



REPUBLIC OF KENYA
COUNTY GOVERNMENT OF NYANDARUA
THE COUNTY TREASURY



NYANDARUA COUNTY FISCAL STRATEGY PAPER
2016

ACHIEVING SUSTAINED DEVELOPMENT AND ECONOMIC
EMPOWERMENT OF THE PEOPLE

FEBRUARY 2016

NYANDARUA COUNTY FISCAL STRATEGY PAPER 2016

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FOREWORD

One of the key stages in the county budget cycle is the preparation of the County Fiscal Strategy Paper (CFSP). This is an annual paper that shows the various fiscal strategies a County Government intends to employ to meet its overall objective of improving the livelihoods of its citizens.

As a build-up on the County Budget Review and Outlook Paper (CBROP) 2015 which analysed the performance in the 2014/2015 financial year's budget, scanned the current year's fiscal environment and provided an outlook for the 2016/2017 and the medium term, this CFSP shows the allocation of resources in all sectors and programmes. Key considerations in all the sectors are the priorities as put forth in the CIDP 2013-2017 and the ADP for the 2016/17 FY. In ensuring fulfilment of the 2016/17 budget aspirations, whose theme is "*Achieving sustained development and economic empowerment of the people*", the following pillars will need to be addressed: a) Continuous Improvement of the Infrastructural facilities within the county; b) Investing in quality and accessible health care services and quality education; c) Offering quality and accessible services to the people; d) Improvement in resource mobilization for sustained development; and e) Tapping the under exploited and unexploited resources.

The main sources of County revenue in the medium term will be equitable share from National Government, local revenue collections and donor funding. In the 2016/17 FY and the medium term, the County Government proposes a series of measures to increase revenue and balance its fiscal spending. The County will thus focus on strengthening the potential it is endowed with to stimulate economic growth and development. The County Government's fiscal policies in 2016/2017 will focus on re-orientation of expenditure from recurrent to development.

This paper therefore puts into perspective how the County anticipates to expend its scarce resources in the 2016/17 FY and the medium term.



HON. NDERI NDIARI

**COUNTY EXECUTIVE COMMITTEE MEMBER-FINANCE AND ECONOMIC
PLANNING.**

ACKNOWLEDGEMENTS

This paper is a buildup of the County Budget Review and Outlook Paper (CBROP) 2015 and provides a fiscal framework for implementation of the 2016/2017 budget and medium term. Preparation of the 2016 County Fiscal Strategy Paper (CFSP) has been a collective effort of a team in the County Treasury who spent a considerable amount of time putting it together. Special appreciation goes to the CECM for Finance and Economic Planning Hon. Nderi Ndiani for his leadership and policy guidance.

We give gratitude to the County Finance and Planning team core team lead by Mr. Daniel Mwaura, Director Economic Planning and Statistics. The other members included: Mr. David Ndirangu- Deputy Director, Economic Planning; Ms. Virginia Karanja- Deputy Director Budget; Stephen Mwai - Senior Accountant; Mr. Willy Gichora- Principal Economist; Mr. Simon Irungu Senior Economist; Ms. Dorcas Mbugua- Senior Economist; Mr. Muigai Wainaina- Ag. Head of Macro Unit; Ms. Rachel Githumbi Senior Economist and Ms. Virginia Muthoni- Economist.

We also highly acknowledge the contribution of the Chief Officers, members of the public, the County Budget and Economic Forum and other key stakeholders who provided vital information and took time to review the drafts and provided input.

MICHAEL KAMAU KURIA

CHIEF OFFICER, FINANCE AND ECONOMIC PLANNING

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CHAPTER ONE: BACKGROUND INFORMATION

1.1 Introduction

This chapter outlines the legal basis upon which the CFSP is prepared and specifies objectives of the CFSP. It also highlights the fiscal responsibility principles that stipulates how county resources will be expended.

1.2 Legal Basis

Preparation of County budget is a process guided by various legislations. They include the Constitution of Kenya, the County Government Act 2012 and the PFM Act 2012 among others.

Chapter 12 of the Constitution of Kenya on public finance explains the form, content and timing of county budgets. Article 220(1) of the Constitution stipulates that Budgets of the national and county governments shall contain—

- (a) Estimates of revenue and expenditure, differentiating between recurrent and development expenditure;
- (b) Proposals for financing any anticipated deficit for the period to which they apply; and
- (c) Proposals regarding borrowing and other forms of public liability that will increase public debt during the following year.

Article 220(2) of the Constitution of Kenya states that national legislation shall prescribe—

- (a) The structure of the development plans and budgets of counties;
- (b) When the plans and budgets of the counties shall be tabled in the county assemblies; and
- (c) The form and manner of consultation between the national government and county governments in the process of preparing plans and budgets.

It is in fulfilment of the requirement of the constitution that the PFM Act 2012 was enacted to, among other things, guide the preparation of the County budgets.

Section 117 of the PFM Act 2012 provides that a County Treasury;

- 1) Shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and shall then submit the approved Fiscal Strategy Paper to the County Assembly, by the 28th February of each year;
- 2) Subsection 5 of 117 states that in preparation of the CFSP the County treasury shall seek and take into account the views of
 - The Commission on Revenue Allocation
 - The Public
 - Any interested persons or groups
 - Any other forum that is established by legislation
- 3) Additionally the County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the County Assembly.

1.3 Objectives of the CFSP

The main objectives of the CFSP are to specify:

- The county's broad strategic priorities and policy goals that will guide in preparation of its budget for the coming financial year and over the medium term;
- The county's financial outlook with respect to revenues, expenditures and borrowing for the coming financial year and over the medium term;
- A review of the current financial year and the projected state of the economy for the medium term;
- Revenues targets, aggregate expenditure, domestic and external borrowing for the following financial year and the medium term,

- Resources allocated to individual programmes within a sector indicating the outputs expected from specific programme during that period and
- Criteria applied in apportioning the scarce public resources among the various programmes.

1.4 Fiscal responsibility principles

Section 107(2) the PFM Act, 2012 sets out the following fiscal responsibility principles to ensure prudent and transparent management of public resources:

- i. The County Government's recurrent expenditures shall not exceed the County Government's total revenue;
- ii. Over the Medium Term , a minimum of thirty percent of the County Government's budget shall be allocated to the development expenditures;
- iii. The County Government's expenditures on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the Executive Committee Member for Finance in regulations and approved by County Assembly;
- iv. Over the Medium Term the government borrowing shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
- v. The county debt shall be maintained at sustainable level as approved by county assembly;
- vi. The fiscal risks shall be maintained prudently; and
- vii. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained taking into account any tax reforms that may be made in the future.

The county will ensure that it observes these principles in its budget preparation and implementation.

