

OFFICE OF THE DEPUTY PRESIDENT

## REMARKS OF H.E. RIGATHI GACHAGUA, EGH, DEPUTY PRESIDENT OF THE REPUBLIC OF KENYA, DURING THE OPENING OF THE 23<sup>RD</sup> ORDINARY SESSION OF THE INTERGOVERNMENTAL BUDGET AND ECONOMIC COUNCIL (IBEC), ON MAY 6, 2024, AT KAREN, NAIROBI

**Cabinet Secretaries;** 

Principal Secretary for Devolution, Teresia Mbaika; Other Principal Secretaries;

Chairperson, Council of Governors, Anne Waiguru;

**Chairpersons of Independent Commissions,** 

Governors and Deputy Governors;

**County Executive Committee Members;** 

Ladies and Gentlemen;

It is my pleasure to welcome you to this 23<sup>rd</sup> Ordinary Session of the Intergovernmental Budget and Economic Council.

Our being here signifies the importance of the mandate of the IBEC in enhancing consultations between the National Government and County Government, alongside the core agencies.

Through IBEC, we have cultivated and sustained cordial working relations as we transform the lives of Kenyans as per the Plan. Indeed, engagement between the two levels of Government is crucial for faster and equitable social, political, and economic development of this country.

Ladies and Gentlemen;

We have made significant progress towards achieving the resolutions of the 22<sup>nd</sup> Session. An example is the valuation and transfer of assets to Counties. As you may have observed, we have commenced transferring motor vehicles, machinery, and other equipment to the counties. The most recent transfer occurred in Uasin Gishu County.

Additionally, we have finished valuing assets in 30 Counties, and the ownership documentation for transfer is ongoing.

Further, we have concluded the handover of the Construction of County Headquarters in 5 devolved units, including, Tana River, Lamu, Isiolo, Tharaka Nithi and Nyandarua.

These headquarters have been under construction for over 10 years. The respective Counties can now complete their own construction with support from the National Treasury.

There is also steady progress in reduction of outstanding pending bills. As of March 31, 2024, the total amount of pending bills reported by 47 counties was 150.66 Billion Shillings.

This reflects a reduction of 8.61 Billion Shillings over the past 9 months since the start of the FY 2023/24. This represents a decrease of 5.4%. By the end of the Fiscal Year, we anticipate that this figure will decrease significantly.

We need to do more to settle all eligible pending bills and process all that is considered 'in-eligible' to the satisfaction of our businessmen at both levels of Government.

I wish to restate the commitment of the Ruto Administration to timely disbursement of funds to Counties.

The National Treasury also cleared the equitable share to Counties for November and December 2023 as resolved during our 22<sup>nd</sup> Ordinary Session. Despite the fiscal revenue challenges, the National Treasury has also cleared disbursement to Counties up to the end of February 2024, with some, already in receipt of their March allocations.

As of today, 66.5% of the total allocation for the Financial Year has been disbursed.

With the support of the National Assembly, the County Government Additional Allocation Act 2023/24 was passed and accented to by H.E President William Ruto.

Counties are accessing and using additional funds for the benefit of our people.

I urge the relevant institutions to collaborate and seek appropriate amendments to the statutes within the two Financial Years in which the exemption has been granted.

As a result of our 21<sup>st</sup> IBEC resolutions to expand and include more value chains in our Agricultural Sector transformation agenda, my Office has made significant progress in the Avocado and Potato subsectors.

On the other hand, our Dairy, Coffee and Tea subsector reforms have yielded significant results to the farmer.

I wish to urge Counties to enhance Agricultural Extension support to farmers.

As we collaborate to address productivity in the entire economy, we must tackle the threats of the rising wage bill.

The Salaries and Remuneration Commission will be sharing the resolutions of the just concluded Wage Bill Conference, which we need to integrate.

While we seek to strengthen working together in transforming our country, Climate Change is increasingly becoming a threat to our existence.

We moved from one of the longest droughts in four decades, into the deluge of El-Nino. Even before recovery from the adverse impacts of the two disasters, we are in another season of enhanced rains. With more than 30 counties being most affected, no part of our country has been spared to some extent.

While hundreds of our people have been displaced, we have lost more than 210 lives, besides the enormous livelihoods. Roads, bridges and other infrastructure have been destroyed.

Response requires that we enhance collaboration in implementing safety measures as outlined by our President, H.E Dr William Ruto, besides the roadmap to restoring normalcy.

Disaster knows no boundaries between mandates of National and County Governments. We are one Government and saving lives and livelihoods is our Number One Priority. It is encouraging that budgeting for disaster response is one of the agenda items of this Session.

Finally, I wish to thank you all for your invaluable support to our BETA transformation agenda.

**ASANTENI SANA**