the Transition Authority. The committee ensures that day-to-day operations of the Authority are facilitated.

### 2.7.1 Finance and Accounts Department

During the 2013/14 Financial Year, the Transition Authority was allocated a Budget of Ksh.555,750,000 under the printed estimates. The Authority has since received four quarterly allocations up to June 2014 of Ksh 138,937,500 all totaling to Ksh 555,750,000. However, the budget allocation was increased by Ksh.104,000,000 to Ksh 659,750,000 under the supplementary budget 11.

Expenditure before the receipt of the supplementary estimates amounted to Ksh 552,843,282 with a balance of Ksh 2,906,718. At the same time, outstanding commitments amounted Kshs. 98 million. These will be accommodated under the additional funding in order to ensure that the Authority does not have pending bills as we close the Financial Year 2013/2014.

The Authority's approved recurrent budget therefore was Ksh 659,750,000. During the said period, total expenditure amounted to Ksh 645,000,000 and TA is in the process of clearing all approved pending payments. The expenditure so far represents an absorption rate of 97.9%. Despite the constrained budget, the absorption rate was high as planned operational activities were undertaken in time. In addition, all the expected quarterly allocations were released by the Ministry of Devolution and Planning.

#### *The Budget for 2014/2015*

During the 2014/2015 financial year, the Transition Authority was allocated a recurrent budget of Kshs. **687 million** to cater for salaries and operational expenses. For effective implementation of the transition process to the devolved system of government, the money will be used to fund the following activities:

**Table 1: Transition Authority planned operational activities for 2014/2015**

No.	Implementing Department	Recurrent Allocation (Millions)	Budget (KHz.)
1.	Salaries and allowances	357	
2.	Head quarter operations	93.2	
	County office	18.8	
3.	Functional analysis, research, policy and advocacy	25	
4.	Legal and inter-governmental relations	12	
5.	Capacity and capability development	25	
6.	Asset register validation and audit	100	
7.	Civic education	20	
8.	Planning, finance and budgeting (sensitization and capacity building)	36	
	Total	687	

The committee intends to facilitate the county transition coordinators with quarterly temporary imprest of Ksh 100,000 for office running expenses. This will amount to Ksh 18.8 million per year.

#### **Annual Work Plan and Procurement Plan for FY 2014/2015**

The two plans are being prepared through a consultative process with all the departments and thematic committees of the Authority. The following has been the progress made by the accounts department:

The books of account have not yet been closed owing to the supplementary funds which were to be disbursed on July 4<sup>th</sup>, 2014. The process of clearing the outstanding payments is ongoing. Once complete a Board of Survey will be appointed to inspect the Book of Accounts.

The bank reconciliation for above months is ongoing and will be completed before 31<sup>st</sup> of July, 2014 in readiness for preparation of the annual financial report.

The final edited report is being printed and will be delivered to TA on July 14<sup>th</sup>, 2014 for subsequent dissemination to the respective offices and Parliament.

### **Integrated Financial Management Information System (IFMIS)**

**IFMIS** is to be rolled out at the Transition Authority from July 2014. To ensure proper operation of the system, 10 officers have already been trained at the IFMIS Academy in Kabete (Kenya School of Government). The officers include: four from accounts, four from Human Resources, one from Procurement and the Secretary/Chief Executive Officer. The Internal Auditor is already trained on IFMIS. Two officers are yet to be trained.

### **Procurement**

The department noted that on some occasions, procurement procedures were not being followed to the letter by various departments hence calling for ratification of works done by the said departments, which contravenes the law. This has to be rectified before any goods are procured. The implementation of the procurement plan is well on course and the plan is being adhered to. All TA officers have so far been enlightened on the procurement procedures and laws to ensure compliance.

The external auditors noted that the statement of assets and liabilities for development vote 170 for the year ended 30<sup>th</sup> June 2013 reflects a suspense account balance of Kshs. 2,755,489,211.00 which has not been cleared. The balance relates to the funds disbursed to the counties for infrastructure development and swearing in ceremonies for the assumption of office of governors. It therefore calls for the suspense amount to be cleared, and monitoring and evaluation should also be undertaken.

The accounts department is working all round to ensure that the counties fully account for the funds.

### **2.7.2 Administration**

The administration organized for a sensitization workshop to enlighten the officers of the Authority on the operations of different departments. The departments included: Procurement, Transport and Administration, Audit, Human Resource, Records Management, Finance and Accounts and ICT.

By the end of the session, the TA officers appreciated the roles played by the departments and also learnt of the procedures and rules that need to be followed while making requests to the different departments. The officers called for more such engagement with the officers to ensure smooth running of different TA operations.

The administration has also ensured space accommodation for the staff of Kenya National Office (KENAO) who are helping in data entry and analysis for the Assets and Liabilities Committee to finalize the asset and liabilities inventory.

Training for drivers has been ongoing on defensive driving amongst other driving requirements, to ensure that they are well equipped and also to build their capacity.

Minor repairs have been undertaken and are still ongoing to improve the conditions of the offices. The operations of the TA are continuously facilitated to ensure achievement of the TA mandate.



### 3. REPORTS FROM THE COUNTIES

The Authority has dutifully continued to coordinate and facilitate the provision of support services and assistance to the national and county governments in building their capacity to govern and provide services effectively. Accordingly, the Authority, through the offices of county transition coordinators, monitors the progress of the devolved system of governance in the counties. This report highlights major aspects captured across the counties in the quarter of April- June, 2014.

#### 3.1 Integrated Payroll and Personnel Database (IPPD)

All counties have fully functioning IPPD systems. This system has helped counties minimize wastage that was used to be incurred through bulky printing of paper whenever a personnel-related query was raised and also creates an efficient computer-based system for gathering, storing and processing information for management decision-making in such aspects as recruitment, training, postings, transfers, seniority lists, promotions and retirements, salary-related issues, enforcing statutory deductions, processing of requests for loans and advances, and ensuring their recovery.