CHAPTER TWO: ECONOMIC OUTLOOK

2.1 Introduction

This chapter highlights the recent economic situation in the two levels of government, national and Nyandarua County. It also identifies the relationship between the county and the national economy while recommending various fiscal measures to be employed in the prudent use of the county's resources. Various risks and challenges in the medium term have also been identified.

2.2 Pillars for the 2016/17 County Budget

The County Government has been implementing budget since its inception in 2013. Experience gained since then has enabled the County through its county Treasury, lay a framework that will enable it prepare and implement its budget in a prudent manner.

To ensure success in implementation of the 2016/17 FY Budget and the medium term, the following pillars will guide the spending units to actualize the theme of this budget "*Achieving sustained development and economic empowerment of the people*". The pillars include:

Pillar 1: Continuous improvement of the infrastructural facilities to transform the county economy. This pillar addresses the poor and inadequate state of the county infrastructure in terms of road conditions and buildings. Allocation of money and spending will be aimed at improvement of road conditions, buildings, drainage systems and water systems.

Pillar 2: Investing in quality and accessible health care services and quality education. The health and education subsectors will champion the improvement of the human capital in the County as they are key in development. Investment in curative, preventive, youth training, ECD training, alcohol control, gender and social development will help build the human capacity.

Pillar 3: Offering quality and accessible services to the people. The County Government exists to offer services to its residents. The services

offered are well articulated in the fourth schedule of the Constitution. Therefore the County Government will spend monies to ensure that the various points of county service delivery are filled and ensuring accountability in usage of County resources. This will be attained through proper economic planning, monitoring and evaluation.

Pillar 4: Improvement in resource mobilization for sustained development. The County Treasury in collection of its revenue will ensure that all the canons of taxation are applied. The treasury will ensure that maximum revenue is collected efficiently, economically, productively, equitably, conveniently and timely.

Pillar 5: Tapping the under exploited and unexploited resources. The County through the various departments will explore all means possible to ensure the hitherto unexploited or underexploited resources are converted to productive ventures. Spending will be aimed at harnessing the niche products at our disposal. In Tourism for instance the budget aims at diversifying tourism from the traditional to unconventional products such as agro tourism, education tourism among others. Cottage industries will be expanded in the County to create employment opportunities. In agriculture, there will be exploration of all avenues possible to ensure that the mainstay of our County economy is maximally exploited. Spending will be channeled towards supplying certified inputs at an affordable cost, extension services, farm mechanization, sustainable land management, post-harvest management, pests & diseases control and irrigation.

2.3 National Economic Outlook

Changes in the world economic scenario has greatly affected the key national sectors socio-economically. Many sectors are sensitive to what is happening externally. The volatility of the foreign exchange rate is a prime example of how national macroeconomic variables can be affected and also has an effect in the counties. Fuel and energy price fluctuations though regulated by the Energy Regulatory Commission have a wider effect in terms cost of production. Dependence on fuel generated from outside the country makes

the economy vulnerable. In the financial sector the cost of credit is volatile. Whenever the finance cost hikes the economy stutters as investments will dwindle. However anticipated increase in remittances from abroad will help in bolstering investments and forex. Vulnerability to the global financial tightening will cause lending rates in the Kenyan economy to fluctuate with the US Federal Reserve anticipated to raise their interest rates.

The general commodity prices have relatively stabilized with the inflation rate at the month of November 2015 being 7.32%. This will ensure that the consumption patterns in the economy will be a bit favorable which is good for producers and traders especially considering that our economy is free market.

Growth in the economy is mainly expected to be supported by expansion in infrastructure, manufacturing, finance, risk/portfolio management, information technology, extractive industries, tourism, transport, agriculture and general commerce. Expansion of Public Private Partnerships (PPPs) will greatly assist in bridging the gap in resource scarcity in the country. Foreign Direct Investment (FDI) have continuously increased as the Government continues to ease the requirements in starting up businesses. With a GDP annual growth of about 5.5 % as at June 2015, there is need to come up with policies both fiscal and monetary policies to reinvigorate the expansion of the economy towards the 10% growth rate envisaged in the Kenya Vision 2030. Reorienting the exports from local and regional market to the global market is one of the key ingredients for improvement in the balance of trade.

2.4 County outlook for the Medium Term

The county realizes that it is not operating in a vacuum, with knowledge that major changes in economic and financial trends in the country will affect the revenue and expenditure trends by the County Government. Undesired shift in expenditure trends due to economic shocks will delay the development agenda for the county. Economic changes like inflation and exchange rates, will most likely affect the county's products value. Thus, how the county plans to mitigate for these exogenous shocks will determine how much the

county's economy will grow. The incidence of such shocks are ultimately borne by the hard-working citizens in the county.

For the three years that County Governments have been in place, different experiences have been gained. Numerous positive experiences have helped the county improve in its planning, budgeting and implementation of its projects. Aligning of the County plans to plans with national outlook such as the Vision 2030, the Medium term Plan (MTP II), MDGs succeeded by the Sustainable Development Goals (SDGs) among others has eased in implementation and tracking of the progress in development.

Based on the strengths of the County, key sectors will need to be addressed with a “prejudice” as they are envisaged to have a higher multiplier effect in growing the County economy. Resource allocation in key sectors in the county will be championed to come up with programs which have a wider impact as far as the county citizens are concerned. There will also be need to mainstream areas which have hitherto been given low attention but have ability to be key contributors to the county wealth creation.

Agricultural sector is widely regarded as one that gives impetus to the County Economy. The strengths in agriculture sector within the county are horticulture, Dairy farming and fish farming. The sector is still operating at its primary level of production. Nevertheless, the sector is striving to embrace value addition in all its products to make sure that the farmers' incomes burgeon.

Tourism, sports, general commerce, technological innovations, artistic ventures and transport will be addressed to ensure they become part of the main employment creation avenues. Investment in other enabling sectors such as the human resource and infrastructure will continue for the benefit of all the players in the county economy.

In determining the county's medium-term strategic objectives, it will be necessary to factor in how changes in environment, economic and financial trends will impact the County's current priorities as contained in this Fiscal Strategic Paper. As a player in the national economy, Nyandarua County will strive to play a crucial role in contributing to the regional, national and global development. Investments in key sectors in the county will help in bolstering the economic output of the county.

The county is currently in the process of preparing to hold its first investment conference. During the conference the county intends to showcase all its potentials for investment and how it will create an enabling environment for people intending to pump their private resources into the county. The existing trade environment provides various opportunities for the County to greatly shift their production from subsistence and local market to exports. Regional trade and finance blocks (between county governments) will be put in place to have greater bargaining power and assist in exploring new untapped markets.

Investment in infrastructure over time has greatly improved accessibility of remote areas. Improved road infrastructure will greatly improve accessibility across the county. Programmes and investments to improve productivity and competitiveness, particularly in core productive sectors and new areas with potential, such as mechanized agriculture will be initiated. These reforms will complement structural shifts that are already under way in the main sectors of the economy.

