

**REPUBLIC OF KENYA**



**THE COUNTY ASSEMBLY OF SIAYA**

**FIRST ASSEMBLY – FOURTH SESSION**

**THE BUDGET, APPROPRIATIONS, FINANCE,**

**PLANNING AND VISION 2030**

**COMMITTEE REPORT ON**

**THE SIAYA COUNTY ANNUAL DEVELOPMENT PLAN,**

**2016/2017**

**MARCH, 2016**

## **PREFACE**

The report on the Annual Development Plan 2016/2017 has been informed by the revised Siaya County Annual Development Plan, 2016/2017 which has been made in line with the provisions of Section 126 (1) of the Public Finance Management (PFM) Act, 2012, and Article 220 (2) of the Constitution of Kenya, 2010 which provides what should be incorporated therein.

Section 126 (3) of the PFM Act, 2012 provides that the County Executive Committee member responsible for Planning shall, not later than the 1<sup>st</sup> September in each year, submit the development plan to the County Assembly for its approval, and send a copy to the Commission on Revenue Allocation and the National Treasury.

The Annual Development Plan (ADP) is a plan drawn from the County Integrated development plan (CIDP) and focuses on the issues of development projects in the County. It is indicative on the development priorities of the County as enshrined in the master plan (the CIDP) which will inform the budget for the subsequent financial year.

The ADP translates to the County Fiscal Strategy Paper for the subsequent financial year; in this case the financial year 2016/2017 in terms of development priorities and therefore is intended to inform the subsequent budget hence being a crucial document in the budget process.

The County ADP should be a milestone that seeks to highlight County development priorities, which eventually spurs economic growth in the County. It should stress on prudent fiscal policy to reinforce County Government's commitment to responsible financial management practices. The PFM Act, 2012 sets a minimum of 30% of total expenditure of budget which should be set aside for development expenditure in the medium term. It is expected that once the development priorities are spelt out in the ADP 2016/2017, this will enable the County meet the threshold of the development expenditure for financial year 2016/2017 as stipulated in the PFM Act, 2012.

In the wake of the soaring wage bill and various economic challenges within the County, there is need to observe strict fiscal discipline while giving close attention to areas that will spur economic growth of the County. Key focus should be put on County priority plans and programs to ensure improved service delivery and prompt implementation of budgeted for activities. Arising from limitation of resources and at

the same time competition for scarce resources between a number of priority programmes, developing a list of priority programmes and projects is essentially important to ensure that those programmes are appropriately implemented.

In this spirit of ensuring that all the above matters are actually achieved and observed within the revised Siaya County ADP 2016/2017, the Committee ventilated through the proposals and from which observations were deduced and recommendations drawn.

The Budget, Appropriations and Finance Committee has therefore examined and discussed the Siaya County Annual Development Plan, 2016/2017 and has made recommendations as contained in this report.

### **COMMITTEE MANDATE**

Mr. Speaker, Sir, the Committee on Budget, Appropriations and Finance was established under Standing Order No. 187 and is mandated to do the following;

- 1) Investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the county budget,
- 2) Discuss and review the estimates and make recommendations to the County Assembly;
- 3) Examine the County Fiscal Strategy Paper, as presented to the County Assembly;
- 4) Examine Bills related to the budget, including Appropriations Bills; and
- 5) Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

## **COMMITTEE MEMBERSHIP**

Mr. Speaker, Sir, the Committee on Budget, Appropriations and Finance, as was constituted by this Assembly comprises of the following members;

Name of Member	Position
1. Hon. Jack Odinga, MCA	- Chairperson
2. Hon. Peter Muhula, MCA	- Vice Chairperson
3. Hon. Joseph Kawuor, MCA	- Member
4. Hon. James Obiero Otare, MCA	- Member
5. Hon. Nicholas Ochieng Aneme, MCA	- Member
6. Hon. William Owiti Angul, MCA	- Member
7. Hon. Sylvester Madialo, MCA	- Member
8. Hon. Margaret Oketch, MCA	- Member
9. Hon. Jared Abayo, MCA	- Member

## **COMMITTEE MEETINGS**

Mr. Speaker, Sir, in reviewing this Siaya County Annual Development Plan, 2016/2017 so as to adequately satisfy and inform itself that it has observed the County development agenda for prosperity and posterity, as highlighted by the County Executive Committee Member for Finance and Economic Planning in the revised Siaya County Annual Development Plan 2016/2017 and ensuring that it is in line with the Constitution and relevant Acts, the Committee held several meetings to consider the proposals. This revised ADP 2016/2017 was submitted to the County Assembly on 7/1/2016 and subsequently laid and committed to this Committee on 10/2/2016 for consideration and subsequent reporting back to the Assembly.

