



SUBSECTOR FOR DEVOLUTION

PROGRAMME PERFORMANCE REVIEW (PPR) REPORT

2021/22-2023/24

September 2024

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1. INTRODUCTION

1.1 Background

The Devolution subsector was established under Executive Order No. 2 of 2023 to Coordinate Intergovernmental Relations between the National Government and County Governments. It draws its mandate from the Constitution of Kenya 2010, the County Governments Act 2012, the Intergovernmental Relations Act 2012, Urban Areas and Cities Act 2011 and the Public Finance Management Act 2012.

The functions of the subsector include; Devolution Policy, Coordination of Intergovernmental Relations; Capacity Building and Technical Assistance to County Governments; The Subsector is structured into two technical departments, namely: Partnership and Intergovernmental Relations Directorate; County Capacity Building and Technical Assistance Directorate.

1.2 Sub-Sector Vision and Mission

Vision

Accountable Devolution; Accountable Service Delivery.

Mission

Enhance service delivery to citizens through effective management of devolution, coordination of intergovernmental relations, capacity building and technical support to County Governments.

1.3 Strategic goals/objectives

The subsector's strategic objectives are:

- a) To harmonize the existing Policies and Laws with the Devolved System of Government
- b) To enhance partnerships, collaborations and linkages on Devolution
- c) To strengthen Intergovernmental Relations
- d) To enhance Capacity of counties to deliver quality services
- e) To enhance public participation on decision making and accountability
- f) To improve human productivity
- g) To strengthen the institutional capacity

1.4 Sub-Sector Mandate

The mandate of the Devolution subsector as drawn from the Constitution of Kenya, 2010; Intergovernmental Relations Act, 2012; County Governments Act, 2012; and Executive Order No. 2/2023 specifically entail;

- i. Management of devolution affairs and policy on Devolved System of Government
- ii. Coordination of Inter-governmental Relations
- iii. Provision of support to County Governments to perform their functions
- iv. Assess the performance of County Governments for continuous improvement of service delivery

- v. Provision of capacity building and technical assistance to County Governments in all devolved functions
- vi. National civic education and public participation policy
- vii. Monitoring, evaluation and reporting on devolution
- viii. Coordinating the rehabilitation of Nairobi Rivers Ecosystem
- ix. Coordinating the operations of the world scouts parliamentary Union

1.5 Autonomous and Semi-Autonomous Government Agencies

The following are the institutions under the Subsector:

- a) Intergovernmental Relations Technical Committee (IGRTC)
- b) Council of County Governors (CoG)
- c) Nairobi Rivers Commission

PROGRAMME PERFORMANCE REVIEW 2021/22-2023/24

During the review period, the subsector implemented several sub programs under one major program of management of Devolution affairs. The following were the major achievements;

Major Achievements based on the planned outputs/services for 2021/22-2023/24

- 1) Policy on Devolved System of Government reviewed and is to be submitted to Cabinet for approval;
- 2) County Government (General) Regulations, 2022; Intergovernmental Relations (General) Regulations, 2022; Intergovernmental Relations Amendment Bill, 2024 and National Civic Education Framework,2024 were developed and are to be submitted to Cabinet for approval;
- 3) Developed draft Performance of Concurrent Functions Bill (2024), Draft Intergovernmental Sector Forums Regulations,2024, Draft Devolution Results Framework (2024), Developed Draft County Public Service Management Framework (2024) which is currently undergoing Stakeholders' engagement;
- 4) Construction of the Kisumu Convention Centre which is currently at 55% completion;
- 5) Identification, verification and transfer of Museum functions to Fourteen (14) Counties;
- 6) Identification, verification and transfer of library functions to thirty-three (33) Counties;
- 7) Transfer of four (4) functions (Health, Transport and Public Works, Roads and Physical Planning and Development) from Nairobi Metropolitan services (NMS) to County Government Nairobi City upon expiry of deed of agreement;
- 8) Movable assets worth Kshs.3 billion transferred to 47 Counties and valuation of immovable assets in 30 Counties undertaken. The activity is currently at 70% completion;
- 9) Mobilized USD \$ 150 Million for the Second Kenya Devolution Support Program (KDSP II);
- 10) Alternative Dispute Resolution (ADR) Regulations to handle intergovernmental disputes developed and disseminated to all 47 Counties. 27 Intergovernmental disputes were resolved using ADR mechanism;
- 11) Unbundled outstanding Devolved Functions in twelve (12) sectors to ensure improved service delivery by the two levels of Government;
- 12) Convened Ten (10) sector forums in the Health, Energy, Tourism, Manufacturing, Gender, Water, Public Service and Agriculture sectors for close consultation between the two levels of Government to promote harmonious intergovernmental relations;
- 13) Held two (2) Devolution Conferences in FY 2021/22 and FY 2023/24 at Makueni and Uasin Gishu Counties respectively and reports developed with 40% of the resolutions implemented;
- 14) Developed Local Economic Framework, County Project Management Committee guidelines and Public Participation Policy;