In continuance of its core mandate of improving the livelihood of its citizens, the County Government will strive to invest prudently the available resources in areas perceived to be able to;

- ✓ Increase the wealth of the county,
- ✓ Create employment for its citizens,
- ✓ Build the capacity of its residents,
- ✓ Utilize available raw/untapped materials and
- ✓ Improve transport and communication in the county.

2.5 Medium term risks & challenges

Over the medium term, the county anticipates to encounter the following risks and challenges in implementing its development agenda:

- (1) Global shocks.** Uncertainties in future economic performance associated with global and national influences such as price of crude oil that affect cost of production, and exchange rate fluctuations will eventually have an impact on the performance of the county's economy.
- (2) Insecurity threats**
- (3) Country's financial shocks.** Domestic borrowing and its effect on interest rates will influence the performance of the county economy.
- (4) Unreliability of local revenue flows.** The county is agro based. Unreliable weather conditions poses a major risk to the county economy and the county's projected revenue since agricultural produce cess continues to be among the highest local revenue source.
- (5) Recurrent Expenditure.** The county wage bill continues to be a great concern in implementation of the budget thereby hindering realization of the County's fiscal goals. Additional recruitment of staff will need to be based on the outcome of job evaluations to achieve a lean and efficient workforce and a sustainable wage bill.
- (6) Electioneering mood.** The budgets for 2016/17 and 2017/18 will be implemented in an election year. Political goodwill will be required to implement the budget to meet its objectives.

CHAPTER THREE: FISCAL POLICY AND BUDGET FRAMEWORK

3.1 Introduction

This chapter provides the county's fiscal policy, how the county will observe the fiscal responsibility principles and the fiscal reforms the county will implement to improve its fiscal performance. The chapter also outlines the county budget framework for 2016/2017 and the Half year fiscal performance for 2015/2016.

3.2 Prudent Fiscal Policy

The county fiscal policy covering the collection and spending of funds is inbuilt in the operations of the county government. The impact of County government fiscal policy will be reflected in the county's contribution in improving the livelihoods of the residents. The County treasury's mandate will involve managing the budget process in an efficient and effective way. The County's economic policy will be pursued along the fiscal policy of the County Treasury.

The 2016/2017 – 2018/19 Medium-Term Fiscal Framework for the County is targeted at ensuring provision of essential County government services and supporting business growth. The County's policy will be to continue with the fiscal balance through a balanced budget which will ensure the level of expenditure continues to sustain growth through continued investment in infrastructure and business development.

The County Treasury will continue to tighten the fiscal policy to avoid fiscal deficit. This will be achieved through strengthening revenue mobilization, containing unproductive expenditures and leakages during the medium term period. The budget deficit will therefore be expected to remain at zero in the medium term as the freeze on county borrowing holds.

In the long term, however, efforts will be made to maintain the budget deficit at less than five percent of total expenditure to secure the County's fiscal sustainability.

This policy will be achieved through the County Government's commitment to ensure a strong local revenue collection and management which is in line with best practices.

3.3 Observing fiscal responsibility principles.

In order to comply with the fiscal responsibility principles as outlined in section 107(2) of the PFM Act 2012, the county will continue working with the following institutions for effective public expenditure control:

Executive Control: This will be exercised through the County Treasury in conjunction with other departments. The county treasury will manage, supervise, control and direct all matters related to financial affairs. The accounting officers in the departments will ensure accuracy, propriety and accountability in expenditure.

Legislative (County Assembly) control: The Authority of raising revenue and their appropriation is provided by the County Assembly. The County Executive will work closely with the county assembly to ensure legitimacy of collection of taxes and appropriation of the same.

The Controller of budget: the office of the controller of budget will oversee the implementation of county budgets by authorizing withdrawals from the county revenue fund.

The Auditor General : The office of the Auditor general will be involved in auditing the accuracy of all accounts, the propriety of the expenditure and the appropriateness of all county public finance matters.

By working with these institutions the county will ensure efficiency, effectiveness and guard against unauthorised expenditure.

Expenditure control instruments

The county treasury will apply and enforce the following techniques for control:

Line item appropriations- this will confine discretion over spending within specific items. Departments will only be allowed to spend for those items of expenditure approved in the budget.

Use of monthly expenditure returns: regular financial information supplied to the county treasury at monthly intervals will show the trend of expenditure in the line department. This will facilitate the tracking of effectiveness in the implementation of budgets.

Monthly ceilings: this will provide the limit of resources (exchequer releases) available for the departments and hence the allowable expenditure limit in the relevant month.

3.4 Fiscal Structural Reforms

The County has great potential to improve its revenue collection and administration. This will be achieved by improving efficiency in collection, enforcement of revenue collection guidelines and employing new methods to enhance revenues.

The improvement in County revenue collection and administration will be informed by the need to reduce the cost of revenue collection through offering more innovative and efficient procedures. The focus of the county government will be to sustain the ongoing reforms in revenue collection and administration. To achieve this, the county will leverage on the following:

(a) Legislation

The County government will enact the required legislation to anchor its revenue administration process. These will include legislation on property rates, County revenue administration and trade licenses. There will be adequate public participation in the public finance management to increase the compliance of rate payers while at the same time reducing the incidences of litigation against the County.

(b) Policies and Guidelines

The County will develop policies and guidelines to align its revenue administration activities to the law and best practices. These guidelines will ensure consistency in the execution of duties by all staff removing any ambiguities in revenue administration. The policies will cover the following areas:

- i. Policy on Waiver of Fees (will provide guidelines on who qualifies for waivers and on what circumstances)
- ii. Policy on Payment of Fees and Charges (will provide clear information on the allowed modes of payments, and where they should be made).
- iii. Policy on Banking of Revenue (will provide information on the duration within which revenue is expected to be banked and the consequences of non-compliance)

(c) Computerization and Automation

The County plans to computerize and automate all the activities related to revenue administration. This will involve the following:

- i. improvement of the management information system to be capable of performing certain accounting activities automatically, e.g. billing, bank reconciliation;
- ii. Establishment of a data base of all tax payers;
- iii. Provision of remote payment options. E.g. through M-Pesa, credit/debit cards and other online options;
- iv. The use of mobile automated mobile devices revenue collection devices; and
- v. Provision of avenues for Customer self-service e.g. printing of online statements and receipts.

(d) Leverage and maximize on the role of auditing (internal and external).

This will ensure compliance as well as evaluate effectiveness of internal controls in revenue administration. It will involve regular audits with dedicated follow up of auditor's recommendations.

(e) Unique coding of all payments.

This will allocate each payment a unique number that will capture all the inherent characteristics of the payment. This will facilitate reconciliation of the individual revenue stream.

(f) Enforcement

The county will ensure enforcement of rules and regulations governing revenue administration. This is in recognition of the fact that use of penalties and fines will only act as a deterrent if the consequences of non-compliance are guaranteed to all rate payers.