During its sittings to consider this revised ADP, the Committee considered various documents, key among them, the Constitution of Kenya, 2010, the PFM Act, 2012, the County Government Act, 2012, the Siaya County Integrated Development Plan, 2013 – 2017, the Siaya County Budget Review and Outlook Paper, 2014/2015, the Siaya County Annual Development Plan, 2015/2016 and the revised Siaya County Annual Development Plan, 2016/2017. These documents helped inform the Committee in making key observations and consequently recommendations.

## ACKNOWLEDGEMENTS

Mr. Speaker, Sir, first and foremost, on behalf of this Committee I wish to express our gratitude to the offices of Siaya County Assembly Speaker and the Siaya County Assembly Clerk for the support received as it discharged its mandate of examining the Siaya County Annual Development Plan, 2016/2017.

This Committee similarly extends its gratitude to the Finance Department of the Executive arm of the County Government for the role they played in ensuring successful writing of this Committee Report.

Further, I wish to express my appreciation to the Honorable members of the committee who traded off their time to participate in the activities of the Committee and whose dedication and fortitude saw the completion of this report.

Special appreciation also goes to the Secretariat to the Committee who, on several occasions, had to go beyond the normal call of duty. The commitment and devotion to duty of all those involved in this noble task made the work of the Committee and production of this report a success.

Finally, Mr. Speaker, the Committee extends its appreciation to the citizens of Siaya County for their patriotism and input in development programmes and prioritization which has really helped enhance the need identification for the County.

Mr. Speaker Sir, it is therefore my pleasant duty and privilege, on behalf of the Budget, Appropriations and Finance Committee, to table this report and recommend it to the Assembly for adoption. Attached is the Committee Report on the original Annual Development Plan, a report adopted by this Committee in October, 2015.

Signed .....

Hon. Jack Odinga, Chairman,  
Budget, Appropriations and Finance Committee,  
County Assembly of Siaya.

Date .....

## **KEY FINDINGS AND OBSERVATIONS FROM THE SIIAYA COUNTY ANNUAL DEVELOPMENT PLAN, 2016/2017**

During its sittings to consider the revised Siaya County ADP, 2016/2017, the Committee made the following findings and observations;

1. That the document does not clearly indicate how the County Government has responded to both the internal and external changes to the initial plans, i.e. the factors that may have affected the implementation of the budget.
2. That the general legal requirement as provided for under Section 126 (1) of the Public Finance Management (PFM) Act, 2012, and Article 220 (2) of the Constitution of Kenya, 2010 was met in the preparation of this Siaya County ADP, 2016/2017.
3. That this plan does not adequately address equity in the County. There is a skewed distribution of major projects and programmes among the six Sub-Counties.
4. That the ADP 2016/2017 has a total cost of programmes at over Ksh 7 billion. This is despite the fact that some recurrent programmes like compensation to employees and Operations and Maintenance are not captured. However, considering the revenue inflow into the County Government both locally and from the National Government, the County may hardly get Ksh 6 billion as its revenue in the financial year 2016/2017.
5. That the County Government plans to spend Ksh 250 million to tarmac as a flagship project, the Ungas-Sigomre-Ugunja-Ukwala-Rwambwa Road estimated to be 20 km in length. The Committee notes that tarmacking of this road is a National Government function. Further, this road seems longer than the recorded 20km hence its actual length should be confirmed.
6. That in its plan, the County Government intends to establish child protection and gender rescue centres within the County. However, the Committee notes that these are National Government functions. Furthermore, there is no children protection institution within the County hence construction of a dormitory may not be of importance as at now. Therefore, gender rescue and child protection may not be a priority in the County.
7. That contrary to the previous several recommendations by this Committee that no fund should be programmed for before a legislative tool is in place for the implementation of such funds, the County Government has planned for several

funds without a legislation in place. These include the funds for the social services sector, the agricultural sector, the County Cooperative Revolving Fund (Trade Sector), Mechanical Transport Fund (Roads sector).