- 15) Nairobi Rivers Regeneration Master plan, Strategy Action Plan and Coordination framework developed and approved as prerequisite for the operationalization of Nairobi Rivers Commission;
- 16) Reclaimed 47 kilometers (58%) of riparian Land out of 83 kilometers of the Nairobi Rivers ecosystem;
- 17) Established 7 County Assembly legislative caucuses in promoting Scouting movement in counties;

TABLE 2.1: ANALYSIS OF SUB-SECTOR PROGRAMME PERFORMANCE TARGETS VS ACTUAL TARGETS

Programme	Delivery Unit	Key Output	Key Performance Indicator	Planned Target			Achieved Target			Remarks
				2021/22	2022/23	2023/24	2021/22	2022/23	2023/24	
Programme1: Devolution Support Services										
Programme Outcome: Enhanced Management and Implementation of the Devolved System of Government										
Sub-Programme 1.1: Devolution Policy and Research										
	P&R	County Government Act, 2012 & Intergovernmental Relations Act,2012 reviewed	No. of Acts	-	2	-	-	2	-	
	P&R	Regulations for County Governments Act, 2012 & Intergovernmental Relations Act,2012 developed	No. of regulations	2	0	-	2	0	-	
	P&R	Policy and Bill on Disaster Risk Management developed	Policy and Bill	2	0	-	2	0	-	
	P&R	Regulations for Intergovernmental Sectoral forums developed	No. of regulations	1	-	-	1	-	-	
	P&R	Guidelines for establishment of Intergovernmental Relations Units developed	No. of guidelines	1	-	-	1	-	-	

Programme	Delivery Unit	Key Output	Key Performance Indicator	Planned Target			Achieved Target			Remarks
				2021/22	2022/23	2023/24	2021/22	2022/23	2023/24	
	P&R	Guidelines on Physical & Land Use Planning in Counties developed	No. of guidelines	1	-	-	1	-	-	
	P&R	Policy on Devolved System of Government reviewed	Reviewed Policy	1	1	-	0	0	1	
			No. of Sensitization/engagement forums	-	-	-	-	-	-	
	P&R	Framework on performance of concurrent functions developed	No. of Frameworks	1	1	1	0	0	0	Draft Framework developed awaiting stakeholders' consultation
	P&R	Kisumu Convention Centre	Completion status (%)	100	100	60	55	55	55	The budget for the project was cut for two consecutive years
	P&R	9 th Edition of Afri-cities Summit hosted	Summit held	1	-	-	1	-	-	
	P&R	Partnerships and peer learning in sub national governance	No. of communiqué/ domesticated	-	-	3	-	-	1	Inadequate funding
Sub Programme 1.2: Capacity Building & Technical Assistance										
	CB&TA	National capacity Building Framework II	No. of frameworks	1	-	-	1	-	-	

Programme	Delivery Unit	Key Output	Key Performance Indicator	Planned Target			Achieved Target			Remarks
				2021/22	2022/23	2023/24	2021/22	2022/23	2023/24	
		developed								
	CB&TA	Capacity building and Technical Assistance to counties provided	No. of investment projects supported	105	45	-	60	45	-	
	CB&TA	Local Economic Development projects in 15 counties implemented	No. of projects completed	17	2	-	15	0	-	
	CB&TA	Knowledge Management Strategy developed	No. of Knowledge Management Strategies developed	1	1	1	1	1	1	
	CB&TA	National Civic Education Framework developed	No. of frameworks	1	1	-	1	1	-	
			No. of counties sensitized on Civic education framework and reviewed public participation guidelines	-	-	30	-	-	30	
	CB&TA	Devolution results framework developed and implemented	Harmonized operational result framework	-	-	1	-	-	0	Budget cuts affected the completion of the framework
	CB&TA	Annual County Performance Assessment (APA)	Assessment report	-	-	1	-	-	0	Budget cuts affected completion of the report
	CB&TA	Local Economic	Approved	-	-	1	-	-	1	