(g) Harmonization of revenue collection from all devolved functions

Clarity of purpose will assist in demarcating the roles of both levels of county government. This will be reflected in the passing of conducive/supporting legislation by the county assembly to harmonize revenue collection from all the devolved functions. Ultimately, this will result in all revenues from devolved functions especially agriculture and health being forwarded to the County Revenue Fund account.

3.5 County Budget Framework for 2016/17FY

The County's 2016/17 budget framework is set against the background of the medium-term fiscal framework and the strategic objectives as outlined in the County Integrated Development Plan.

Table 1 : Nyandarua County Fiscal Framework for 2016/2017 and the Medium Term

Fiscal Framework for 2016/2017-2017/2018				
REVENUE				
	2014/15 (actual)	2015/16 (Revised estimates)	2016/17 projected	2017/18 projected
National Transfers	3,758,296,517	4,307,070,831	4,731,317,027 ¹	5,015,196,049
Local Collections including F.I.F,VSDF	240,629,472	392,000,000	430,000,000	455,800,000
Maternal health care	-	50,716,400	50,740,000	53,784,400
Road maintenance Levy fund	-	54,714,122	71,407,030	75,691,452
Roads 2000	-	73,000,000	0	-
User fee foregone	-	13,898,986	13,898,986	14,732,925
Leasing of medical equipment	-	95,744,681	95,744,681	-
Donor fund- DANIDA	16,480,123	18,860,000	18,860,000	-
Balance B/F	479,953,921	591,051,795	0	-
TOTAL	4,495,359,910	5,597,056,815	5,411,967,724	5,615,204,826
EXPENDITURE				
Recurrent	2,593,422,152	3,376,064,730	3,517,779,021	3,649,883,137
Development	1,310,885,964	2,220,992,085	1,894,188,704	1,965,321,689
TOTAL	3,890,964,587	5,597,056,815	5,411,967,724	5,615,204,826
Balance C/F	591,051,794	-	-	-

Source: Nyandarua County Treasury & Draft Budget Policy statement 2016

¹ Provisional allocation as per the draft Budget Policy Statement (BPS) 2016

3.5.1 Revenue projections

The projected resources accruing from the national government for the financial year 2016/2017 will be Kshs. 4,731,317,027. Additionally it's projected that revenue from local collections will amount to kshs. 430,000,000. This will include monies collected from issue of business permits, payment for land rates, royalty fees, produce inspection fees, facility improvement fund, and veterinary services development fund among others.

The County also expects to receive funds from Danida (kshs 18,860,000) and some conditional grants from the national government. In total, the county's projected resource envelope for 2016/2017 will be KShs. 5,411,967,724.

The locally mobilized resources will account for 8% of the 2016/2017 budget, while resources from the equitable share will account for 87%. The balance 5% will be conditional grants from Danida and the national government.

3.5.2 Expenditure projection

Based on the county's fiscal policy and in compliance with the fiscal responsibility principles outlined above, the county's expenditure for the budget period in 2016/2017 is projected as follows:

a. Recurrent Expenditure

Recurrent expenditure is projected to be at 65% of total expenditure. This will however be spent to support capital expenditure in line with the programme based budgeting framework. This will go a long way in supporting robust economic growth in the County while ensuring prudence and caution in the application of resources.

b. Development Expenditure

Development expenditure in 2016/2017 and the medium term is projected at 35% of total expenditure. This is Consistent with the objective of progressively allocating more resources for critical development projects.

The projection is based on the assumption that there will be high absorption capacities for the spending agencies for development funds and that there will be continued implementation of the county government's development agenda by investment in high impact flagship and other projects as outlined in the CIDP.

3.6 County 2015/16 First Half-year fiscal performance

The county 2015/16 first half year performance indicate that the county had been able to absorb 80% of the total funds released as illustrated in the table below.

Table 2: 2015/2016 first half year performance

	2014/15 (actual)	2014/15 1 st Half year	2015/16 1 st Half Year
Revenue			
Balance B/F	479,953,921	398,881,333	591,051,794
National Transfers	3,758,296,517	1,089,905,991	1,421,333,373
Local Collections	240,629,472	52,118,413	87,643,134
Donor fund	16,480,123	8,240,000	0
Maternity Fee		0	17,346,170
TOTAL	4,495,359,910	1,549,145,737	2,117,374,471
Expenditure			
Recurrent	2,593,422,152	940,681,438	1,343,541,880
Development	1,310,885,964	112,020,260	367,453,621
Total	3,890,964,587	1,052,701,698	1,710,995,501
Balance c/d	591,051,794		

3.6.1 Revenue performance

In the current budget year, 2015/16, the county expects to have received a total of Ksh. 5,577,056,815 from the various sources such as: National transfer as part of the equitable share, local collection, donor funding and conditional grants from the national government.

In the period July to December, 2015 the county had received total of Ksh. 2,117,374,471 comprising of Ksh. 1,421,333,373 from National transfer, Ksh. 87,643,134 local collection, Ksh. 17,346,170 conditional grant for maternal health and Ksh. 591,051,794 as balance brought forward.

The total receipts of Ksh. 2,117,374,471 was an improvement compared to the Ksh. 1,549,145,737 received in the same period in the financial year 2014/15. The

3.6.2 Expenditure performance

The County total outlay for the 2015/16FY is expected to be Ksh. 5,577,056,815. Out of this, Ksh. 3,376,064,730 (60%) is meant for recurrent expenditure and Ksh. 2,220,992,085 (40%) is meant for development expenditure.

In the period July to December 2015, the county had spent a total of Ksh. 1,710,995,501 comprising of Ksh. 1,343,541,880 (47.9%) on recurrent expenditure and Ksh. 367,453,621 (24.9%) on development expenditure.

This is an improvement from Ksh. 1,052,701,698 spent during the same period in the year 2014/15.