Nevertheless, diverse issues relating to county payroll anomalies have been reported in various counties. Some of these issues have been rectified while others are still being addressed. For instance, there are 12 staff members of the Ministry of Health in Bungoma County being paid by vouchers as their payroll data is in different counties but the issue is being addressed by relevant county officials. Thirty one staff members from Murang'a County are being paid by Kiambu County. The Kiambu/Murang'a issues have however been sorted by the Transition Authority which convened a consultative meeting between the two counties and an agreement was reached.

#### 3.2 County Public Service Boards

All counties have fully operational CPSBs as required by the County Government Act, (CGA) 2012 Section 57. All these boards have duly elected chairpersons. *Annex 1* gives the names and the contacts of the chairpersons of all 47 CPSBs while *Annex 6* gives the full composition of the CPSBs in the counties (Chairperson, Secretary and the members).

#### 3.3 County Assembly Service Boards

The CGA, 2012 Section 12 establishes the CASB that shall consist of, among others, the speaker as the chairperson of the board. This report observed that all counties have fully operational boards. Annex 2 indicates the names and the contacts of county assembly speakers as the chairs of these boards. In addition, the report reveals that only three counties have their speakers as female; these counties are Kirinyaga, Nakuru and Kisumu. This represents only 6% of the total speakers of the county assemblies (see figure 1).

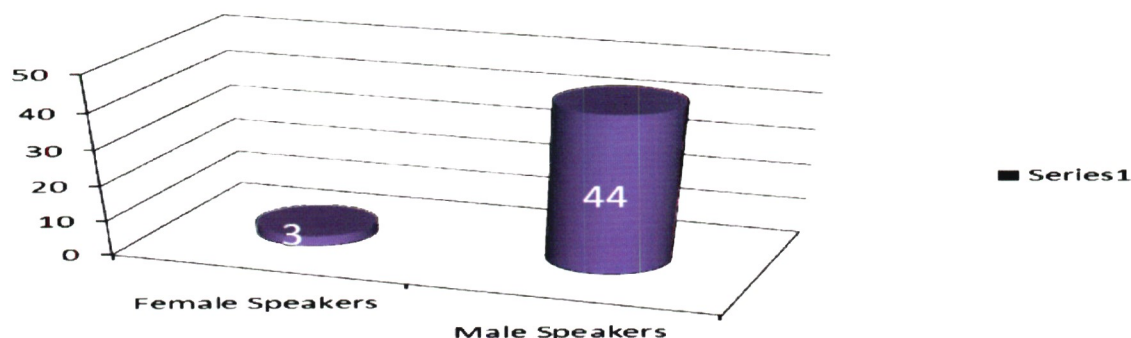


Figure 1: Illustration of the gender distribution of the Assembly Speakers



### 3.4 County Secretaries

As established by the CGA, 2012 Section 44, there is the office of the county secretary who shall be secretary to the county executive. This report indicates that all but one county, Embu, have county secretaries, with very few being the interim secretaries. From the counties that have submitted their data, only six have the secretaries as women. These countries are: Makueni, Nyeri, Baringo, Vihiga, Busia and Nairobi. This represents only 13% as shown in figure 2 below. *Annex 3* indicates the names and the contacts of all county secretaries in all 47 counties.

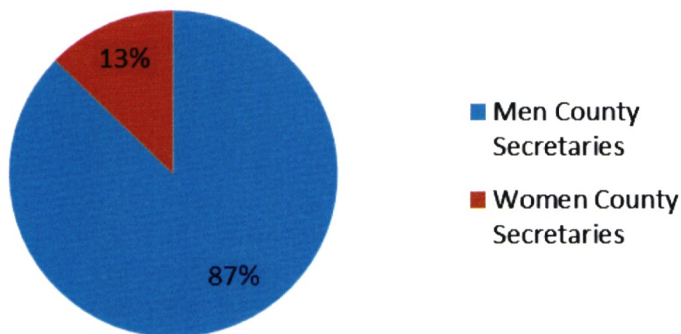


Figure 2: Illustration of gender representation in County Secretaries

### 3.5 Clerks of the Assemblies

Section 13 of the CGA, 2012 mandates the CASB to appoint the Clerk of the County Assembly with the approval of County Assembly. This report has established that all counties have duly appointed clerks. Only two counties have their clerks of assemblies as women and they are Nyandarua and Siaya as illustrated in figure 3 below. *Annex 4* indicates the names and contacts of clerks of the assemblies in all 47 counties.

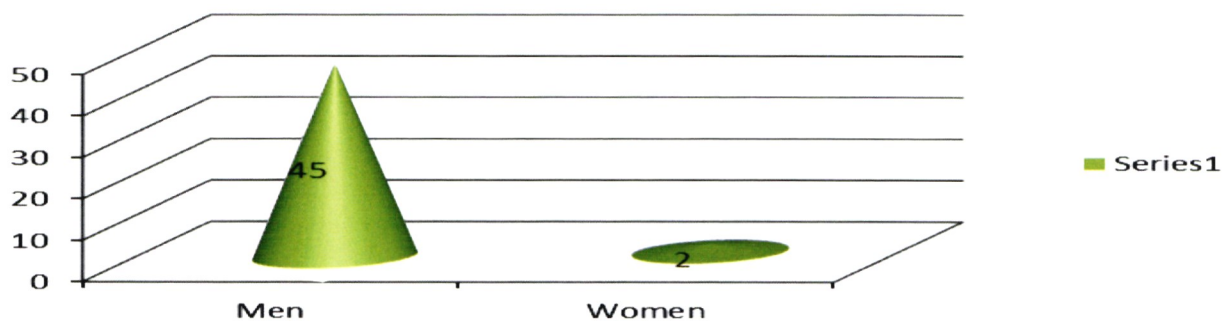
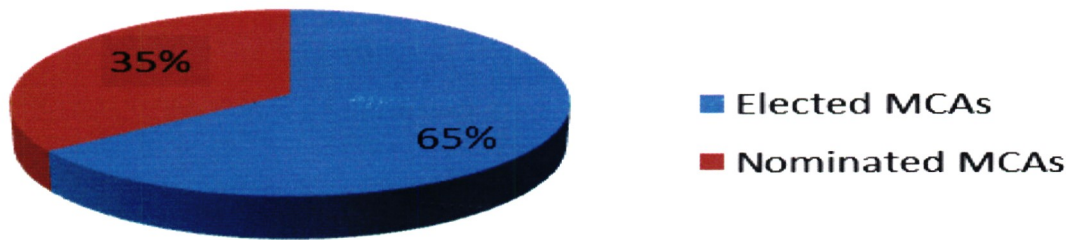


Figure 3: Illustration of gender representation as Clerks of the county assemblies

### 3.6 Members of County Assembly (MCAs)

From the data collected, there are a total of 2,224 members of the County Assembly - elected and nominated. Out of this, 1,450 are elected which represents about 65% while 774 are nominated, representing about 35% as shown in figure 4.