Programme	Delivery Unit	Key Output	Key Performance Indicator	Planned Target			Achieved Target			Remarks
				2021/22	2022/23	2023/24	2021/22	2022/23	2023/24	
		Development (LED) framework for Counties developed and rolled out	Framework							
	CB&TA	Integrated Devolution knowledge management system developed	No. of systems	1	-	-	1	-	-	
Sub Programme.1.3: Devolution Sector Liaison										
	DSL	Governance and institutional capacity strengthened. (Second Kenya Devolution Support Program (KDSP II))	Program implementation unit	-	-	1	-	-	1	
			No. of County project management/implementation committees	-	-	47	-	-	47	
Programme 2: Management of Intergovernmental Relations										
Sub programme:2.1: Management and facilitation of intergovernmental structures										
	IGR& CoG	Bi-annual Devolution Conference hosted	Devolution Conference	1	0	1	1	0	1	
			No. of status Reports Prepared	-	-	1	-	-	1	
	IGR	Intergovernmental sector forums Convened	No. of forums	6	4	50	7	4	1	Inadequate budget allocation
			No. of	-	-	2	-	-	2	

Programme	Delivery Unit	Key Output	Key Performance Indicator	Planned Target			Achieved Target			Remarks
				2021/22	2022/23	2023/24	2021/22	2022/23	2023/24	
			Intergovernmental sports forum							
	CoG	Inter county Peer learning forums held	No. of forums held	3	4	5	3	4	4	Inadequate budget allocation
	CoG	Best practices in counties documented and shared	No of best practices documented and shared	10	10	-	10	10	-	
	IGRTC	Intergovernmental relation disputes resolved through ADR	No. of disputes resolved	5	15	-	5	14	-	
	IGRTC	Resolutions of Summit Implemented	Implementation status (%)	100	100	100	100	100	100	
	IGRTC	Registers of Assets and Liabilities of devolved functions	No. of registers	21	0	-	0	21	-	
	IGRTC& IGR	Registrable assets of defunct local authorities and devolved functions valued	No of Assets valued	94,123	71,793	68,022	22,330	3,771	34,011	Lack of exchequer affected the completion of the exercise
	IGRTC	Devolved functions unbundled and transferred to counties	No of functions transferred	3	12	-	3	12	-	
	IGRTC	Outstanding Devolved functions in 12 Sectors Unbundled, costed	No. of 12 Sectors Unbundled and Transferred	-	8	4	-	8	4	

Programme	Delivery Unit	Key Output	Key Performance Indicator	Planned Target			Achieved Target			Remarks
				2021/22	2022/23	2023/24	2021/22	2022/23	2023/24	
		& transferred								
	IGRTC	Intergovernmental/ Intra Governmental Disputes Resolved	% of declared disputes resolved	-	-	100	-	-	53	Slow pace of disputes resolution between the parties
	CoG	Sector resolutions implemented	No. of sector status reports	-	-	72	-	-	72	
	CoG	Compendium of best practices published	No. of publication	-	-	2	-	-	2	
	NRC	Legal frameworks developed	Institutional Framework	-	-	1	-	-	1	
			No. of co-ordination framework	-	-	-	-	-	1	
	NRC	Capacity of commissioners and staff enhanced	% of commissioners and staff trained	-	-	99	-	-	99	
	NRC	Community sensitized	No. of sensitization meetings held	-	-	20	-	-	20	
	NRC	Capacity of stakeholders and partners enhanced	No. of Stakeholder's and Partners Facilitated	-	-	50	-	-	50	
	NRC	Nairobi Rivers Basin Regeneration Programme (NABREP) developed	No. of assessment reports	-	-	1	-	-	1	

Programme	Delivery Unit	Key Output	Key Performance Indicator	Planned Target			Achieved Target			Remarks
				2021/22	2022/23	2023/24	2021/22	2022/23	2023/24	
	WSPU	Capacity Building for County leaders and Affiliate members undertaken	No of County Leaders inducted	-	-	300	-	-	21	Inadequate funding
	WSPU	WSPU Caucuses in County assemblies established	No of WSPU Caucuses in County Assemblies	-	-	7	-	-	7	
			No of Youth mobilized Sensitized for tree growing	-	-	3000	-	-	3500	
	WSPU	Baden Powell Eco tourism Lodge and Centre of excellence constructed	% of completion	-	-	5	-	-	5	
	WSPU	Capacity Building of WSPU Members undertaken	No of Members Inducted	-	-	75	-	-	41	Budget reduction affected the implementation of the activity
			No of annual Members Conference	-	-	1	-	-	1	
Programme 3: Special Initiatives										
Sub programme 3.1: Special initiatives										
		Relief Assistance to food insecure persons in 23 ASAL Counties	No. of beneficiaries in Millions	0.3	-	-	0.3	-	-	N/A