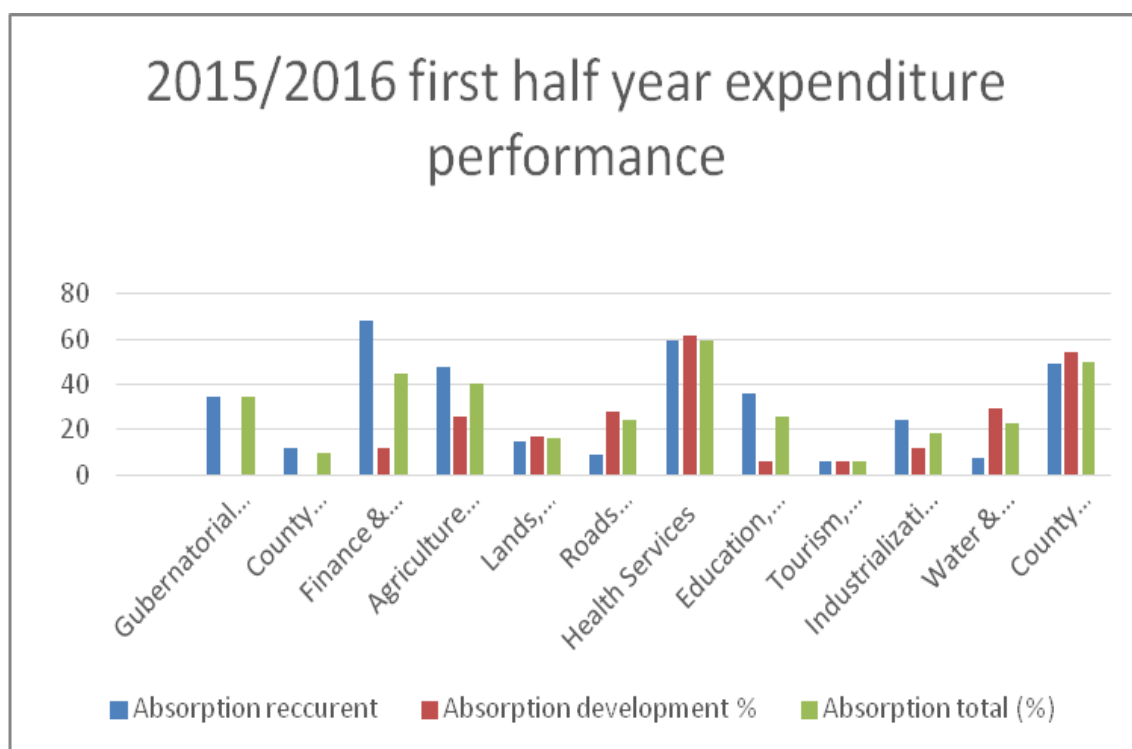
3.6.3 Departmental 2015/2016 first half-year expenditure

Departmental half year expenditure analysis shows that the Departments have been able to absorb 35.6 % of the budget as shown in the table below.

Table 3 : Departmental 2015/2016 first half year expenditure

MINISTRY	BUDGET ESTIMATES	Recurrent Expenditure 1 ST HALF yr	Development Expenditure 1 ST HALF yr	Total Expenditure 1 ST HALF yr	Absorption rec. %	Absorption dev. %	Absorption total (%) 1 ST HALF yr %
Gubernatorial Office	193,882,717	66,523,547	-	66,523,547	34.3	0.0	34.3
County Attorney, E-Government & Intergovernmental Relations	70,670,000	7,068,720	-	7,068,720	11.8	0.0	10.0
Finance & Economic Planning	709,816,672	279,817,214	35,698,807	315,516,021	67.9	12.0	44.5
Agriculture Livestock & Fisheries	354,956,608	116,200,359	28,227,157	144,427,516	47.4	25.8	40.7
Lands, Housing & Physical Planning	128,800,000	7,693,421	13,032,886	20,726,307	15.0	16.8	16.1
Roads Transport & Public Works	565,137,540	9,899,221	126,667,832	136,567,053	9.0	27.8	24.2
Health Services	964,813,000	516,445,045	58,663,317	575,108,362	59.4	61.7	59.6
Education, Gender, Youth, Culture and Social Services	321,590,779	75,221,425	7,040,000	82,261,425	35.9	6.3	25.6
Tourism, Wildlife and Sports	45,872,424	1,513,501	1,210,762	2,724,263	5.9	5.9	5.9
Industrialization Coop, trade and Enterprise Development	93,233,000	11,959,854	5,264,292	17,224,146	24.5	11.9	18.5
Water & Environment	261,432,000	5,990,698	54,054,889	60,045,587	7.7	29.4	23.0
County Assembly	570,000,000	245,208,876	37,593,679	282,802,555	48.9	54.5	49.6
TOTAL	4,280,204,740	1,343,541,880	367,453,621	1,710,995,501	47.9	24.9	40.0

Figure 1



As indicated in figure 1 the department of health had the highest absorption at 59.6%. The department spent 59.4% of its recurrent budget and 61.7 % of its development budget in the first half. This was an improvement from the first half of 2014/2015 when the department absorbed 42 % of its recurrent budget and 50 % of the development budget.

The department of tourism and sports on the other hand had the least absorption at 5.9%. It spent 5.9 % of its recurrent budget and 5.9% of its development expenditure in the first half.

Recurrent expenditure

Department of Finance and Economic Planning had the highest absorption on recurrent expenditure (67.9%) while Tourism and Sports had the least absorption (5.9%) in the first half.

In contrast, in first half of 2014/2015 FY, the County Assembly had the highest absorption (45%) and department of ICT and E government had the least absorption (1%)

Development expenditure

Department of health services had the highest absorption for development funds (61.7%) in the first half while the county attorney, E government & intergovernmental relations had the least.

The first half year absorption by the other departments was as indicated in figure 1 above.

CHAPTER FOUR: MEDIUM TERM EXPENDITURE FRAMEWORK

4.1 Introduction

In accordance with the provisions of the constitution and PFMA on enhancing openness and accountability in public finances, the County Government will facilitate full participation of the people in the budget making process as well as observe fairness in allocation of resources.

The sectoral allocation for the 2016/17 financial year and the medium term are influenced by the necessity to finance projects that directly support economic growth and reduce poverty. Attention will be given to projects that improve the quality of life of the residents in the county. The allocations are informed by the county goals and peoples aspirations as captured in the county integrated development plan (CIDP) 2013-2017.

The main areas of intervention during the medium term will be through the following sectors:

- 1) Governance and administration;
- 2) Infrastructure;
- 3) Agriculture;
- 4) Productive; and
- 5) Human resource development

The allocation to these sectors will continue to rise with the enhanced share from the national kitty and improved local revenue collection in the medium term

4.2 Governance and Administration Sector

The major role of the sector is to provide sound policies and a solid framework for quality and efficient service delivery to the public. The sector's mandate is to offer services that will enable the other sectors to achieve growth through attaining efficiency in county administration, planning, budgeting, provision of legal services, personnel management, monitoring and evaluation. The County Government will continue to support the establishment and

operationalization of sub county units that include sub county offices, ward and village offices. To ensure that devolution bears the intended fruits to the residents, the County Government will build the capacity of the institutions in the devolved units. It will also ensure that the principle of inclusiveness in the constitution is implemented e.g. through public participation in decision making and ensuring the one third gender rule is adhered to.

The key priorities for the sector include:

- Instituting county public service reforms to ensure efficient and effective service delivery;
- Providing leadership and guidance in human resource management;
- Spearheading rapid and sustainable economic development through coordination of MTEF process, economic planning policies and programmes, and ensure prudent fiscal policies;
- Effective management and coordination of government operations; and
- Promote the effective and efficient allocation and utilization of resources.