**Figure 4: Elected and Nominated MCAs**

*Elected MCAs*

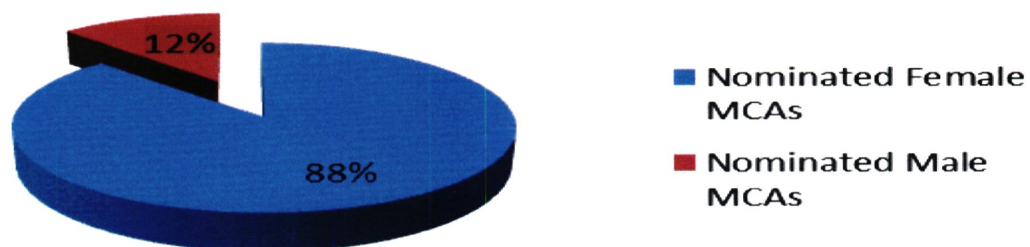
As mentioned earlier, the total numbers of MCAs are 1,450, out of which 1,368 are male representing 94% and only 82 are female, representing a paltry 6% of the elected MCAs as shown in figure 5.



**Figure 5: Representation of elected MCAs**

*Nominated MCAs*

This study has established that there are 774 nominated MCAs as earlier mentioned. The number of women takes a large chunk of the nominated MCAs to cater for the constitutional requirement of not more than two-thirds of the same gender in the assemblies. Thus, out of 774 nominated MCAs, 679 are female - representing about 88% while male are about 12% of the total nominated MCAs as shown in figure 6 below. *Annex 5* indicates the both the elected and nominated MCAs and their gender representation.



**Figure 6: Representation of Nominated MCAs**

**3.7 Establishment of County Executive Members and Chief Finance Officers**

Appointments of the County Executive Members have been done in all counties in accordance with Section 35 of the County Government Act, 2012. All counties have taken into account the principles of affirmative action as provided for in the Constitution while appointing the executive members. Similarly, all the counties have appointed the County Chief Officers in accordance to Section 45 of the CGA, 2012.

### 3.8 Establishment of Sub-County, Ward and Village administrators

Counties are supposed to recruit the aforementioned officials to aid in service delivery in sub-county, ward and village levels. The data collected indicate that the rate of recruiting sub-county and Ward administrators is average while no county has recruited village administrators. Sub-county administrators have been recruited by Kwale, Taita/Taveta, Garissa, Wajir, Marsabit, Makueni, Nyandarua, Nyeri, Kiambu, Samburu, Nandi, Laikipia, Kajiado, Bomet and Bungoma counties. Other counties such as Kisumu and Murang'a have advertised the positions and shortlisting is underway.

In respect of ward administrators, only Kwale, Taita/Taveta, Marsabit, Tharaka Nithi, Embu, Nyandarua, Nyeri, Samburu, Nandi, Laikipia, Bomet and Bungoma have successfully recruited and posted these officials.

### 3.9 Capacity Needs Assessment in the Counties

UNDP defines capacity development as “the process through which individuals, organizations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time”. Supporting this process effectively requires identifying what key capacities already exist and what additional capacities may be required to reach these development objectives. This is where a capacity assessment comes in - to provide a comprehensive perspective on capacities critical to the achievement of a county's development. Regrettably, this study established that apart from the initial County Quick Readiness Assessment (QRA) done by the Transition Authority in May 2013 prior to transfer of functions, counties have done little in undertaking capacity needs assessment.

### 3.10 Training and Capacity Building Programmes in the Counties

Capacity building is a conceptual approach that focuses on understanding the obstacles that inhibit people, government and organizations from realizing their developmental goals while enhancing the abilities that will allow them to achieve measurable and sustainable results. Thus, prerequisite programmes that enhance capacity of the staff in the counties should be a top priority. Only 16 counties, translating to 34% of all the counties have rolled out training and capacity building programmes. These counties are: Mombasa, Kwale, Taita/Taveta, Garissa, Wajir, Isiolo, Tharaka Nithi, Embu, Machakos, Nyandarua, West Pokot, Trans Nzoia, Laikipia, Narok, Bomet and Kakamega.

Registry is the heart of any county government and is responsible for the efficient flow of information throughout the county, as well as between the county and its partners and clients including the National Government. As such, counties are required to have fully operation registry and records departments. This study has established that whereas most counties have registry departments in place, they have serious challenges of inadequate space. Additionally, there is need for up scaling the staff working in these critical departments on indexing systems, labelling of new files, closing old files and updating the lists and registers of the remaining files

#### *Challenges*

Despite the major progress that counties are making, there are notable challenges affecting the counties that need to be addressed. They include:

- i. Office space in most counties seems inadequate to accommodate existing and new staff being recruited by the counties. Areas such as registry/records are mostly affected.
- ii. Capacity needs assessments by the counties have been largely missing.
- iii. Training of county staff to equip them with prerequisite skills is lacking in most counties.
- iv. There is no adequate knowledge by the staff working in records management especially in opening and closing of files, indexing of files and labelling of files.

- v. Some counties have been hiring staff without undertaking capacity needs assessment-thus leading to duplication of roles by staff.