Programme	Delivery Unit	Key Output	Key Performance Indicator	Planned Target			Achieved Target			Remarks
				2021/22	2022/23	2023/24	2021/22	2022/23	2023/24	
General Administration, Planning and Support Services										
	HRMD	Enhanced employees' skills through individuals training	No. of employees trained	60	90	-	41	68	-	
	CPPMD	Develop MTP 4 and Devolution sector plan	MTP IV Devolution Sector		1	-		1	-	
			Devolution Sector Plan		1	-		1	-	
	FINANCE	Financial Management	No. of reports	5	5	13	5	5	13	
	ADMIN	Business Process Re-engineered	% of implementation on digitization of Government Services	-	-	50	-	-	40	Budget reduction affected the implementation of the activity
			% implementation of Integrated Public Records Management Information System (IPRMIS)	-	-	10	-	-	0	Lack of budget
			% of ISO Certification attainment	-	-	10	-	-	0	Inadequate funding
	ICT	ICT Services	% Upgrade of ICT Infrastructure	-	-	10	10	0	10	
	PRO	Communication Services	% Level of modernization	-	-	10	-	-	10	
	SUPPLY CHAIN	Procurement Services	% implementation of Assets and Inventory	-	-	20	-	-	20	

Programme	Delivery Unit	Key Output	Key Performance Indicator	Planned Target			Achieved Target			Remarks
				2021/22	2022/23	2023/24	2021/22	2022/23	2023/24	
			Management System							

2.2: Analysis of Expenditure Trends

During the period under review, the Sub-sector received a total funding of **Kshs.8, 587.97** million while the expenditure during the same period totalled to **Kshs.7, 318.83** million representing an 85.3% absorption rate. The yearly Recurrent allocation was **Kshs.3, 163.79** million, **Kshs. 1,580.22** million and **Kshs. 2,173.96** million for FY 2021/22, 2022/23 and 2023/24 respectively while the yearly recurrent expenditure was **Kshs.2,333.00** million, **Kshs. 1,551.91** million and **Kshs. 2,010.43** million respectively. This represents an absorption rate of 73.7%, 98.2% and 92.5% for each of the three years under review.

Table 2.2 ANALYSIS OF RECURRENT APPROVED BUDGET VS ACTUAL EXPENDITURE IN KSHS MILLION

Sector- PAIR						
VOTE; 1032						
	Approved Budget Allocation			Actual Expenditure		
Economic Classification	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
Gross	3,163.79	1,580.22	2,173.96	2,333.00	1,551.91	2,010.43
AIA	-	74.72	26.42	-	52.00	23.93
NET	3,163.79	1,505.50	2,147.54	2,333.00	1,499.91	1,986.50
Compensation to employees	286.11	265.36	231.66	195.06	264.18	218.87
Transfers	1,735.83	554.17	1171.44	1,713.50	554.17	1065.6
Other Recurrent	1,141.85	760.69	770.86	424.44	733.56	725.96
<i>of which</i>						
<i>Insurance</i>		0			0	
<i>utilities</i>	0.76	0	0	-	0	
<i>Rent</i>	106.30	110.30	110.30	106.30	110.30	110.29
<i>Insurance</i>	-			-	-	
<i>subsidies</i>	-			-	-	
<i>Gratuity</i>	18.28	21.47	2.08	18.07	21.47	2.08
<i>Contracted Professional (Guards and cleaners)</i>	6.85	2.34	19.59	3.04	2.30	19.18
<i>Others</i>	1,009.66	626.58	638.89	297.03	599.48	594.41

The yearly development allocation for Financial Years 2021/22- 2023/24 was **Kshs. 1,238.62** million, **Kshs. 227.38** million, **Kshs. 204.00** million respectively while the yearly expenditure was **Kshs. 1,238.62** million, **Kshs 112.88** million and **Kshs 74.49** million respectively. This represents an absorption rate of 100%, 49.6% and 36.5% for each of the three years under review.