4.3 Infrastructure Sector

This sector consists of two sub sectors namely; Roads, Public Works & Transport and Land, Housing & Physical Planning. The sector will concentrate on design, documentation, construction and supervision of roads and other infrastructure services.

Roads, Public Works And Transport

In order to drive economic growth over the medium term, create jobs and wealth for the County, the focus will be on improvement of infrastructure especially roads. In particular, expansion of infrastructure shall include improvement of rural access roads to facilitate faster movement of goods and

services across and outside the County as well as putting plans in place to open up county roads connecting the County to outside markets

The priorities of this sub-sector are:

- i. Completion of ongoing projects;
- ii. Reconstruction, rehabilitation and maintenance of existing county road;
- iii. Improvement of bus parks and bodaboda sheds.
- iv. Development of fire and emergency response system

Land, Housing and Physical Planning

This sub sector is responsible for deriving policies and instituting systems to promote improved land use management; development of low cost housing and regularisation of squatter settlements. This sub sector will work closely with the National Government in issuance of land ownership documents. It will take part in surveying, planning and mapping so as to ensure that investors and the residents are able to benefit from land as a factor of production. Informal settlements upgrading and spatial planning of the County will preoccupy the departments activities to provide secure land tenure given that the County is lacking an updated spatial plan to guide optimal land use.

The medium term priorities are:

- i. Land surveying and mapping;
- ii. Development of low cost housing and regularization of squatter settlements;
- iii. Development of integrated physical development plans and policies for all towns.

4.4 Productive Sector

This sector consists of three sub sectors namely: Industrial Development, Trade, cooperatives & Enterprise Development; Tourism, Youth & Sports; and Water & Environment.

This sector plays a key role in accelerating economic growth in the county, employment creation, poverty reduction, industrial development, achieving equitable and sustainable use of resources and attainment of Millennium Development Goals (MDGs) through trade, investments and environmental conservation.

Industrial Development, Trade, Cooperatives and Enterprise

Trade is a key productive sub-sector due to its immense potential for wealth and employment creation as well as poverty reduction. Given its catalytic effect to sustained inclusive growth and huge potential for job creation and poverty reduction, the County Government will deepen business regulatory reforms, facilitating capacity building, simplifying and modernizing regime for small and medium businesses in order to amplify their multiplier effect on employment opportunities and accelerating growth.

Further, the county will focus on industries that are labour intensive, with the potential to expand and increase market opportunities for small and medium enterprises. Strategic efforts will be made to diversify markets by providing an environment conducive for business and ensuring that there is investor confidence. This will be achieved through development of policy, legal and institutional reforms for the growth of the sub-sector.

In addition specific measures will be undertaken to provide incentives to both local and international investors in order to position Nyandarua County as the premier investment hub in the country.

The Cooperatives sub-sector will promote, revive and strengthen cooperatives with the aim of increasing the role they play in marketing of produce, provision of credit facilities, training the members as well as increasing savings and investments.

The Enterprise development subsector will place a lot of emphasis on promotion of light industries for value addition and processing of agricultural output. This subsector will also facilitate stimulation of growth of MSEs to generate much needed employment opportunities.

The priority areas include:

- Investment in cooling plants to ensure the preservation of fresh produce particularly milk and secure good market prices for the farmers;
- Capacity building of cooperatives to ensure efficient management of all cooperatives in the county;
- The Trade Fund and Construction of market sheds across major centres which will lead to improved business environment through access to credit and market infrastructure;
- Growth of cottage industries through establishment of jua kali sheds across the county which will improve incomes for Micro and Small Enterprises (MSEs)

Tourism, Youth and Sports

The county Government will put in place strategies to develop tourism infrastructure that can serve local, regional and international visitors. This will include improving the quality of tourism facilities and developing areas with greatest potential to attract tourists such as Aberdare ranges, caves and Lake Ol Bollosat. In addition, the county government will position itself as a major destination for agro-based tourism. To achieve this, the county government will create an enabling environment for private investments in this sector.

The county appreciates that sports is a major source of inflows, hence it endeavor to develop sports facilities including sports academies with a view to developing and nurturing sports talents in the county. This would also go a long way in promoting sports tourism .It will engage in activities to promote sports and sporting activities in the county. This will increase employment opportunities among the youth.

The priorities of this sub-sector will be:

- Rehabilitation of Lake Olbollosat, Mau Mau Caves, Happy Valley Homes;
- Creation of nature trails and hiking trail along Aberdares;

- Enactment of Tourism Act;
- Tourism festivities (Great chapatti festival, Cultural week, Miss Tourism;
- Development of sports, talents and sporting facilities.

Water and Environment

The county government through the water department will invest in provision of clean and reliable water for domestic use as well as protecting the water catchment areas which are also a source of water for neighbouring counties. Priorities will be given to developing a county water master plan that will be used to guide investments in the sector.

Meanwhile the environment department in collaboration with NEMA will focus on general environmental status. This will include environmental conservation measures and protection of wet lands.

The major priority is increasing access to clean and reliable water in the county through:

- County and community based water projects;
- Construction and rehabilitation of dams and water pans.

4.5 Human Resource Development Sector

This sector comprises of Education, culture & social services and Health services subsectors.

Education, Culture and Social Services

Proper and early development of a child lays good foundation necessary for entry into primary school education. The county government appreciates this and therefore, intends to develop ECDE in the county. Over the medium term the county shall endeavor to increase access to quality early childhood education through subsidized cost of education, and training of staff. The county will also direct resources towards renovations of ECD centers in rural areas and village polytechnics, ensuring improved and effective youth

participation in all structures of decision making. To equip the youths with skills necessary to enable them enter the labour market, the county will invest in equipping the existing village polytechnics and establishing more. The County Government shall move with speed to complete the already started ECDE classrooms constructions.

Culture is an integral part of a community and its promotion is a noble course. The county government will achieve this by partnering with community leaders to identify those with cultural knowledge, identify and collect cultural artifacts and promote intercultural partnerships. Cultural sites will also be protected.

The subsector will also be responsible for control of Alcoholic drinks, community mobilization and cultural development.

The sector will have the following targets:

- Increase ECDE enrolment and gross completion rate;
- Improving access and enrolment in youth polytechnics.

Health

Access to affordable health care services is vital for economic transformation. The need for well-equipped and adequately functioning health care facilities need not be over-emphasized. To achieve the Kenya Vision 2030 on lowering maternal and infant mortality, service delivery in health facilities has to be improved, distance to the nearest facilities reduced and health care professional to population ratio substantially reduced. The County will need to reduce, over the medium term, the number of deliveries not attended by skilled health professional and increase the proportion of children completing immunization as required.

Investments in the health sector will greatly improve the human resource development in the county. Key projects include the upgrading of Ol Kalou hospital to a referral hospital in the county. In addition the county will deploy

more health workers to cope with the increased demand for services in public health centres.

