Highlights

- In 2015-2016, county spent Ksh 5.2 billion, out of which 40 per cent was spent on social sector.
- The county had an overall budget absorption of 79 per cent in 2015-2016. The study observed that inadequate physical infrastructure/office space to accommodate all staff, and lack of institutional structure and procedures to facilitate works flow were the key factors behind the underperformance.
- The budget allocation and execution of the Health sector of county has steadily improved. However, to further improve the performance of the county on health indicators the county must focus on increasing the share of development budget which was just 31 per cent in 2015-16 (just meeting the PFM Act, 2012).
- The education sector of county had an upward trend in terms of budget allocation and expenditure over the last three years. However the development absorption rate was only 54 per cent in 2015-16 and needs to be reviewed by the county government.
- In the water sector, despite increasing development expenditure, the county faces an acute water problem with low coverage and poor service delivery. The study suggests that the county should take immediate action to improve the development budget absorption.
MARSABIT

Introduction

Marsabit County occupies the extreme part of Northern Kenya, covering an area of 70,961.2 km². The county is divided into 4 sub-counties, 20 wards. The estimated population of the county is around 343 thousand, consisting of 52 per cent male and 48 per cent female.

The county's development plan aims at agricultural transformation in order to enhance food security, investing in infrastructure development especially in areas like energy and water, enhanced economic development, investing in quality and accessible health care services and quality education as part of social development programmes. The interventions in the social sector inter alia include provision of essential services in early childhood education, technical training, health, culture, and sports.

Overall budget/expenditure

In 2013-14, the first year of devolution, the county budget estimate was Ksh 3.8 billion (Figure 1). The county scaled up the budget to Ksh 5.5 billion in the following year, representing a phenomenal increase by 45 per cent. In 2015-16, budget was marginally increased to Ksh 6.2 billion, recording a 6 per cent growth. In 2015-16, 41 per cent was allocated to the social sector out of the overall budget of the county.

In terms of actual expenditure, county spent Ksh 5.2 billion in 2015-16 which was 108 per cent higher than the actual expenditure in 2013-14. In 2015-16, 40 per cent of the total expenditure was spent on social sector.

With the increased budget provisions, the performance of county in terms of budget execution during the reporting period has gradually improved. In 2013-14, the overall budget absorption was 65 per cent mainly due to low absorption of the development budget viz. 35 per cent. The key factors that affected execution of development budget were inadequate physical infrastructure/office space to accommodate all staff (leading to disruption of service delivery to the public), and lack of institutional structure and procedures to facilitate works flow (intermittent use of IFMIS system being one of them). The county took several steps to address these issues (e.g. recruitment and training of chief officers and technical staff; embracing use of IFMIS to process financial transactions, compliance with budgetary timelines) and as a result absorption of development budget significantly improved to 64 per cent. Thus, the expenditure of the county closed in 2015-16 with an
absorption rate of 84 per cent mainly on account of low absorption of funds especially for flagship projects that had been allocated huge amount of funds (CIDP, 2015-16, p 157).

In 2013-14, salary/wage bills amounted to Ksh 595 million, representing 24 per cent of the total county expenditure. The figure went up to Ksh 935 million in 2014-15 mainly due to recruitment of new staff and annual increments in salaries. With Ksh 1.22 billion (out of total expenditure of Ksh 5.2 billion), salaries/wage bills stood at 40.1 per cent of the total expenditure in 2015-16.

