

COUNTY ASSEMBLY OF SAMBURU



THE HANSARD

Tuesday, 12th April, 2022

The Assembly met at the County Assembly chambers at 2:30 p.m.

Temporary Speaker, (Hon. Paul Leshimpiro) in the Chair

PRAYER

QUESTIONS AND STATEMENTS

MCA Nachola Ward, (Hon. Lorunyei Lawrence): Thank you Mr. Speaker. I did ask for a statement on 22nd March, 2022 from the Chairperson, Committee on Budget and Appropriation and you ordered it to be answered, I seek your direction.

Chairperson, Committee on Budget and Appropriation, (Hon. Lempei Peter): Thank you Hon. Speaker, I have a knowledge on the statement sought by the Hon. Member and it was about the projects that had been removed particularly from several Departments of the Government pertaining to his Ward and further it wanted monetary explanation on certain projects within *Natiiti* area and other projects pertaining to water.

Mr. Speaker, knowing that this is an inter-departmental plan I request for one week so that I can follow with the Departments and answer sufficiently, I beg for more time.

MCA Nachola Ward, (Hon. Lorunyei Lawrence): Mr. Speaker. I asked this a month ago and it was urgent. Mr. Speaker, aware that according to the calendar of this House we are about to go for a long recess and asking for one more week is justice being delayed hence I am being denied my human right, give direction Mr. Speaker, thank you.

Temporary Speaker, (Hon. Leshimpiro Paul): Okay, Hon. Lorunyei I think you rather have a factual response on the statement than you have a half-baked or even none. We might go for recess for the Easter holiday and so I direct that the statement be answered on Thursday 14th at 2:30 Pm, thank you.

MOTION

Chairperson, Committee on Budget and Appropriation, (Hon. Lempei Peter): Thank you Hon. Speaker, I beg to move the following Motion:

THAT this House debates and approves the report of the Committee on Budget and Appropriations on The Samburu County Fiscal Strategy Paper 2022/2023. I request Hon. Lentukunye to second.

(Hon. Lentukunye bows to second the Motion)

Temporary Speaker, (Hon. Leshimpiro Paul): Hon. Members I now Propose the Question **THAT** this House debates and approves the report of the Committee on Budget and Appropriation on The Samburu County Fiscal Strategy Paper 2022/2023.

Chairperson, Committee on Budget and Appropriation, (Hon. Lempei Peter): Hon. Speaker, on behalf of the Members of the Committee on Budget and Appropriation and as required under section 117 of the Public Finance Management Act, 2012 as read together with Standing Orders 214 (4) it is my pleasure to present to this House the Committee's Report on the consideration of The Samburu County Fiscal Strategy Paper for FY 2022.

Committee's findings and recommendations

Mr. Speaker, the Committee wishes to thank the Office of the Hon. Speaker and that of the Clerk of the Assembly for the support extended in fulfilling its mandate. The Committee is also grateful to the Sectoral Committees and all the Members of the County Assembly who participated in the process, for working hard to ensure that the report is finalized on time. Allow me also to extend the Committee's gratitude to the House leadership who appeared before the Committee to give some highlights on the findings of the committee regarding equitable distribution of development projects across the County.

Last but not least, I extend my gratitude to the able Hon. Members of this Committee who traded off their busy schedule to give their input to this Report. I will not hesitate to acknowledge the staff of Assembly serving the Committee who contributed significantly in providing technical advice and compiling of this Report.

Mr. Speaker, the County Fiscal Strategy Paper is a statutory document in respect to County Budget process as stipulated under the provisions of Section 125 of the PFMA, 2012. The CFSP, as per provisions of Section 117 (3) and (4) of the PFMA, 2012, sets out the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for the coming financial year and over the medium term. Further, it should include the financial outlook with respect to County Government revenues, expenditures and borrowing for the coming financial year and over the medium term. As such, it provides a valuable platform for a review of

fiscal policy in light of emerging challenges and opportunities for the economy. Therefore, CFSP is a very important document for policy makers as it facilitates evaluation and effectiveness of the existing policy. It offers policy makers and government at large an opportunity to adjust its expenditure and revenue along more suitable lines for accelerating service delivery to the citizens.