The low absorption in the 2 years was due to late approval of the supplementary budget and also IFMIS challenges experienced at the end of the financial year.

TABLE 2.3: ANALYSIS BY CATEGORY OF EXPENDITURE: DEVELOPMENT (KSHS MILLION)

Vote Subsector Devolution	1032 Economic for Classification	Approved Budget			Actual Budget Expenditure		
		Allocation	2021/22	2022/23	2023/24	2021/22	2022/23
	Gross	1,238.62	227.38	204.00	1,238.62	112.88	74.49
	GoK	1,080.00	45.00	115.00	1,080.00	43.42	70.00
	Loans	-	0	89.00	-	0	4.49
	Grants	158.62	182.38	-	158.62	69.46	-
	Local AIA	-	0	-	-	0	-

TABLE 2.4: ANALYSIS BY CATEGORY OF EXPENDITURE: PROGRAMMES (KSH.MILLION)

PROGRAMME DETAILS	Approved Budget			Actual Expenditure		
	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
Programme 1: Devolution Support Services						
SP 11: Devolution policies and legal review	1,111.23	195.81		1,079.95	154.03	
SP12: Capacity Building and Technical Assistance	813.48	314.99		738.81	217.03	
Total Programme 1	1,924.71	510.80		1,818.76	371.06	
Programme 2: Management of Intergovernmental Relations						
SP 21: Management and facilitation of Intergovernmental structures	732.00	951.09		724.26	950.74	
SP 22: Civic Education and public participation	-	-		-	0	
Total Programme 2	732.00	951.09		724.26	950.74	
Programme 3: Administration Support Services						
SP 31: Human Resource and Support Services	382.76	317.74		374.08	315.84	
SP 32: Financial Management Services	20.97	26.55		17.71	25.72	
SP 33: Information Communication Technology	3.38	1.42		1.67	1.33	

Total Programme 3	407.11	345.71		393.46	342.89		
Programme 4: Special Initiative							
SP 41: Special initiatives	1,338.22	0		1,205.00	0		
Total Programme 4	1,338.22	0		1,205.00	-		
TOTAL VOTE	4,402.04	1,807.60		4,141.48	1,664.69		
NEW PROGRAMMES							
Programme 1: Devolution services							
SP 1: Management of Devolution Affairs			196.07			194.47	
SP 2: Intergovernmental Relations			1,041.73			1,026.57	
SP 3: Capacity Building and Civic Education			108.94			99.63	
SP 4: Administrative Services			782.91			656.19	
SP 5: Finance Management Services			37.7			27.2	
SP 6: Information Communication and Technology Services			6.52			6.37	
Total Vote			2,173.87			2,010.43	

TABLE 2.5: ANALYSIS BY CATEGEGORY OF EXPENDITURE: ECONOMIC CLASSIFICATION (KSHS MILLION)

Economic Classification	Approved Budget			Actual Expenditure		
	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
Programme 1: Devolution Support Services						
Current Expenditure	795.78	283.42		14.98	259.29	
Compensation to Employees	96.90	73.56		12.06	72.65	
Use of Goods and Services	698.88	209.86		2.92	186.64	
Grants and Other Transfers	-	0.00		-	0.00	
Other Recurrent	-	0.00		-	0.00	
Capital Expenditure	1,128.94	227.38		1,059.73	112.88	
Acquisition of Non-Financial Assets	280.00			280.00	-	
Capital Transfers to Government. Agencies	128.62	141.00		119.03	43.42	
Other Development	720.32	86.38		660.70	69.46	
Total Programme 1	1,924.72	510.80		1,074.71	372.17	