8. That the County Government has planned to spend Ksh 6 million to establish observation network and downscaling of seasonal, monthly and weekly weather forecast under the meteorological services despite the fact that this function was not devolved to the counties.
9. That the County Government plans to spend Ksh 5 million on irrigation. This amount is unrealistically low hence may not achieve its objective.
10. That the County Government intends to rehabilitate the cotton ginnery at Ndere. However, there is no provision, in the plan, for the promotion of cotton farming before the factory is revived. Further, the County Government has not put in place any plan to provide for the end market after the ginnery – which is just for storage purposes. Also to note is that the ownership of Ndere ginnery should be established first.
11. That the County Government intends to spend Ksh 10 million, Ksh 50 million and Ksh 140 million on the construction of roads (opening, grading and murraming), construction of bridges and maintenance of roads and bridges respectively. However, there are no further details regarding the names and location of the roads and the bridges. This makes it difficult to determine a fair distribution of such projects across the County.
12. The County Government has set aside Ksh 10 million for rain harvesting in public schools complete with gutters. It should be noted that public schools fall under the National Government.

Mr. Speaker, Sir, during Committee sittings to consider the Siaya County ADP, 2016/2017, there were some areas and programmes not captured. This was either in terms of their cost allocation or inadequate information regarding the proposed programmes. To be able to effectively incorporate these projects into the County's budget, more information would be needed to justify their allocations. Such programmes included the following;

1. The County Government intends to spend Ksh 12 million to purchase 6 stand-by generators in the health sector. However, there were no details as how the generators shall be distributed within the County.

2. Regarding the infrastructural development in the health sector, Ksh 8 million has been set aside for the construction of two in-patient wards at Uyawu Health Centre (male and female). However, there was no clarification on the capacity of the intended ward which would guide the cost allocation. The County Government is also intending to budget with Ksh 35 million for the construction of a children ward, a functional outpatient unit, a maternity and a theatre at Urenga Health Centre. The Committee however, learnt that there is already an outpatient unit put up by the Ugenya Constituency Development Fund (CDF) at Urenga Health Centre hence more details are needed as to verify the information.
3. There is a plan to spend Ksh 150 million to construct one water flagship project within the County. However, there were no further details as regards this project; the location of the project, the total cost of the project among others.
4. The County Government has also planned to spend Ksh 35 million on solid waste management but without details on how this will be implemented as well as the locations of the project. There were also inadequate clarifications on the locations of the shallow wells, dams and pans in which the County Government has set aside Ksh 17 million for their construction and rehabilitation. The Committee also questioned the wisdom of putting up of water pans in the current world.
5. The County Government intends to spend Ksh 3 million for restocking of Lake Kanyaboli and 6 other dams with fingerlings. These dams were however not specified.
6. There are plans to develop the infrastructure of selected markets within the County. These markets should be specified in addition to the activities that will be done in each market.
7. The County Government has set aside Ksh 6 million to purchase dairy processing equipment for Mur Malanga and Ladco societies. However, it was not clarified as to whether the equipment will be purchased for individuals or they will remain County Government assets.

## COMMITTEE RECOMMENDATIONS

Mr. Speaker, Sir, the Budget, Appropriations and Finance Committee having examined and discussed the Siaya County Annual Development Plan, 2016, wishes to make the following recommendations;

1. In the subsequent county annual plans, the County Government should strive to clearly indicate how the County Government responds to both internal and external changes to the initial plans. These should include the factors that affect the implementation of the budget and the County's response thereto.
2. In planning for the annual development, the County Government should always ensure equity across the County. This should be given consideration in the preparation of the County Fiscal Strategy Paper, 2016 and the County Medium Expenditure Framework, 2016/2017.
3. While developing a plan for the County, there should be a consideration for the projected County revenue. The County must therefore plan for its priorities within the resource envelop. This will ensure seamless implementation of the programmes.
4. The County Government has set aside Ksh 5 million for promotion of research in and utilization of appropriate building material and technologies (ABMT). However, the Committee recommends that this may not be a priority for the County hence should be considered for shelving. The Committee is also biased in favor of a Public-Private Partnership plan for the implementation of the projects.
5. That Ksh 10 million has been set aside for the construction of ECD Resource complex. The Committee however recommends that this is not a priority for the County hence should be considered with a view for dropping from the budget.
6. The County Government has set aside Ksh 42 million for ICT mainstreaming and infrastructural development of the selected public polytechnics. This Committee however felt that no specifications were given on the polytechnics intended to benefit hence recommends that more details should be provided during budgeting regarding the locations of the expected polytechnics targeted. The County Government should also establish the specific polytechnics in the county that have got boarding programs as well as data on the number of polytechnics constructed since 2013/2014 and which would

need improvement. This would help justify the allocation for the polytechnics. The CECM for Education should prepare and submit before the County Assembly, for information, a policy to set up a County Polytechnic.