Adherence to the legal framework; Mr. Speaker, the format and content of the CFSP should be in line with the provisions of various legal instruments such as PFMA, 2012, Public Finance Management (County Government) Regulations, 2015 and the Standing Orders, Section 117 of the Public Finance Management Act, 2012 provides that;

- i. The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
- ii. The County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term.
- iii. The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.

In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of -

- (a) The Commission on Revenue Allocation;
- (b) The public;
- (c) Any interested persons or groups; and
- (d) Any other forum that is established by legislation.

Further, regulation 26 of the Public Finance Management (County Government) Regulations, 2015 requires the County Fiscal Strategy Paper to contain a Statement of Fiscal responsibility principles indicating whether the CFSP adhered to.

In reviewing the CFSP, the committee established that to a greater extent, the 2020/2021 CFSP complied with the above provisions and has provided most of the required information.

However, it is worth noting that the wage bill has been ballooning and in the current CFSP has exceeded the 35% threshold as set out in the Regulations.

Review of the County Fiscal Strategy Paper 2022; Hon. Speaker, it has been prepared taking cognizance of the 2021/2022 economic outlook and the five pillars of the County development agenda namely; Food, Water, Health Care, Education, youth empowerment, women empowerment and wealth creation. Further, the paper seeks to give framework for implementation of programmes and projects prioritized by the County and aligned to the Country's vision 2030, National policies and guidelines as communicated through various circulars, the 2022/2023 Budget Policy Statement (BPS), the County Integrated Development Plan (CIDP) 2018-2022 and the County's Annual Development Plan for FY 2021/2022.

Hon. Speaker, it is worth noting that the policy paper benefited from feedback from the commission on Revenue Allocation, the National Treasury, members of the public and other interested stakeholders. The paper ought to serve as a guide in the preparation of the FY 2022/2023 Budget estimate, it highlights programmes, policies strategies and activities while at the same time underlining the structural reforms required for actualization of the County's five development agenda items.

In the period 2022/2023, the County Government intends to initiate and implement various programs, strategies and proposed projects under the County Board sector priorities. The County Government's strategic intent is to pay more attention to a couple of projects and activities with the highest potential for economic and social impact within the shortest time possible.

Specifically, the key County sector priorities are identified below as follows:

- I. An assessment of the current state of the economy and the financial outlook over the medium term including macro-economic forecasts.
- II. The financial outlook with respect to County revenue and expenditure for the next financial year over the medium term.
- III. The proposed expenditure limits for the County Government of Samburu.
- IV. The fiscal responsibility and financial objectives over the medium term.

Hon. Speaker, in an endeavor to achieve the above key County sector priorities, the 2021/2022 County Fiscal Strategy Paper (CFSP) identifies a number of strategies to be applied with specific areas of focus being:

- I. Value chain approach.
- II. County Assembly.
- III. County Executive.
- IV. County Public Service Board.
- V. Finance, Economic Planning and ICT.
- VI. Special Programs.
- VII. Agriculture, Livestock Development, Veterinary Services and Fisheries.
- VIII. Water, Environment, Natural Resources and Energy.
- IX. Education and Vocational Training.
- X. Medical Services, Public Health and Sanitation.
- XI. Lands, Housing, Physical Planning and Urban Development.
- XII. Culture, Gender, Sports and Youth Affairs.
- XIII. Trade, Tourism and Cooperative.

Mr. Speaker, I do not intend to read through each of the sub-topics because they are outlined in the pages there to. So allow me to invite the Hon. Members to proceed on and ask the Hon. Members to read fiscal responsibility principle.