Programme 2: Management of Intergovernmental Relations						
Current Expenditure	732.36	951.09		724.25	948.90	
Compensation to Employees	14.13	22.03		9.44	22.06	
Use of Goods and Services	31.12	374.88		27.70	372.67	
Grants and Other Transfers	687.11	554.17		687.11	554.17	
Other Recurrent	-	-		-		
Capital Expenditure	-	-		-	-	
Acquisition of Non-Financial Assets	-	-		-	-	
Capital Transfers to Government. Agencies	-	-		-	-	
Other Development	-	-		-	-	
Total Programme 2	732.36	951.09		724.25	948.90	
Programme 3: Administration						
Services						
Current Expenditure	402.44	345.71		388.78	343.72	
Compensation to Employees	168.81	169.77		168.81	169.47	
Use of Goods and Services	146.36	153.99		137.88	152.47	
Grants and Other Transfers	-	-		-	-	
Other Recurrent	87.27	21.96		82.09	21.78	
Capital Expenditure	4.68	-		4.68	-	
Acquisition of Non-Financial Assets	4.68	0		4.68	0	
Capital Transfers to Government. Agencies	-	0		-	0	
Other Development	-	0		-	0	
Total Programme 3	407.12	345.71		393.46	343.72	
Programme 4: Special initiatives						
Current Expenditure	1,233.21	-		1,204.99	-	
Compensation to Employees	6.27	0		4.75	0	
Use of Goods and Services	178.22	0		173.85	0	
Grants and Other Transfers	1,048.72	0		1,026.39	0	
Other Recurrent	-	0		-	0	
Capital Expenditure	105.00	-		-	-	
Acquisition of Non-Financial Assets	105.00	0		-	0	
Capital Transfers to Government. Agencies	-	0		-	0	
Other Development	-	0		-	0	
Total Programme 4	1,338.21	-		1,204.99	-	
TOTAL EXPENDITURE VOTE	4,402.41	1,807.60		3,397.41	1,664.79	

NEW PROGRAMMES						
Devolution Services						
Current Expenditure		-	2,173.95		-	2,010.43
Compensation to Employees		-	231.66		-	218.87
Use of Goods and Services		-	729.72		-	685.4
Grants and Other Transfers		-	1171.43		-	1065.6
Other Recurrent		-	41.14		-	40.56
Capital Expenditure		-	204.00		-	74.56
Acquisition of Non-Financial Assets		-	174		-	74.56
Capital Transfers to Government. Agencies		-	30		-	0
Other Development		-	0		-	0
Total Programme 4		-	2,377.95		-	2,084.99

TABLE 2.6 ANALYSIS OF SAGAs RECURRENT BUDGET VS ACTUAL EXPENDITURE (KSH. MILLION)

Economic Classification	Approved Budget			Actual Expenditure		
	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
IGRTC- INTERGOVERNMENTAL RELATIONS TECHNICAL COMMITTEE						
Gross	491.1	343.53	596.56	490.9	343.31	596.20
AIA	-			-		
Net-Exchequer	491.1	343.53		490.9	343.31	596.20
Compensation to Employees	147	178.87	222.46	147	178.87	222.43
Transfers	-	-	-	-	-	-
Other Recurrent	344.1	164.66	374.10	343.9	164.44	373.77
Utilities	1.4	1.4	1.8	1.4	1.4	1.78
Rent	50.7	50.7	50.7	50.5	50.5	50.5
Insurance	16	16	21.39	16	16	21.38
Subsidies	-	-	-	-	-	-
Gratuity	-	-	24.72	-	-	24.68
Contracted Professional (Guards & Cleaners	1.3	1.3	1.3	1.3	1.3	1.28
Others	274.7	95.26	274.19	274.7	95.24	274.15
COUNCIL OF GOVERNORS						
Gross	210.64	210.64	210.64	210.64	210.64	210.64
AIA	-	-		-	-	-
Net Exchequer	210.64	210.64	210.64	210.64	210.64	210.64
Compensation to Employees	139.18	143.36	153.83	139.18	143.36	153.83
Transfers	-			-		-
Other Recurrent	48.22	52.7	56.81	48.22	52.7	56.81
<i>Of which</i>						

Utilities	3.15	6.5	2.58	3.15	6.5	2.58
Rent	28.73	30.17	31.3	28.73	30.17	31.3
Insurance	14.24	13.82	16.5	14.24	13.82	16.5
Subsidies	-	-		-	-	-
Gratuity	-	-		-	-	-
Contracted Guards & Cleaners services	2.1	2.21	2.44	2.1	2.21	2.44
Others Specify	23.24	14.58	3.99	23.24	14.58	3.99

Table 2.7 ANALYSIS OF PERFORMANCE OF CAPITAL PROJECTS (AMOUNT KSH MILLION)