7. The County Government should only spend its resources in implementing projects within its functions. With this, no fund should be spent on the national functions. Therefore, Ungas-Sigomre-Ugunja-Ukwala-Rwambwa road; child protection; gender rescue center; meteorological services; water harvesting in public schools; weighbridge among other projects which should be done by the National Government should not form part of the County plans. However, the Committee appreciates the importance of the above mentioned tarmac road and is of the view that if tarmacking of this road could be implemented through a partnership between the County Government of Siaya and the National Government, then it would approve allocation of resources towards the same.
8. Like it had recommended before, this Committee maintains that no fund should be programmed for before a legislative tool is in place for the implementation of such funds.
9. The County Government should consider increasing the allocation for the implementation of the irrigation programme. However, this Assembly should only approve such allocation once the County Agriculture Sector has fully accounted for the earlier allocated funds to this programme. Further, there should be a report on how successful the irrigation project has been and the value it has added to the County.
10. To ensure prudence and economic viability in the public investment within the County, the County Government, under the Trade sector, should submit to this Assembly, a comprehensive policy on the revival of the industries within the County or the initiation of new ones.
11. The County has set aside Ksh 10 million for the establishment of citizen service centres in 2 sub-counties. However, as provided for under Section 119 of the County Government Act, 2012, this should be established to all the devolved units including the ward level. In the meantime, the Committee recommends that the ward offices should be given priority so as to take care of the service centres in the interim. On a similar note, the cost of ward offices should be enhanced taking into consideration the actual cost of construction.

12. On the Spatial plan, given that this project is a Private-Public Partnership (PPP), the total cost of the project should be disclosed as well as the concept paper on the implementation of the plan. The expenditure of the Ksh 41 million earlier allocated for this activity should also be reported.
13. The Ksh 2.7 billion for construction of housing unit for civil servants is not a priority for the county. The Committee recommends that this should be a Public-Private Partnership project.
14. The road networks have not been established in the major towns therefore construction of parking bays may not work well for now. The County Government should also consider Usenge, Bondo, Akala, Segu, Ugunja and Yala for bus parks.
15. The County Government should consider the sub county headquarters of Gem and Rarieda and the planning units should be included in the headquarters. Completion of Ugunja Town Hall should also be given priority.
16. There is already Ksh 92 million for refurbishment of Siaya County Referral Hospital (SCRH) therefore there is no need for additional allocation. Further, there is need for clarification on the total cost needed for completion of the renovation.
17. Folklore is not a priority. If necessary, then it should form part of culture promotion. Further, the museum and talent centre must not necessarily be in Siaya town.
18. In the livestock sector, the proposal on 90 cows and 30 chaff cutters seems to be inadequate for the County. As a precursor to making a decision on this, the Committee recommends that the number of cows and chaff cutters should be enhanced.
19. Under crop husbandry, it was observed that the distribution of seeds in the previous years has been a challenge and the Committee recommends improvement of the mechanisms of the distribution of fertilizers and seeds.
20. Under the fisheries sector, this Committee was not in agreement that fishing gears be purchased for any group. Instead, the County Government should encourage the formation of organized groups in a bid to effectively manage the sector. Such organized groups will grant the fisher folks a pricing bargaining power and also enable them have a good marketing forum.
21. Last but not least, the Committee addressed its mind to the issue of solar lights; it is the Committee's considered opinion that a list of all the markets

targeted for solar lights and the number of lights per market be availed. At the same time, there is need for a relook into the solar light project in view of the intended National Government lighting programme in the urban centres.

## **CONCLUSION**

Mr. Speaker Sir, the Committee therefore requests this Assembly to adopt this report and further resolve that the proposed recommendations as contained in this report on the Siaya County Annual Development Plan, 2016/2017 be adopted.