## Conclusion and Recommendations

Great strides have been made by the county governments as far as human resources and establishment of administrative issues are concerned. With all counties reporting 100% functional CPSBs, CASBs, CEC and county chief officers, service delivery is ultimately enhanced in the counties. The successful use of IPPD in payments of staff salaries in the counties with minimal challenges, integration of former local authority staff with the new and devolved staff, training and capacity building programmes is a hallmark of progressive achievements being realized by the counties. Transition Authority has a role to play in coordinating and facilitating the devolved system of governance in the counties in these areas.

### Recommendations:

It is recommended that:

- i. Counties to continuously train their staff so as to equip them with necessary skills to undertake their devolved functions with minimal challenges. This is critical, especially for the staff working in records/registry departments.
- ii. Capacity building programmes should be initiated in all counties to ensure success and sustainability of county projects and initiatives being undertaken.
- iii. Payroll anomaly issues should be reported immediately to avoid delaying salaries of affected staff.
- iv. Adequate spaces should be allocated by the county governments to the departments that are congested.
- v. Counties that are yet to recruit sub-county and ward administrators should do so to enhance service delivery while at the same time bringing services closer to the people.
- vi. Capacity needs assessments should be undertaken by the counties so that they are able to establish their staffing needs, identify the county's strength, weakness, opportunity and threats. This should be an ongoing process.

## 4. KEY ACHIEVEMENTS OF THE QUARTER

During this quarter, the Transition Authority was able to successfully achieve the following:

### 4.1 Unbundling and Costing of Functions

TA developed the concept paper and terms of reference for consultancy for costing of functions. This was undertaken through a consultative process with key stakeholders and actors for purposes of shared understanding on costing of national and county government functions. Expression of interest for consultancy to undertake comprehensive costing of functions is in progress.

### 4.2 Transfer of Assets and Liabilities

In regard to the TA mandate of public asset management and transfer, the following was achieved:

- Inventory of all public assets and liabilities ongoing: 61% ministries, 89.14% defunct local authorities and 53% state corporations' data already gathered and being captured on the templates and analyzed for upload onto AMIS.
- A guide for transferring and sharing of public assets and liabilities developed, published and currently being disseminated.
- Handing/taking over of assets and liabilities of the defunct local authorities by the county governments already done in 27 counties.
- Mechanism and criteria for transfer of public assets and liabilities between the two levels of government developed and scheduled for public engagement.
- All agricultural training centres and agricultural mechanical systems were transferred to the county governments.

### 4.3 Capacity Assessment and Rationalization of the Public Service Programme

Development of draft thematic guidelines for the CARPS Strategy was concluded, awaiting the input of the consultant who had been engaged in May 2014. The Transition Authority developed guidelines on Information, Education and Communication (IEC) and Monitoring and Evaluation (M&E) strategies. A consultant has been commissioned to work with the Secretariat on behalf of the Inter-Agency Technical Committee.

### 4.4 Classification of Urban Areas and Cities

The proposed amendments to the Urban Areas and Cities Act, 2011 were reviewed and comments forwarded to the legislative drafters. These amendments will be subjected to widely to stakeholders for validation. The regulations to the Act were also reviewed and aligned to the Act.

### 4.5 Mechanism for Coordination of Civic Education

While coordinating and facilitating civic education, the following was achieved:

- Civic Education Curriculum on Devolution has been developed through a consultative process and the final draft is awaiting stakeholder validation, finalization and publication.
- TA facilitated the establishment of structures on civic education. Key players include; Ministry of Devolution and Planning; Office of the Attorney General; and Department of Justice;

Commission for the Implementation of the Constitution; and civil society organizations (Uraia Trust, and Amkeni Wakenya).

#### **4.6 Pension Scheme for Counties**

The Authority in partnership with organizations such as the Public Service Commission (PSC), Retirement Benefit Authority (RBA), the Pensions Department and Salaries and Remuneration Commission (SRC) has facilitated and coordinated training programmes and workshops for county structures in order for them to improve their skills in their area of performance and to equip them with the necessary capacities and competencies to deliver on their mandate effectively.

## 5. CHALLENGES EXPERIENCED IN THIS QUARTER

During this quarter, TA experienced a number of challenges which were worsened by the prevailing threats to disband it vide the miscellaneous bill. This caused a lot of anxiety among members and staff thus slowing delivery of its mandate. Other challenges included:

- a) Inadequate financial allocation for the FY 2013/14 that has hindered implementation of all Programmes of the Authority.
- b) Revelations of audit of staff in the counties on irregular recruitment, unaccounted staff, shortage of professionals and obsolete payroll.
- c) Lack of policies, norms and standards in relation to devolved functions. This is causing a lot of misunderstanding among the parties involved.
- d) Delayed submission of required information on TIPs, HR records and assets and liabilities from MDAs. This is causing delay on the audit of the inventory.
- e) Duplicating and overlapping mandates on Capacity building with other national ministries.
- f) TA interim staff being replaced by those employed by county governments whose capacity needs to be built.
- g) Inability to classify urban areas and cities due to untenable criteria provided under the Urban Areas and Cities Act (2011).

## 6. PROJECTED ACTIVITIES FOR NEXT QUARTER

During this phase, there are various activities that are scheduled to be undertaken and they include:

- a) Pilot audit of assets and liabilities for 13 counties planned for execution.
- b) Continued verification and transfer of assets and liabilities to the two levels of government.
- c) Ongoing public staff rationalization and deployment between the two levels.
- d) Coordination and facilitation of capacity needs assessment for both national and county government.
- e) Costing of both devolved and national government functions.
- f) Assessment and classification of urban areas and cities.
- g) Ensuring that civic education is sustained during the transition period.
- h) Facilitating resolution of transition-related conflicts amongst MDAs at both county and national governments.



## 7. CONCLUSION

Despite the challenges posed by the call to disband TA via the proposed miscellaneous bill, the Authority has accomplished substantive milestones and it is expected that the outputs of the above elaborated activities will have a far-reaching effect especially on the management and operationalization of the counties. The Authority will continue to fast-track the inventory audit of assets and liabilities, rationalization and deployment of public staff and costing of functions.