### Health

**Marsabit** has 104 health facilities consisting of 4 level IV hospitals, 21 Level III hospitals, three private health centres, and 79 Level II hospitals. The ratio of doctor to patient in the county is 1:63,825 while that of nurse to patient is 1:1,868. This is alarming and needs special attention. More doctors and nurses are required in the county. (See CIDP, 15-16 p 43)

The county’s health indicators reflect a mixed trend. Between 2013 and 2015, the MCH service coverage indicators like 4+ ANC visits, skilled delivery and immunization coverage improved. However, during the same period, exclusive breastfeeding declined from 62 to 37 per cent. The county is also faced with nutrition challenge. It has 27 per cent stunted and 30 per cent underweight children, much higher than the national average of 26 per cent and 11 per cent respectively. While HIV adult prevalence at 1.2 per cent is quite below the national average of 6 per cent, the county still runs high risk of HIV due to several factors such as early sexual debut (55 per cent of individuals have sexual intercourse before the age of 15 years), and a very low utilisation of health facilities (24 per cent) for delivery of the HIV-positive pregnant women (see Kenya HIV County Profiles, 2014).

In 2013-14, the county government allocated Ksh 693 million for health sector, representing 18 per cent of its total budget (Figure 3). In 2015-16, budget was increased to Ksh 1.1 billion accounting for a share of 18 per cent in the overall budget.

In terms of composition, development budget had a share of 36 per cent in the total health budget in 2013-14, which decreased to 31 percent in 2015-16 (Figure 4).

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1 Health Facility Data

http://kmhfl.health.go.ke/#/home
The actual health spending by the county was Ksh 479 million in 2013-14, Ksh 716 million in 2014-15, and Ksh 955 million in 2015-16 representing budget absorption rate of 69 per cent, 83 per cent, and 86 per cent respectively (Figure 5).

The execution of recurrent budget in the first two years was more than 95 per cent, but absorption declined to 90 per cent during 2015-16 (Figure 5). The utilization of the development budget had been much lower than the recurrent budget. In 2013-14, absorption of development budget was 23 per cent, which rose to 46 per cent in 2014-15, and then increased further to 78 per cent in 2015-16. Among others, shortage of all cadres, lengthy process of project documentation, procurement delays, and inadequate project supervision had been responsible for low budget absorption (see CIDP, 2017-18, p 43).

Salary and wages accounted for the largest share in the total health budget (Figure 6). In 2015-16, allocation for salary and wages was 49 per cent, while the shares of construction, refurbishments and rehabilitation of infrastructure accounted for 26 per cent of the health budget.

In the absence of specific budget lines, this brief could not track the county’s own budget and expenditure for nutrition and HIV/AIDS. Keeping in mind the current nutrition conditions, the county should therefore focus on having separate budget lines for the same to enable transparency and tracking of such investments.
Education

Under devolution, the county is responsible for providing pre-primary education as well as for training and skills development of the youth. At present, the county runs 207 early childhood development and education (ECDE) centres and 4 youth polytechnics. In addition, there are 129 primary and 16 secondary schools that are funded and managed by the national government. The number of teachers currently providing basic education is 1912, consisting of 492 ECDE, 1147 primary and 283 secondary school teachers.

Access to education in the county stands lower than the status at national level. As of 2015, in terms of the gross enrolment ratio (GER) and net enrolment ratio (NER) at pre-primary, primary and secondary level, the county is far behind vis-à-vis the national average. The secondary level NER in the county is very low at 15.3 per cent (see Basic Education Booklet 2014, CIDP, 2015-16 p 45).

At present, gender parity index (GPI) values of the county at ECDE, primary, and secondary education level stand at 0.91, 0.93, and 0.59 respectively. The values indicate that boys and girls have nearly equal access to pre-primary and primary education, while at the secondary level enrolment of boys is more than the girls. In fact, the secondary GPI is much lower than the national average of 0.89, which indicates a lower-than-national performance in providing equitable access at all levels of education.

The county’s budget allocation for education was 5 per cent, 3 per cent and 5 per cent in 2013-14, 2014-15, and 2015-16 respectively (Figure 7). In absolute terms, the budget increased from Ksh 177 million in 2013-14 to Ksh 304 million in 2015-16. Over the same period, the recurrent and development budget ratio shifted from 26:74 in 2013-14 to 44:56 in 2015-16 reducing fiscal space for developmental activities (Figure 8).
Between 2013-14 and 2015-16, overall absorption of education budget increased from 55 per cent to 80 per cent and then again dipped to 63 per cent (Figure 9). During the same period, execution of recurrent budget improved from 78 per cent to 84 per cent but declined to 75 per cent in 2015-16.

