



COUNCIL OF GOVERNORS
COUNCIL OF GOVERNORS PRE-SUMMIT MEETING PRESS CONFERENCE,
DELTA CORNER, 23RD JANUARY, 2018

Members of the Press,
Citizens of Kenya,

The Council of Governors has today held a consultative meeting to discuss pertinent issues ahead of the planned Summit meeting. The meeting which is the first after the election of the new Council of Governors in Kwale County last year, was graced by guests from State Department of Trade, Commission on Revenue Allocation (CRA), Ethics and Anti-Corruption Commission (EACC), World Bank, Brand Kenya and County Pension Fund (CPF).

1. World Bank Multi-Donor Trust Fund

The Council of Governors welcomes the US\$15million World Bank multi-donor trust fund focusing on areas with low coverage for basic health services. This partnership will provide demand-driven support for strengthening health systems in the various County Governments.

2. Trade Branding in Counties

Currently the domestic trade market is characterized by acute shortage of agricultural wholesale market with no modern facilities, weak supply chain

management, lack of market information and manipulation by brokers and middlemen. Moreover, Kenya is becoming increasingly dependent on imports. The Council of Governors looks forward to working with the Ministry of Industry, Trade and Cooperatives and other National Government agencies to ensure the modernization of wholesale markets, developing the national commodity exchange, diversification of products and markets, providing timely market information, import substitution for locally available commodities, value addition and branding of County products. The collaboration between the Ministry and County Governments will ensure vibrant and reliable supply chains and access for County products in domestic, regional and international markets.

3. Kenya Meat Commission

Since agriculture is a devolved function, agricultural development is a key priority for the Counties. The livestock sub-sector is also the mainstay for a substantial population in Kenya. We therefore look forward to partnering with the Kenya Meat Commission and its partners to rehabilitate abattoirs, disease control, providing reliable domestic and international market for livestock products and ultimately promotion of food and nutrition security. The COG Committee on Agriculture, ASAL and Trade and the KMC will engage further on the same.

4. Revenue Allocation

The process of vertical division of revenue is critical for both levels of governments. We agree with the Commission for Revenue Allocation that there is need to relook at the underpinning principles for the vertical

distribution of revenue to ensure that the county governments receive adequate resources to carry out their county functions.

5. EACC media report on the appointment of CECs

COG and EACC have had engagements on this issue raised in the media recently on the non-compliance by County Executives in filing the self-declaration forms, and has agreed will agree on modalities of engaging on the same moving forward.

6. Short Term Borrowing Framework for Counties

The Constitution and the Public Finance Management Act, 2012 gives the Counties powers to borrow either for infrastructure projects or for short-term basis for the purposes of cash flow management. County Governments have for the last four years been hard-pressed to deliver on their functions due to the slow disbursement of funds and lack of a borrowing framework for both short-term and long-term hence a lot of services have been slowed or some left un-attended to altogether. It is on this basis that the Council would like to extend a hand to work with the National Government through the National Treasury to fast-track the finalization of the short-term borrowing framework specifically to ensure that essential services are not delayed i.e. personnel emoluments and statutory deductions. It is also our appeal as Council of Governors to the National Treasury to allow County Governments access the short-term loans from Commercial banks as we look for ways to finalize on the specific guidelines. These loans are liquidated within a 12 months period.

7. Duplication of functions

It is in our conviction that for the country to maximize on its resources, both the County Governments and National Government should move towards prioritization of their constitutionally mandated functions. It is in this regard that the Council once again extends an olive leaf/ branch to the national government to allow us have a closure on this issue. There is need for transfer of some functions whose allocation and performance are still being carried at the National level. We can work together to identify possible areas of collaboration in performance on these functions i.e. the Regional Development Authorities, libraries and the roads functions.

8. County Pension Bill 2017

The Council of Governors is in support of the County Pension Bill 2017 and save for the provision to have the Chairman of the Council of Governors to appoint the Board of the Trustees of the Scheme.

Thank you very much.

H.E Hon. Josphat Nanok
Chairman, Council of Governors