## Annexes

### Annex 1

No.	Equipment	Total Number	Serviceable	Boarded	Sharing of Serviceable Assets		Sharing of Boarded Assets	
					County Government allocation (80%)	National Government allocation (20%)	County Government allocation (80%)	National Government allocation (20%)
1	Motor Graders	110	108	2	86	22	2	0
2	Tipper Trucks	186	163	23	130	33	18	5
3	Bull Dozers	37	35	2	28	7	2	0
4	Wheel Loaders	31	30	1	24	6	1	0
6	Excavators	27	27	0	22	5	0	0
7	Water Tankers	13	13	0	10	3	0	0
8	Low Bed Trailers	20	19	1	15	4	1	0
9	Prime Movers	22	20	2	16	4	2	0
10	Chip Spreaders	2	2	0	0	2	0	0
11	Bitumen Distributers	6	4	2	0	4	0	2
12	Single Drum Rollers	45	29	6	23	6	5	1
13	Pedestrian Rollers		1		1	9		
14	Pneumatic Tyre Rollers		9		7	2		
15	Flat Beds	8	8	0	8	0	0	0
16	Exhausters	1	1	0	1	0	0	0
17	Agriculture Tractors	2	1	1	0	1	0	1
18	Office vehicles	145	122	23	98	24	18	5
19	Government Transport Office	7	7	0	0	7		
20	Workshop Equipment	15	15	0	0	15	0	0
<b>TOTAL</b>		<b>677</b>	<b>614</b>	<b>63</b>	<b>462</b>	<b>152</b>	<b>49</b>	<b>14</b>

Note:

Accessories for Road Construction Equipment (29 No.) are to accompany equipment according to the above schedule.

i) Confirmed the county regions as follows:

No.	REGION	COUNTIES REPRESENTED
1	BUNGOMA	BUSIA, BUNGOMA
2	ELDORET	TRANS NZOIA, UASIN GISHU, ELGEYO MARAKWET, NANDI
3	EMBU	EMBU, THARAKA NITHI, KITUI
4	GARISSA	GARISSA
5	GARSEN	LAMU, TANA RIVER
6	HOMA BAY	HOMA BAY, MIGORI
7	ISIOLO	ISIOLO, MERU
8	KAKAMEGA	KAKAMEGA, VIHIGA
9	KERICHO	KERICHO, BOMET, NAROK
10	KISII	KISII, NYAMIRA
11	KISUMU	KISUMU, SIAYA
12	MARSABIT	MARSABIT
13	MOMBASA	KILIFI, MOMBASA, KWALE, TAITA TAVETA
14	NAIROBI	MACHAKOS, MAKUENI, KAJIADO, NAIROBI
15	NAKURU	NAKURU, BARINGO, LAIKIPIA, NYANDARUA, SAMBURU
16	NYERI	NYERI, KIRINYAGA
17	THIKA	KIAMBU, MURANGA
18	TURKANA	TURKANA, WEST POKOT
19	WAJIR	WAJIR, MANDERA

ii) Shared the MTF assets allocated to the county governments between the county regions as follows:

EQUIPMENT: MOTOR GRADERS

NO.	COUNTY REGION	COUNTIES IN THE REGION	ALLOCATED QUANTITY
1	BUNGOMA	BUSIA, BUNGOMA	4
2	ELDORET	TRANS NZOIA, UASIN GISHU, ELGEYO MARAKWET, NANDI	4
3	EMBU	EMBU, THARAKA NITHI, KITUI	5
4	GARISSA	GARISSA	5
5	GARSEN	LAMU, TANA RIVER	5
6	HOMA BAY	HOMA BAY, MIGORI	4
7	ISIOLO	ISIOLO, MERU	5
8	KAKAMEGA	KAKAMEGA, VIHIGA	4
9	KERICHO	KERICHO, BOMET, NAROK	4
10	KISII	KISII, NYAMIRA	4
11	KISUMU	KISUMU, SIAYA	4
12	MARSABIT	MARSABIT	5
13	MOMBASA	KILIFI, MOMBASA, KWALE, TAITA TAVETA	5
14	NAIROBI	MACHAKOS, MAKUENI, KAJIADO, NAIROBI	4
15	NAKURU	NAKURU, BARINGO, LAIKIPIA, NYANDARUA, SAMBURU	6
16	NYERI	NYERI, KIRINYAGA	4
17	THIKA	KIAMBU, MURANGA	4
18	TURKANA	TURKANA, WEST POKOT	5
19	WAJIR	WAJIR, MANDERA	5
<b>TOTAL</b>			<b>86</b>

## EQUIPMENT: TIPPER TRUCKS

NO.	COUNTY REGION	COUNTIES IN THE REGION	ALLOCATED QUANTITY
1	BUNGOMA	BUSIA, BUNGOMA	7
2	ELDORET	TRANS NZOIA, UASIN GISHU, ELGEYO MARAKWET, NANDI	7
3	EMBU	EMBU, THARAKA NITHI, KITUI	6
4	GARISSA	GARISSA	6
5	GARSEN	LAMU, TANA RIVER	7
6	HOMA BAY	HOMA BAY, MIGORI	7
7	ISIOLO	ISIOLO, MERU	8
8	KAKAMEGA	KAKAMEGA, VIHIGA	6
9	KERICHO	KERICHO, BOMET, NAROK	7
10	KISII	KISII, NYAMIRA	6
11	KISUMU	KISUMU, SIAYA	7
12	MARSABIT	MARSABIT	7
13	MOMBASA	KILIFI, MOMBASA, KWALE, TAITA TAVETA	7
14	NAIROBI	MACHAKOS, MAKUENI, KAJIADO, NAIROBI	7
15	NAKURU	NAKURU, BARINGO, LAIKIPIA, NYANDARUA, SAMBURU	8
16	NYERI	NYERI, KIRINYAGA	6
17	THIKA	KIAMBU, MURANGA	6
18	TURKANA	TURKANA, WEST POKOT	8
19	WAJIR	WAJIR, MANDERA	7
<b>TOTAL</b>			<b>130</b>

