

## Context

- Counties receive close to 80% of their funding from the National Government
- Generate 10% of funding from local property rates, taxes, utilities etc
- Major county revenue streams that support critical local services are at risk due to measures put in place to prevent the spread of COVID-19 e.g. Closure of livestock markets and other businesses



## Our innovative approach

- Structured questionnaires emailed to departments related to the livestock sub-sector, responses were analyzed to inform conclusions

# The fiscal impact of COVID-19 on county finances



## Case of 5 Counties in northern Kenya

County governments are facing budgetary constraints as a result of COVID-19

- Study counties have so far allocated ~10% of their 2019/20 budget to COVID-19 related activities
- Re-allocation of funds from development sectors into the health sector (COVID-19 related)-now a priority
  - E.g. in Wajir 50% of the donor funding initially made for nutrition interventions was redirected to COVID-19 - Grim implications to nutrition security in the region

## Study results and potential Impact

- Counties are experiencing an unprecedented rise in COVID-19 related expenditures
- Reduction of county-generated revenue is likely to result in cuts in essential county services and stress the ability of counties to meet their obligations
- Re-allocation of funds to COVID-19 threatens the counties' already fragile nutrition and food security situation

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LIVELIHOODS &  
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KENYA

ACCELERATED VALUE CHAIN  
DEVELOPMENT PROGRAM

## Future steps

- Efforts to reopen the markets to prevent further deterioration in the livelihoods of people and institutions who depend on them
- Develop a set of standard operating procedures/protocols to guide actors in the livestock markets
- The national and county governments should jointly establish mechanisms to support SMEs revive their businesses, particularly those that create employment