Project code	Est. Cost of the project			Start date	Expected completion date	FY 2021/22				FY 2022/23					FY 2023/24					Remarks
	(Financing)					Approved GOK Budget (Ksh M)	Approved Foreign budget (ksh. M)	Cumulative Exp as of 30th June 2022	Completion stage as of 30 th June 2022 (%)	Approved GOK Budget (Ksh M)	Approved Foreign budget (ksh. M)	Cumulative Exp as of 30th June 2023	Outstanding Balance as of 30th June 2023	Completion stage as of 30 th June 2023(%)	Approved GOK Budget (Ksh M)	Approved Foreign budget (Ksh. M)	Cumulative Exp as of 30th June 2024	Outstanding Balance as at 30th June 2024	Completion stage as of 30 th June 2024 (%)	
	Total Est cost of project (a)	G O K	Foreign Financed																	
Second Kenya Devolution Support Program (KDSP II)	22,725	225	22,500	1-Dec 2023	30-June 2028	-	-	-	-	-	-	-	-	-	70	89	32.81	22,692.19	0.14%	Project ongoing
Kenya devolution support program- KDSP	23,000	9,150	13,850	15-Apr 2016	30-Sep-21	651	-	22,432	97%	-	-	-	-	-	-	-	-	-	-	Project completed
Instruments for Devolution Advice and support (IDEAS)	1,960	-	1,960	Sep-14	Sept -24	20.00	30.00	1,412	72%	20.00	46.38	1,477.98	482.02	75%	-	-	-	-	-	Project completed

Project code	Est. Cost of the project			Start date	Expected completion date	FY 2021/22				FY 2022/23					FY 2023/24					Remarks
	(Financing)					Approved GOK Budget (Ksh M)	Approved Foreign budget (ksh. M)	Cumulative Exp as of 30th June 2022	Completion stage as of 30 th June 2022 (%)	Approved GOK Budget (Ksh M)	Approved Foreign budget (ksh. M)	Cumulative Exp as of 30th June 2023	Outstanding Balance as of 30th June 2023	Completion stage as of 30 th June 2023(%)	Approved GOK Budget (Ksh M)	Approved Foreign budget (Ksh. M)	Cumulative Exp as of 30th June 2024	Outstanding Balance as at 30th June 2024	Completion stage as of 30 th June 2024 (%)	
	Total Est cost of project (a)	G O K	Foreign Financed																	
Kenya Symbio-city Programme	296	-	296	16-May	22-Aug	-	10.6	296	100%	-	-	-	-	-	-	-	-	-	-	Project Completed
Consolidating gains and deepening devolution in kenya programme	3,249	325	2,924	Mar-19	Dec-22	20.00	118.00	256	8%	20.00	136.00	412.00	2,837.00	13%	44.01	0	456.01	2,792.99	16.3%	Project completed
Construction of Kisumu convention centre	890	890		Feb-21	Apr-22	250.00	-	250	28%	-	-	250.00		55%	-	-	-	-	-	Project is stalled
Construction of Nandi Hills	30	30		July-21	Jun-22	30	-	-	100%	-	-	-	-	-	-	-	-	-	-	Project Complete

Project code	Est. Cost of the project			Start date	Expected completion date	FY 2021/22				FY 2022/23					FY 2023/24					Remarks
	(Financing)					Approved GOK Budget (Ksh M)	Approved Foreign budget (ksh. M)	Cumulative Exp as of 30th June 2022	Completion stage as of 30 th June 2022 (%)	Approved GOK Budget (Ksh M)	Approved Foreign budget (ksh. M)	Cumulative Exp as of 30th June 2023	Outstanding Balance as of 30th June 2023	Completion stage as of 30 th June 2023(%)	Approved GOK Budget (Ksh M)	Approved Foreign budget (Ksh. M)	Cumulative Exp as of 30th June 2024	Outstanding Balance as at 30th June 2024	Completion stage as of 30 th June 2024 (%)	
	Total Est cost of project (a)	G O K	Foreign Financed																	
modern social hall																				
Mbita Retail Market / Sirisia social Hall /Bomet and Sotik Retail Market	4.68	4.68		July-21	Jun-22	4.68	-	-	100%	-	-	-	-		-	-	-	-	-	Project Complete
Maarifa Centre	60.53	60.53	0	Jul-2022	Jun-27	0	0	0	0%	5	-	5	-	8%	-	-	-	-	8%	Ongoing

2.3 Review of Pending Bills

The Subsector's outstanding pending bills at the closure of FY 2023/24 was **Kshs.2,727M** for use of goods and services. These included a historical bill of **Kshs.452.56M** court award in favor of Spenco Limited for the acquisition of Non-Financial Assets. The bill was inherited from the former Ministry of Local Government and is expected to grow further due to interest and penalties accruing due nonpayment.