Over the MTEF period, a large share of the subsector resources will be allocated to expanding provision of preventive and curative healthcare to ensure a healthy population in the county. This will be achieved through the following projects;

- i. Installation of key health Infrastructure which aims at improving health services and broadening the scope of health services by way of elevating J.M memorial hospital to a referral hospital and Engineer hospital to a level 4 hospital;
- ii. Service delivery which involves establishing community health units in all villages, carrying out outreach services and strengthening referral health services;
- iii. Improving access to health care through equipping existing health facilities.

4.6 Agriculture Sector

This sector is the mainstay of the County economy with linkages in manufacturing, distribution and other service related sectors. The County therefore aims at raising agricultural productivity and increase commercialization of agriculture. This will be achieved through improvement of land use and crop development, enhanced accessibility to affordable farm inputs, adding value to agricultural produce, linking the farmers to markets for their produce, extension services, use of environmentally friendly products, promotion of agro based industries and development of post - harvest farm management systems. In addition, training of farmers in agri-business and linking them to the available sources of credit is expected to transform the sector to make it competitive. To reduce reliance on rain fed agriculture, the county will target to increase acreage under irrigation. Projects targeting the improvement of livestock husbandry and fodder supply will also be implemented in the budget period.

The resources in the sector resources will fund the following priorities:

- i. A.I Improvement services
- ii. Interventions to improve productivity through;
 - Supply of certified seeds and other farm implements
 - Micro irrigation projects
 - Enhance capacity building for farmers
- iii. Increasing mechanization;
- iv. Storage, Agro-processing and linking farmers to markets;
- v. Improving the delivery of research, extension, advisory support services;
- vi. Value chain development;
- vii. Pest and disease control; and
- viii. Sustainable land and water management

4.7 Flagship Projects

The county has identified some landmark projects in the 2016/2017 financial year. These are projects that have high impact on economic and social development of the county. These projects will be implemented by the technical departments. The projects include:

- Development and upgrading of Olkalou Sports Stadium;
- County Dairy processing plant;
- Upgrading of J.M Olkalou hospital;
- Upgrading of Engineer Hospital;
- Construction of a county land offices;
- Infrastructure upgrading in County headquarters (Cabro works/lighting and other urban development)
- Tarmarking of the governors headquarters
- Nguruka water project
- Mairo Inya water project
- Kitiri water project
- Magomano Water Project
- County Water Master Plan to be funded under public private partnership;

- Design, Documentation and Construction Supervision for the Proposed County Executive Offices to be funded by the National government.

The allocation to these projects is as per annex II. The allocation was informed by the capacity of the departments to absorb the funds in 2016/2017 financial year.

4.8 Compensation for Employees

The wage bill for the county has been on the rise and this could undermine growth if not mitigated. In the budget period, (2016/2017) the compensation for employees is expected to account for 37% of the total budget. Restraining the growth of the county's wage bill is a priority in the medium term in order to sustain growth. This will be achieved through the following measures:

- Contain wages and salaries of public entities by limiting the size of the public service.
- Carry out a job evaluation exercise in the county.
- Realigning the existing staff with the functions of the county government as entrenched in the constitution to avoid duplication of roles in the departments.

4.9 Departmental Ceilings and criteria for resource allocation

The county will continue with expenditure rationalization with a view to funding only core services and reducing costs through elimination of duplication, inefficiencies, and wasteful expenditure. These decisions will have implications in the departmental ceilings.

The following criteria will therefore serve as a guide for allocating resources to programmes:

- Linkage of the programme with the objectives of the CIDP;
- Degree to which the programme addresses core poverty interventions;
- Degree to which the programme is addressing the core mandate of the ministry/department;
- Expected outputs and outcomes from a programme and cost effectiveness and sustainability of the programme.

The details of departmental ceilings are provided in annex I

CHAPTER FIVE: SUMMARY AND CONCLUSION

The 2016/2017 budget will be an extension of the solid economic plan to take Nyandarua to the next level. Through the budget, we will continue focusing on implementing priorities areas critical to not only addressing the challenges we have mentioned but also driving the county economy up the value chain. The 2016/17 budget will:

- Prioritise creating a friendly business environment for the private sector so as to unleash the efficiency gains necessary for achieving prosperity for all;
- Commit more resources towards infrastructure development and adopting innovative ways to hasten delivery of better roads and other infrastructure necessary for reducing the cost of business and promoting competitiveness and the productivity of the county economy;
- Put in place measures to drive to drive agricultural transformation so as to build resilience in the county economy, ensure food security and accelerate inclusive growth;
- Scale up resources to enhance the quality of the health care and early childhood education system; and
- Open up opportunities to tap talents and entrepreneurial capabilities of the youth, women and persons living with disability so as to enable them actively participate in the economic transformation agenda.

ANNEX I: 2015/16-2017/18 DEPARTMENTAL RESOURCE ALLOCATION

SECTOR /DEPARTMENT	2014/2015 Actuals	2015/16 Revised estimates	2016/17 Projected Estimates	2017/18 Projected Estimates
County Bursary Fund	67,500,000	65,000,000	85,000,000	90,100,000
County Emergency Fund	41,000,000	41,393,447	35,000,000	37,100,000
County Mortgage Fund	45,000,000	50,000,000	40,000,000	42,400,000
Trade Fund	-	12,500,000	21,518,000	22,809,080
Ward Development Fund	-	-	250,000,000	265,000,000
Compensation to Employees(permanent &contract)&gratuity for contractual employees	1,171,556,968	1,548,068,946	1,818,000,000	1,927,080,000
County Pension fund			26,434,702	28,020,784
General and Medical Insurance			60,000,000	63,600,000
County flagship projects		-	340,894,762	361,348,448
GOVERNANCE & ADMINISTRATION	501,376,283	442,946,596	495,820,097	525,569,303
Gubernatorial office	95,264,000	114,588,572	110,079,000	116,683,740
Governor service delivery programme	95,264,000	114,588,572	105,079,000	111,383,740
Investment promotion and development	-	-	5,000,000	5,300,000
County Public Service Board	13,098,546	9,698,000	16,904,381	17,918,644
Human resource management	13,098,546	9,698,000	16,904,381	17,918,644
Office of the County Secretary	9,212,500	47,585,728	35,260,953	37,376,610
Administration and compliance	9,212,500	47,585,728	35,260,953	37,376,610
Finance and Economic Planning	258,054,459	201,792,514	233,167,925	247,158,001
County economic planning and budgeting	49,470,000	26,650,000	43,200,000	45,792,000
County monitoring and evaluation	-	14,300,000	30,000,000	31,800,000
Community Empowerment and Institutional Support Programme		4,200,000	11,200,000	11,872,000

