



COUNCIL OF GOVERNORS

8th September, 2020

PRESS STATEMENT ON DISBURSEMENTS OF FUNDS TO COUNTIES

The Council of Governors today held an Extra Ordinary Council meeting to discuss the current stalemate on revenue among other issues and has resolved as follows: -

a) Funds flow to Counties

Firstly, we note that devolution is under attack. The stifling approach by the National Government is intended to diminish finances of the Counties to undermine devolution. In the recent past, we have indulged the Senate and the National Treasury on available options of unlocking funds to County Governments for the current Financial Year 2020/21. This has been occasioned by the delay in approval of the County Allocation of Revenue Act, 2020. Despite our efforts to provide solutions to the existing stalemate, our proposals have been disregarded. Further, Parliament and the National Treasury have failed to operationalize the principles laid out in the Supreme Court Advisory Reference No. 3 of 2019. To effectively provide the services, County Governments will require total release of the allocated funds for both development and recurrent expenditure. It is not logical to disburse funds meant to pay salaries together with operations and maintenance and fail to undertake development to citizens.

To date, the salaries of county employees including our frontline workers have not been paid for the past three months hence threatening our response measures towards the COVID-19 pandemic.

We note the misleading information in the media and the Senate alleging that Counties have received support amounting to Kshs. 10 Billion. We hereby set the record straight and note that Counties have so far received a total of Kshs. 7.36 Billion as follows:-

- i. **Kshs. 5 Billion** COVID-19 grant (disbursed on 4th June, 2020)
- ii. **Kshs. 2.36 Billion** for COVID-19 Medical Emergency Allowance Frontline Healthcare Workers in County Governments (disbursed on 6th July, 2020). The money has already been paid.

As you may be aware, the above disbursements were effected at the end of the Financial Year hence several County Governments had not appropriated the Funds in their Annual budget for the Fiscal Year 2019/2020. Consequently, County Governments could not withdraw the funds for spending. On the other hand, Counties that had appropriated the funds could not utilize the same due to closure of IFMIS for the FY 2019/20.

Nonetheless, County Governments have already appropriated money amounting to Kshs. 3.9 Billion in the FY 2020/2021 and submitted commitments to the Controller of Budget.

b) Agriculture

The Council of Governors wish to express its displeasure with the conduct of the Ministry of Agriculture for undertaking reforms in the sector without the involvement of Counties. The Ministry has so far gazetted the Tea and Sugar regulations without the involvement of

Counties. Further, the Ministry has appointed the Pyrethrum and Cotton revitalization committee without consultation with County Governments and the same have no representation of Counties. In addition, some of the Coffee producing Counties have not been included in the Coffee fund.

We call upon the Ministry to regularize the issue by immediately degazetting the regulations failure to which we shall effectively take remedial action including court action.

The Ministry has also cited the Council as not being a state organ this despite very clear provision under Section 19 of the Intergovernmental Relations Act which establishes the Council of Governors.

c) Health

The Ministry of Health has declined to sign the MoU on the Micro Medical Waste Equipment Scheme that is intended to facilitate implementation of the second phase of the scheme. In addition, Kshs. 850 Million for COVID-19 emergency response towards the 17 high risk COVID-19 Counties is yet to be released. We call upon the Ministry to immediately address these amongst other outstanding issues ailing the sector.

d) Summoning of Governors by the Senate

We note that the Senate Committee on the County Public accounts and investments has continued to summon Governors to appear physically despite consensus with the Council to convene all

meetings virtually. The Speaker of the Senate through a letter dated 30th July, 2020 indicated that all meetings shall be held virtually.

In this regard, no Governor has refused to attend virtual meetings and we still maintain the position that Governors will continue to attend meetings virtually until such a time that the Ministry of Health issues new guidelines.

Additionally, we are aware that a number of Senators are nurturing aspirations to be Governors and as such the deliberate efforts to portray Governors as corrupt.

e) Maligning of Governors by the media

We also take note that the media has continued to recklessly publish unverified information linking Governors to corruption. Whereas we support the fight against corruption, we shall take individual responsibility to challenge these allegations. We note today's publication in the Daily Nation newspaper and hereby state that due to the unprofessional conduct by the media, we have resolved that no County Government will advertise with the Nation Media Group until the situation is rectified.

Further, we condemn the manner in which Governors arrest and prosecution have been handled like in the case of the Governor for Tharaka Nithi, H.E Muthomi Njuki who despite surrendering himself to the EACC has not been presented in time in Court to take plea as is required under Article 49 of the Constitution. This is not the case for MPs who once arrested are promptly presented in Court and bail issued. MPs are also not barred from accessing their CDF offices and Parliament as is the case with Governors which is discriminatory. This is not the case for MPs who are also elected leaders.

f) Procurement of Medical Supplies from KEMSA

As County Governments we cannot risk the lives of the citizens due to lack of medical supplies from KEMSA which is currently in “Intensive Care Unit”. Therefore Counties have resolved to procure both pharmaceutical and non-pharmaceuticals commodities from other sources as had earlier been agreed.

Conclusion

Finally, we wish to reiterate that failure to disburse funds, County Governments will shut down on 17th September, 2020 and no services shall be provided by the County Governments.

Signed

H.E. Hon. FCPA Wycliffe Ambetsa Oparanya, EGH, CGJ
Chairman, Council of Governors