Mr. Speaker the revenue projection for FY 2022/2023 will be KSHs. 5.7 billion. This comprises of an equitable share of revenue projected at KSHs. 5.3 billion as provided in 2021 Budget paper Statement and KSHs. 202 million as conditional grants and loans. Our own source revenue is projected to be KSHs. 156 million. Summaries for both own source revenue and national transfers forecast over the medium-term and I would invite the Hon. Members to read the subsequent paragraphs within the same as they are more explanatory rather than definitive as brought forward.

Mr. Speaker, the expenditure projections are also provided for so I will still invite the Hon. Members instead of laboring you with many paragraphs to read through the expenditure projections because they go to the heart of the paper.

Mr. Speaker, the deficit and financing is also a key organ of a Fiscal Strategy Paper and it also goes to the heart of the paper.

The fiscal and structural reforms; things that we intend to do as structural adjustment so that we can have more financial prudence owing to the gaps that were realized before.

Departmental Ceilings and criteria for resource allocation.

The Public Finance Management Act, 2012 and the County Regulations, 2015 sets out fiscal responsibilities principles that guide the Medium-Term Expenditure Framework (MTEF) for the County. The criteria for resource allocation.

- a) Linkage of the programme with the 2023-2028 County Integrated Development Plan (CIDP) big four agenda and the objective of the Fourth Medium-Term Plan of Vision 2030.
- b) The degree to which a programme address job creation and poverty reduction.
- c) The degree to which the programme is addressing the core mandate of the County department.
- d) Expected outputs and outcomes from a programme.
- e) Cost-effectiveness and sustainability of the programme.
- f) Counterpart funds: priority was also given to adequate allocations for projects with counterpart funding. Donor counterpart funds are the portion that the County Government must finance in support of the projects financed by development partners.

There can be no budget if we do not have the Fiscal Strategy Paper because it is the one that provides the ceilings of the departments as they do the budget making processes and this document in law is supposed to be approved by us so that our departments can proceed to make budgets in line with that. I am aware that budgets will be coming in this month and we will have to interact with it up to June when we are expected to pass it or reject it. These are my submissions Mr. Speaker and I am thankful.

Temporary Speaker, (hon. Paul Leshimpiro): Hon. Members, this is your time to ventilate on the report before we put on a question.

MCA Maralal Ward, (hon. Fred Kiragu): Thank you Mr. Speaker Sir. I support the Report as tabled. It is detailed and gives indicators on what we expect in the Budget, thank you Mr. Speaker.

MCA Nachola Ward, (hon. Lawrence Lorunyei): Mr. Speaker, I support the document since it is a requirement and has a timeline. When it came to this House on the 8th of February we were only given 14 days to pass it or reject it and so I support it.

Specially Elected MCA, (hon. Josephine Lesilampa): Thank you Mr. Speaker for giving me this opportunity to say my words on this Fiscal Strategy Paper; it guides us on what the County Government wants to do to our people and so I support it, thank you.

Specially Elected MCA, (hon. Silapia Lenamatiyo): Thank you Mr. Speaker. I support the report as it is and I want to urge the Committee that the usual paper work in the departments is not working on our people, it is not about good grammar and us rubberstamping every day. It should be made sure that implementation is done when the budget time comes, thank you.

MCA Elbarta Ward, (hon. Peter Lempei): Mr. Speaker I have nothing more to add on after explaining this before the House; listening to all the Members I am grateful that they agree with what we have brought before the House and take note that one Member has raised a concern that it should not only be paper work but actual work. I thank you for the comments and advices as a Committee as we move on to discharge this legal responsibility bestowed on us, thank you.

Temporary Speaker, (hon. Paul Leshimpiro): Very well hon. Members, I now put the question that this House debates and approves the report of the Committee on Budget and Appropriation on the Samburu County Fiscal Strategy Paper 2022/2023.

(Question put and motion passed)

Hon. Members the time being 20 minutes to four o'clock and there being no other business this Assembly now adjourns until Wednesday 13th April, 2020 at 9:00 am.