## EQUIPMENT: BULL DOZERS

NO.	COUNTY REGION	COUNTIES IN THE REGION	ALLOCATED QUANTITY
1	BUNGOMA	BUSIA, BUNGOMA	1
2	ELDORET	TRANS NZOIA, UASIN GISHU, ELGEYO MARAKWET, NANDI	2
3	EMBU	EMBU, THARAKA NITHI, KITUI	1
4	GARISSA	GARISSA	1
5	GARSEN	LAMU, TANA RIVER	2
6	HOMA BAY	HOMA BAY, MIGORI	1
7	ISIOLO	ISIOLO, MERU	2
8	KAKAMEGA	KAKAMEGA, VIHIGA	1
9	KERICHO	KERICHO, BOMET, NAROK	1
10	KISII	KISII, NYAMIRA	1
11	KISUMU	KISUMU, SIAYA	1
12	MARSABIT	MARSABIT	2
13	MOMBASA	KILIFI, MOMBASA, KWALE, TAITA TAVETA	2
14	NAIROBI	MACHAKOS, MAKUENI, KAJIADO, NAIROBI	2
15	NAKURU	NAKURU, BARINGO, LAIKIPIA, NYANDARUA, SAMBURU	2
16	NYERI	NYERI, KIRINYAGA	1
17	THIKA	KIAMBU, MURANGA	1
18	TURKANA	TURKANA, WEST POKOT	2
19	WAJIR	WAJIR, MANDERA	2
<b>TOTAL</b>			<b>28</b>

*EQUIPMENT: WHEEL LOADERS*

NO.	COUNTY REGION	COUNTIES IN THE REGION	ALLOCATED QUANTITY
1	BUNGOMA	BUSIA, BUNGOMA	1
2	ELDORET	TRANS NZOIA, UASIN GISHU, ELGEYO MARAKWET, NANDI	1
3	EMBU	EMBU, THARAKA NITHI, KITUI	1
4	GARISSA	GARISSA	1
5	GARSEN	LAMU, TANA RIVER	2
6	HOMA BAY	HOMA BAY, MIGORI	1
7	ISIOLO	ISIOLO, MERU	2
8	KAKAMEGA	KAKAMEGA, VIHIGA	1
9	KERICHO	KERICHO, BOMET, NAROK	1
10	KISII	KISII, NYAMIRA	1
11	KISUMU	KISUMU, SIAYA	1
12	MARSABIT	MARSABIT	2
13	MOMBASA	KILIFI, MOMBASA, KWALE, TAITA TAVETA	1
14	NAIROBI	MACHAKOS, MAKUENI, KAJIADO, NAIROBI	1
15	NAKURU	NAKURU, BARINGO, LAIKIPIA, NYANDARUA, SAMBURU	2
16	NYERI	NYERI, KIRINYAGA	1
17	THIKA	KIAMBU, MURANGA	1
18	TURKANA	TURKANA, WEST POKOT	2
19	WAJIR	WAJIR, MANDERA	1
<b>TOTAL</b>			<b>24</b>

*EQUIPMENT: EXCAVATORS*

NO.	COUNTY REGION	COUNTIES IN THE REGION	ALLOCATED QUANTITY
1	BUNGOMA	BUSIA, BUNGOMA	1
2	ELDORET	TRANS NZOIA, UASIN GISHU, ELGEYO MARAKWET, NANDI	1
3	EMBU	EMBU, THARAKA NITHI, KITUI	1
4	GARISSA	GARISSA	1
5	GARSEN	LAMU, TANA RIVER	1
6	HOMA BAY	HOMA BAY, MIGORI	1
7	ISIOLO	ISIOLO, MERU	1
8	KAKAMEGA	KAKAMEGA, VIHIGA	1
9	KERICHO	KERICHO, BOMET, NAROK	1
10	KISII	KISII, NYAMIRA	1
11	KISUMU	KISUMU, SIAYA	1
12	MARSABIT	MARSABIT	1
13	MOMBASA	KILIFI, MOMBASA, KWALE, TAITA TAVETA	1
14	NAIROBI	MACHAKOS, MAKUENI, KAJIADO, NAIROBI	2
15	NAKURU	NAKURU, BARINGO, LAIKIPIA, NYANDARUA, SAMBURU	2
16	NYERI	NYERI, KIRINYAGA	1
17	THIKA	KIAMBU, MURANGA	1
18	TURKANA	TURKANA, WEST POKOT	2
19	WAJIR	WAJIR, MANDERA	1
<b>TOTAL</b>			<b>22</b>

*EQUIPMENT: WATER TANKERS*

NO.	COUNTY REGION	COUNTIES IN THE REGION	ALLOCATED QUANTITY
1	BUNGOMA	BUSIA, BUNGOMA	0
2	ELDORET	TRANS NZOIA, UASIN GISHU, ELGEYO MARAKWET, NANDI	0
3	EMBU	EMBU, THARAKA NITHI, KITUI	1
4	GARISSA	GARISSA	1
5	GARSEN	LAMU, TANA RIVER	1
6	HOMA BAY	HOMA BAY, MIGORI	0
7	ISIOLO	ISIOLO, MERU	1
8	KAKAMEGA	KAKAMEGA, VIHIGA	0
9	KERICHO	KERICHO, BOMET, NAROK	0
10	KISII	KISII, NYAMIRA	0
11	KISUMU	KISUMU, SIAYA	0
12	MARSABIT	MARSABIT	1
13	MOMBASA	KILIFI, MOMBASA, KWALE, TAITA TAVETA	0
14	NAIROBI	MACHAKOS, MAKUENI, KAJIADO, NAIROBI	0
15	NAKURU	NAKURU, BARINGO, LAIKIPIA, NYANDARUA, SAMBURU	1
16	NYERI	NYERI, KIRINYAGA	0
17	THIKA	KIAMBU, MURANGA	0
18	TURKANA	TURKANA, WEST POKOT	2
19	WAJIR	WAJIR, MANDERA	2
<b>TOTAL</b>			<b>10</b>