Though developmental budget increased over the years, actual spending remained far from satisfactory. The absorption rates increased from 47 per cent in 2013-14 to 78 per cent in 2014-15 but then drastically declined to 54 per cent in 2015-16.

Notwithstanding low utilisation of development budget, the county had implemented several projects e.g. including construction and equipping of Early Childhood Education (ECD) classes across the county, recruitment of key personnel for ECD and youth polytechnics and purchase of tools and equipment (For further details see CFSP, 2016 p 14).

In 2015-2016, in terms of composition of the budget, construction of buildings and infrastructure had the largest share of the total budget at 44 per cent. Other major components of the budget were salary and wages and scholarships each comprising of 23 per cent and 10 per cent share of the total budget respectively.

Besides, the county has identified some priority areas which include support the feeding programme in the county; provision of water and sanitary facilities in ECD centres; construct, equip and operationalize existing empowerment centres; conduct talent shows and organize tournaments; youth empowerment and training; establishment of talent centres; conduct drug and substance abuse campaigns (See CFSP, 2016, p 19).
Water Services

Marcabit has no permanent rivers in the county and 60 per cent of the households rely on boreholes, springs and wells. There are 9 dams, 853 shallow wells, 18 protected springs, 17 unprotected springs, 53 water pans and 60 boreholes which serve as the main sources of water in the county. The mean distance to the nearest water point is 25 Km (For details see CIDP, 2015-16, p 41). Between 2013 and 2016, the water coverage in county decreased drastically from 68 per cent to 22 per cent. Also, county population within service areas of WSPs remained constant at 14 per cent in 2013 and 2016. Also, the non-revenue water increased from 33 per cent to 55 per cent in the same period, which is much higher than the Kenya water sector benchmark of 25 per cent.

The county's budget allocation for water was 9 per cent, 12 percent and 14 per cent in 2013-14, 2014-15 and 2015-16 respectively (Figure 11). In absolute terms, the budget was steadily increased from Ksh 331 million in 2013-14 to Ksh 636 million in 2014-15 and Ksh 904 million in 2015-16. Over the same period, the recurrent and development budget ratio shifted from 40:60 in 2013-14 to 14:86 in 2015-16 creating more fiscal space for developmental activities (Figure 12).

Source: Based on the IFMIS data received for 2015-16
Between 2013-14 and 2015-16, overall the absorption of water services budget decreased from 85 per cent to 69 per cent in 2014-15 but increased to 81 per cent in 2015-16.

The high utilisation of the water development budget could be substantiated by implementation of several projects e.g. construction of medium-sized dams, drilling of boreholes across the county since 2013, rehabilitation by expanding and de-silting water pans, expansion of water pipes, translating into new connections across the county (see The Power of Devolution, 2016 p 36).

Infrastructure building accounted for the largest share in the total water services outlay. In 2015-16, the allocation for infrastructure was 73 per cent while the share of water supplies and operating and mainatainace were 12 per cent and 8 per cent respectively (Figure 14).
Technical Note

- The social sector analysis is based on the financial data of the following departments, viz. (a) county health services; (b) education youth affairs; and (c) water services.

- In 2014-15, Budget and Expenditure data entry have been sourced from Annual IFMIS report. For 2015-16, due to lack of disaggregated budget and expenditure data, only total values from County Budget Implementation Review Report of 2015-2016 have been sourced.

- Programme Based Budget (PBB) for the county was not available.

- Though Culture and Social services exists as a separate department, but due to lack of disaggregated programme wise budget and expenditure data (specifically for social protection/child services) it hasn’t been mentioned in the budget brief.

- Due to absence of specific budget lines, the study could not track and comment on allocation/expenditure for HIV, sanitation and nutrition related activities.