	Public Finance Management	206,264,459	94,267,014	57,800,000	61,268,000
	Supply Chain Management		8,663,000	10,000,000	10,600,000
	Audit, Internal Control and Risk Management	2,320,000	11,800,000	20,635,908	21,874,062
	Revenue Collection		41,912,500	60,332,017	63,951,938
County Attorney, E-Government & Intergovernmental relations		152,940,190	69,281,782	100,407,838	106,432,308
	Legal services	96,416,967	20,490,782	35,490,782	37,620,229
	Intergovernmental Relations	-	4,720,000	9,720,000	10,303,200
	Communication Services	-	-	8,000,000	8,480,000
	-ICT and E-Government services	56,523,223	44,071,000	47,197,056	50,028,879
AGRICULTURE SECTOR		257,715,115	159,531,297	182,947,560	193,924,414
Agriculture, Livestock and Fisheries		257,715,115	159,531,297	182,947,560	193,924,414
	Extension Services	84,945,000	12,279,880	36,000,000	38,160,000
	Crop Value Chain Development		39,596,281	53,447,560	56,654,414
	Animal Value Chain Development	38,706,420	17,128,402	5,500,000	5,830,000
	Animal Health and AI	33,327,275	33,943,977	29,000,000	30,740,000
	VSDF	-	-	30,000,000	31,800,000
	-Sustainable Land and Water Management (Irrigation)	36,414,600	12,858,200	7,000,000	7,420,000
	Input Cost Reduction	3,000,000	-	10,000,000	10,600,000
	Pest and Disease Control	-	-	5,000,000	5,300,000
	Agriculture Infrastructure Development	29,692,000	43,724,557	7,000,000	7,420,000
INFRASTRUCTURE SECTOR		887,795,912	1,234,073,340	539,347,196	571,708,028
Roads Public Works and Transport		723,606,689	1,095,203,783	418,747,196	443,872,028
	General administration planning & support services		-	99,618,220	105,595,313
	Development and Maintenance of County	691,431,689	976,150,117	171,721,946	182,025,263

	Roads, Bridges And Drainage Works				
	Development, Management & maintenance of public transport and bus parks	-	42,948,666	20,000,000	21,200,000
	Public Works Design, Documentation, Construction and Supervision of Government Buildings	32,175,000	46,105,000	0	0
	Development& Maintenance of fire & emergency response services		30,000,000	50,000,000	53,000,000
	Development & maintenance of boda boda sheds		-	6,000,000	6,360,000
	Roads maintenance levy fund		-	71,407,030	75,691,452
Lands ,Housing and Physical Planning		107,666,000	138,869,557	120,600,000	127,836,000
	-Land Use Administration and Management	74,666,000	136,860,875	35,600,000	37,736,000
	County Spatial Planning and Digitization		-	40,000,000	42,400,000
	-Housing Development and Management	33,000,000	2,008,682	15,000,000	15,900,000
	-Land Surveying and Mapping		-	30,000,000	31,800,000
PRODUCTIVE SECTOR		280,978,145	522,398,540	214,904,519	227,798,790
Industrialization , Cooperatives ,Trade and Enterprise Development		96,488,996	107,761,200	62,408,240	66,152,734
	Cooperatives development & capacity building	36,986,500	33,124,500	25,300,000	26,818,000
	Industrial development	19,273,000	12,049,800	8,100,000	8,586,000
	Enterprise development		4,800,272	9,400,000	9,964,000
	Trade development (including weights & measures)	40,229,496	57,786,628	19,608,240	20,784,734
Water and Environment		143,611,399	341,128,268	87,371,535	92,613,827
	Water Resource Management	140,525,399	322,458,268	80,371,535	85,193,827
	Environmental Conservation and development of Alternative Energy Sources	3,086,000	18,670,000	7,000,000	7,420,000

Tourism ,Sports and Youth		43,877,750	73,509,072	65,124,744	69,032,229
	Promotion of Tourism	20,957,000	9,245,756	21,847,690	23,158,551
	Promotion of Sports and Sports Activities management	22,920,750	56,843,316	31,000,000	32,860,000
	Promotion of Youth activities and youth empowerment programmes	-	7,420,000	12,277,054	13,013,677
HUMAN RESOURCE DEVELOPMENT SECTOR		602,290,754	800,176,436	697,900,888	739,774,941
Health Services		523,166,582	652,400,852	542,770,861	575,337,113
	Health infrastructure and equipment (incl. leasing of medical equipment,)	381,951,022	236,120,605	168,271,875	178,368,188
	F.I.F			54,000,000	57,240,000
	Preventive & promotive Health Care	141,215,560	1,240,000	3,000,000	3,180,000
	Curative Health care		415,040,247	229,000,000	242,740,000
	Danida fund			18,860,000	19,991,600
	Free maternal health care	-	-	50,740,000	53,784,400
	Solid waste management and cemeteries	-	-	5,000,000	5,300,000
	User fees foregone	-	-	13,898,986	14,732,925
Education, Culture and Social Services		79,124,172	147,775,584	155,130,027	164,437,829
	ECD Development	41,944,000	63,705,720	60,000,000	63,600,000
	Talent and cultural services development	3,398,572	7,441,388	4,000,000	4,240,000
	Youth Polytechnics Development	24,826,500	30,288,471	51,130,027	54,197,829
	Social Development services	8,955,100	46,340,005	20,000,000	21,200,000
	Alcoholics drinks control & civic education			20,000,000	21,200,000
SUB TOTAL		3,855,213,177	4,856,188,602	4,807,767,724	5,096,233,787
County Assembly		599,517,261	720,868,213	604,200,000	640,452,000
GRAND TOTAL		4,454,730,438	5,597,056,815	5,411,967,724	5,736,685,787

ANNEX II: FLAGSHIP PROJECTS

FLAGSHIP PROJECTS	PRIORITY	SOURCE OF FUNDS	Allocation 2016/2017
Development and upgrading of Olkalou Sports Stadium;	1	County government	60,000,000
Upgrading of J.M. Olkalou hospital	2	County government	35,894,762
Upgrading of Engineer hospital		County government	35,000,000
Dairy processing plant (feasibility studies, sensitization ,meetings, capacity building, registration of Nyandarua cooperative union)	3	County government, cooperatives shares, partners)	20,000,000
County land offices	4	County and National government	45,000,000
Infrastructure upgrading in County headquarters (Cabro works/lighting and other urban development)	5	County government	50,000,000
Tarmarking of Engineer town road	6	County government	25,000,000
Nguruka water project(Oljoro orok)	7	County government	20,000,000
Suguroi water project	8	County government	17,000,000
Kitiri water project	9	County government	25,000,000
Magomano water project first phase	10	County government	8,000,000
<i>Design, Documentation and Construction Supervision for the Proposed County Executive Offices</i>	11	<i>National government</i>	<i>800,000,000ⁱ</i>
County Water Master Plan	12	PPP	0
TOTAL			1,140,894,762

ⁱ Not yet confirmed