*EQUIPMENT: LOW BED TRAILERS*

NO.	COUNTY REGION	COUNTIES IN THE REGION	ALLOCATED QUANTITY
1	ISIOLO	ISIOLO, MERU	1
2	ELDORET	TRANS NZOIA, UASIN GISHU, ELGEYO MARAKWET, NANDI	1
3	EMBU	EMBU, THARAKA NITHI, KITUI	1
4	GARISSA	GARISSA	1
5	GARSEN	LAMU, TANA RIVER	1
6	BUNGOMA	BUSIA, BUNGOMA	1
7	KAKAMEGA	KAKAMEGA, VIHIGA	
8	KERICHO	KERICHO, BOMET, NAROK	1
9	KISUMU	KISUMU, SIAYA	
10	KISII	KISII, NYAMIRA	1
11	HOMA BAY	HOMA BAY, MIGORI	
12	MARSABIT	MARSABIT	1
13	MOMBASA	KILIFI, MOMBASA, KWALE, TAITA TAVETA	1
14	NAIROBI	MACHAKOS, MAKUENI, KAJIADO, NAIROBI	1
15	NAKURU	NAKURU, BARINGO, LAIKIPIA, NYANDARUA, SAMBURU	1
16	NYERI	NYERI, KIRINYAGA	1
17	THIKA	KIAMBU, MURANGA	
18	TURKANA	TURKANA, WEST POKOT	1
19	WAJIR	WAJIR, MANDERA	1
<b>TOTAL</b>			<b>15</b>

**EQUIPMENT: PRIME MOVERS**

NO.	COUNTY REGION	COUNTIES IN THE REGION	ALLOCATED QUANTITY
1	ISIOLO	ISIOLO, MERU	1
2	ELDORET	TRANS NZOIA, UASIN GISHU, ELGEYO MARAKWET, NANDI	1
3	EMBU	EMBU, THARAKA NITHI, KITUI	1
4	GARISSA	GARISSA	1
5	GARSEN	LAMU, TANA RIVER	1
6	BUNGOMA	BUSIA, BUNGOMA	2
7	KAKAMEGA	KAKAMEGA, VIHIGA	
8	KERICHO	KERICHO, BOMET, NAROK	1
9	KISUMU	KISUMU, SIAYA	1
10	KISII	KISII, NYAMIRA	
11	HOMA BAY	HOMA BAY, MIGORI	
12	MARSABIT	MARSABIT	1
13	MOMBASA	KILIFI, MOMBASA, KWALE, TAITA TAVETA	1
14	NAIROBI	MACHAKOS, MAKUENI, KAJIADO, NAIROBI	1
15	NAKURU	NAKURU, BARINGO, LAIKIPIA, NYANDARUA, SAMBURU	1
16	NYERI	NYERI, KIRINYAGA	1
17	THIKA	KIAMBU, MURANGA	
18	TURKANA	TURKANA, WEST POKOT	1
19	WAJIR	WAJIR, MANDERA	1
<b>TOTAL</b>			<b>16</b>

**EQUIPMENT: SINGLE DRUM ROLLERS**

NO.	COUNTY REGION	COUNTIES IN THE REGION	ALLOCATED QUANTITY
1	ISIOLO	ISIOLO, MERU	2
2	ELDORET	TRANS NZOIA, UASIN GISHU, ELGEYO MARAKWET, NANDI	1
3	EMBU	EMBU, THARAKA NITHI, KITUI	1
4	GARISSA	GARISSA	1
5	GARSEN	LAMU, TANA RIVER	2
6	BUNGOMA	BUSIA, BUNGOMA	1
7	KAKAMEGA	KAKAMEGA, VIHIGA	1
8	KERICHO	KERICHO, BOMET, NAROK	1
9	KISUMU	KISUMU, SIAYA	1
10	KISII	KISII, NYAMIRA	1
11	HOMA BAY	HOMA BAY, MIGORI	1
12	MARSABIT	MARSABIT	1
13	MOMBASA	KILIFI, MOMBASA, KWALE, TAITA TAVETA	2
14	NAIROBI	MACHAKOS, MAKUENI, KAJIADO, NAIROBI	1
15	NAKURU	NAKURU, BARINGO, LAIKIPIA, NYANDARUA, SAMBURU	2
16	NYERI	NYERI, KIRINYAGA	1
17	THIKA	KIAMBU, MURANGA	1
18	TURKANA	TURKANA, WEST POKOT	1
19	WAJIR	WAJIR, MANDERA	1
<b>TOTAL</b>			<b>23</b>

*EQUIPMENT: PNEUMATIC TYRE ROLLERS*

NO.	COUNTY REGION	COUNTIES IN THE REGION	ALLOCATED QUANTITY
1	ISIOLO	ISIOLO, MERU	0
2	ELDORET	TRANS NZOIA, UASIN GISHU, ELGEYO MARAKWET, NANDI	1
3	EMBU	EMBU, THARAKA NITHI, KITUI	0
4	GARISSA	GARISSA	0
5	GARSEN	LAMU, TANA RIVER	0
6	BUNGOMA	BUSIA, BUNGOMA	0
7	KAKAMEGA	KAKAMEGA, VIHIGA	1
8	KERICHO	KERICHO, BOMET, NAROK	0
9	KISUMU	KISUMU, SIAYA	1
10	KISII	KISII, NYAMIRA	0
11	HOMA BAY	HOMA BAY, MIGORI	0
12	MARSABIT	MARSABIT	0
13	MOMBASA	KILIFI, MOMBASA, KWALE, TAITA TAVETA	1
14	NAIROBI	MACHAKOS, MAKUENI, KAJIADO, NAIROBI	1
15	NAKURU	NAKURU, BARINGO, LAIKIPIA, NYANDARUA, SAMBURU	1
16	NYERI	NYERI, KIRINYAGA	0
17	THIKA	KIAMBU, MURANGA	1
18	TURKANA	TURKANA, WEST POKOT	0
19	WAJIR	WAJIR, MANDERA	0
<b>TOTAL</b>			<b>7</b>