Recurrent Pending Bills

The Recurrent Pending Bills incurred by the subsector in the period under review amounted to **Kshs.708M**, of which **Kshs.691M** was due to lack of budget provision arising out of budget cuts and **Kshs.17.6M** due to lack of exchequer.

Development Pending Bills

During the period under review, the subsector incurred pending bills under development vote totaling to **Kshs.2,139M** comprising of **Kshs.452.56** million court award in favor of Spenco Limited and **Ksh.1,679.56** for use of goods and services.

An analysis of pending bills by nature, type and cause is shown in **Table 2.8** below.

Table 2.8 Summary of Pending Bills by Nature and Type (Kshs. Millions)

S/ No.	Type/Nature	Due to Lack of Exchequer		Due to Lack of Provision			
		2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
1	Recurrent						
	Compensation of employees	0	0	0	0	0	0
	Use of goods and Services e.g. utilities, domestic travel, foreign travel	574.2	1.8	11.98	0	0	0
	Social Benefits	0	0	0	0	0	0
	Other Expenses – Transfers sagas	0	0	0	0	0	0
	Total Recurrent	574.2	1.8	11.98	0	0	0
2	Development						
	Acquisition of Non-Financial Assets	0	0	0	0	0	0
	Use of goods and Services	0	6.9	0	1,679.56	0	0
	Others–Specify–Court judgments-CILOR	0	0	0	452.56	0	0
	Total Development	0	6.9	0	2,132.12	0	0
	Grand Total	574.2	8.7	11.98	2,132.12	0	2,727

Table 2.9: Summary of Court Awards

Details of the Award	Date of Award	Amount (millions)	Payment to date
Spenco Limited		452.56	0
Martin Okoyo	6 th December, 2023	1.78	1.78
Total		454.34	1.78

Constraints and challenges in budget implementation

The following are the challenges faced during the implementation of programs and budget execution of the sub-sector mandate in general;

- a) Inefficient coordination of crosscutting mandate by various institutions in the devolution space;
- b) Inadequate funding to the sub-sector due to budget cuts in Supplementary Estimates which led to below target execution of planned projects and activities;
- c) Delay in release of exchequer;
- d) Large amounts of accumulated prior years pending bills;
- e) Low absorption of grants by counties due to failure to meet the donor conditions; and
- f) IFMIS downtime and specifically at the closure of the financial year which affects commitments for expenditure.

Measures Undertaken to address the Challenges

- a) Adoption of whole-of-the-office approach, enhancing synergy and collaborations;
- b) Capacity building to County governments and review of some of the conditions by the development partners to improve grants absorption by counties; and
- c) Resource mobilization through partnerships.

Emerging Issues

The following are the emerging issues experienced during implementation of programmes and budget execution of the sub-sector mandate in general.

1. Mainstreaming of Climate Change Action into development plans and strategies (establishment of Climate Change Units) in MCDAs;
2. Partnership in performance of exclusive functions by either level of Governments;
3. Increased litigations against the two levels of Government;
4. Increasing clamor by county Governments for enhanced share of revenue from Natural resources.

Conclusion

In conclusion, the performance review for the period 2021/22-2023/24 highlights significant achievements in the management of Devolution affairs. Major accomplishments include the development of key regulations, frameworks, and bills aimed at advancing devolution in Kenya. The legal instruments developed during the review period included the Policy on Devolved System of Government; County Government (General) Regulations, 2022;

Intergovernmental Relations (General) Regulations, 2022; Intergovernmental Relations Amendment Bill, 2023; and the National Civic Education Framework, which were developed and submitted to Cabinet for approval. Over the same period, the Subsector was allocated **Kshs. 8,587.97 million**, while the expenditure during this time was **Kshs. 7,318.83 million**, representing an **85.3% absorption rate**.

However, challenges such as inefficient coordination of crosscutting mandates by various institutions in the devolution space, inadequate funding to the sub-sector due to budget cuts in Supplementary Estimates, delays in the release of exchequer funds, large amounts of accumulated pending bills from prior years, low absorption of grants by counties, and IFMIS downtime at the closure of the financial year have affected the implementation of the sub-sector programs. The Subsector has instituted several measures to address these challenges. These include the adoption of a whole-of-office approach to enhance synergy and collaboration; capacity building for County governments; a review of some conditions by development partners to improve grant absorption by counties; and resource mobilization through partnerships.