*EQUIPMENT: PEDESTRIAN ROLLERS*

NO.	COUNTY REGION	COUNTIES IN THE REGION	ALLOCATED QUANTITY
1	ISIOLO	ISIOLO, MERU	0
2	ELDORET	TRANS NZOIA, UASIN GISHU, ELGEYO MARAKWET, NANDI	0
3	EMBU	EMBU, THARAKA NITHI, KITUI	0
4	GARISSA	GARISSA	1
5	GARSEN	LAMU, TANA RIVER	0
6	BUNGOMA	BUSIA, BUNGOMA	0
7	KAKAMEGA	KAKAMEGA, VIHIGA	0
8	KERICHO	KERICHO, BOMET, NAROK	0
9	KISUMU	KISUMU, SIAYA	0
10	KISII	KISII, NYAMIRA	0
11	HOMA BAY	HOMA BAY, MIGORI	0
12	MARSABIT	MARSABIT	0
13	MOMBASA	KILIFI, MOMBASA, KWALE, TAITA TAVETA	0
14	NAIROBI	MACHAKOS, MAKUENI, KAJIADO, NAIROBI	0
15	NAKURU	NAKURU, BARINGO, LAIKIPIA, NYANDARUA, SAMBURU	0
16	NYERI	NYERI, KIRINYAGA	0
17	THIKA	KIAMBU, MURANGA	0
18	TURKANA	TURKANA, WEST POKOT	0
19	WAJIR	WAJIR, MANDERA	0
<b>TOTAL</b>			<b>1</b>



**EQUIPMENT: FLAT BEDS**

NO.	COUNTY REGION	COUNTIES IN THE REGION	ALLOCATED QUANTITY
1	EMBU	EMBU, THARAKA NITHI, KITUI	1
		ISIOLO, MERU	
		MARSABIT	
2	GARISSA	GARISSA	1
		WAJIR, MANDERA	
3	KAKAMEGA	BUSIA, BUNGOMA	1
		KAKAMEGA, VIHIGA	
4	KISUMU	KISUMU, SIAYA	1
		KISII, NYAMIRA	
		HOMA BAY, MIGORI	
5	MOMBASA	KILIFI, MOMBASA, KWALE, TAITA TAVETA	1
		LAMU, TANA RIVER	
6	NAIROBI	MACHAKOS, MAKUENI, KAJIADO, NAIROBI	1
7	NAKURU	NAKURU, BARINGO, LAIKIPIA, NYANDARUA, SAMBURU	1
		KERICHO, BOMET, NAROK	
		TURKANA, WEST POKOT	
		TRANS NZOIA, UASIN GISHU, ELGEYO MARAKWET, NANDI	
8	NYERI	NYERI, KIRINYAGA	1
		KIAMBU, MURANGA	
<b>TOTAL</b>			<b>8</b>

**EQUIPMENT: EXHAUSTERS**

NO.	COUNTY REGION	COUNTIES IN THE REGION	ALLOCATED QUANTITY
1	ISIOLO	ISIOLO, MERU	0
2	ELDORET	TRANS NZOIA, UASIN GISHU, ELGEYO MARAKWET, NANDI	0
3	EMBU	EMBU, THARAKA NITHI, KITUI	1
4	GARISSA	GARISSA	0
5	GARSEN	LAMU, TANA RIVER	0
6	BUNGOMA	BUSIA, BUNGOMA	0
7	KAKAMEGA	KAKAMEGA, VIHIGA	0
8	KERICHO	KERICHO, BOMET, NAROK	0
9	KISUMU	KISUMU, SIAYA	0
10	KISII	KISII, NYAMIRA	0
11	HOMA BAY	HOMA BAY, MIGORI	0
12	MARSABIT	MARSABIT	0
13	MOMBASA	KILIFI, MOMBASA, KWALE, TAITA TAVETA	0
14	NAIROBI	MACHAKOS, MAKUENI, KAJIADO, NAIROBI	0
15	NAKURU	NAKURU, BARINGO, LAIKIPIA, NYANDARUA, SAMBURU	0
16	NYERI	NYERI, KIRINYAGA	0
17	THIKA	KIAMBU, MURANGA	0
18	TURKANA	TURKANA, WEST POKOT	0
19	WAJIR	WAJIR, MANDERA	0
<b>TOTAL</b>			<b>1</b>

*EQUIPMENT: OFFICE VEHICLES*

NO.	COUNTY REGION	COUNTIES IN THE REGION	ALLOCATED QUANTITY
1	ISIOLO	ISIOLO, MERU	5
2	ELDORET	TRANS NZOIA, UASIN GISHU, ELGEYO MARAKWET, NANDI	6
3	EMBU	EMBU, THARAKA NITHI, KITUI	5
4	GARISSA	GARISSA	5
5	GARSEN	LAMU, TANA RIVER	5
6	BUNGOMA	BUSIA, BUNGOMA	5
7	KAKAMEGA	KAKAMEGA, VIHIGA	5
8	KERICHO	KERICHO, BOMET, NAROK	5
9	KISUMU	KISUMU, SIAYA	5
10	KISII	KISII, NYAMIRA	5
11	HOMA BAY	HOMA BAY, MIGORI	5
12	MARSABIT	MARSABIT	5
13	MOMBASA	KILIFI, MOMBASA, KWALE, TAITA TAVETA	5
14	NAIROBI	MACHAKOS, MAKUENI, KAJIADO, NAIROBI	6
15	NAKURU	NAKURU, BARINGO, LAIKIPIA, NYANDARUA, SAMBURU	6
16	NYERI	NYERI, KIRINYAGA	5
17	THIKA	KIAMBU, MURANGA	5
18	TURKANA	TURKANA, WEST POKOT	5
19	WAJIR	WAJIR, MANDERA	5
<b>TOTAL</b>			<b>98</b>

The legal notice effecting the sharing of these assets will be processed with an effective date of 28<sup>th</sup> May, 2014 after the details of each equipment have been verified.





Extelecoms House , Haile Selassie Avenue  
P.O. Box 10736- 00100, NAIROBI  
Telephone: +254-0710287080  
E-mail: [info@transauthority.go.ke](mailto:info@transauthority.go.ke)