



**REPUBLIC OF KENYA
COUNTY GOVERNMENT OF NYANDARUA**



COUNTY BUDGET REVIEW AND OUTLOOK PAPER (CBROP)

2024

SEPTEMBER, 2024

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To obtain copies of the document, please contact:

Nyandarua County Treasury,

P. O. Box 701 – 20303,

Ol Kalou,

KENYA.

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FOREWORD

In accordance with the Public Finance Management Act 2012 and the PFM (County Governments) Regulations 2015, the County Budget Review and Outlook Paper (CBROP) 2024 offers a detailed assessment of Nyandarua County's fiscal performance for the preceding financial year and compares it with the budgetary allocations for that period. Additionally, this report evaluates recent economic developments impacting both financial and non-financial projections, highlighting deviations from the forecasts outlined in the most recent County Fiscal Strategy Paper.

The CBROP 2024 has been crafted amidst a backdrop of unwinding stable global and domestic economic from layers of negative and persistent, characterized by escalating inflation primarily due to increased food and energy prices, increased public debt and currency depreciation. These have slowed down economic growth and eroded purchasing power culminating to increased cost of living to the Citizenry. This document serves as a strategic tool designed to ensure that all County departments are aligned with the objective of mitigating the effects of these economic challenges on our citizens.

For the financial year 2023/24, the County received Kes. 7,425,296,832 in revenue, falling short of the anticipated Kes.8,748,151,544. Despite this shortfall, the County achieved a record-high Own Source Revenue of Kes. 515,740,717.69. The absorption rates stood at 44.61% for development expenditures and 93.06% for recurrent expenditures, and an overall absorption rate of 75.06%.

Looking ahead, our focus will be on enhancing service delivery across all sectors by implementing effective fiscal strategies. This approach will ensure optimal resource utilization in line with the fiscal principles established in the PFM Act, promoting efficiency, effectiveness, transparency, and accountability in public resource management.

I reaffirm the government's dedication, under the exemplary leadership of H.E. Dr. Moses Kiarie Badilisha, to improving the quality of life for our citizens. We are committed to directing resources towards priority programs and projects, driving socio-economic development as envisioned in the Governor's '*Change*' manifesto.



HON. MARY W. KAMANDE
COUNTY EXECUTIVE COMMITTEE MEMBER
FINANCE, ECONOMIC PLANNING & ICT

ACKNOWLEDGEMENT

I am delighted to present the Nyandarua County Budget Review and Outlook Paper (CBROP) 2024. This paper is prepared in accordance with the Article 118 (1) (a) of the Constitution of Kenya, Public Finance Management Act, 2012, and the PFMA Regulations, 2015. It reflects the collective efforts and dedication of numerous stakeholders whose commitment made this achievement possible.

We extend our heartfelt gratitude to His Excellency Dr. Moses N. Badilisha Kiarie, the Governor, Deputy Governor H.E. Mathaara Mwangi, and Hon. Mary W. Kamande, the County Executive Member for Finance, Economic Planning, and ICT, and the entire County Executive Committee for their leadership and policy guidance throughout the preparation and finalization of this paper.

Our appreciation also goes to the Chief Officers, Directors and departmental staff for their valuable inputs. Special thanks are due to the Economic Planning Unit team for their expertise, technical input and relentless effort in developing this document.

Although we cannot exhaust on every individual whose contribution was key to this project, we acknowledge and appreciate all who played a direct or indirect role in its success. Your collective efforts in producing the County Budget Review and Outlook Paper 2024 were commendable.



JORAM KIARIE

CHIEF OFFICER-ECONOMIC PLANNING

ABBREVIATIONS

ADP:	Annual Development Plan
ASDSP:	Agricultural Sector Development Support Program
BETA:	Bottom-up Transformation Agenda
CARA:	County Allocation Revenue Act
CBR:	Central Bank Rate
CBROP:	County Budget Review and Outlook Paper
CEC:	County Executive Committee
CECM:	County Executive Committee Member
CG:	County Government
CIDP:	County Integrated Development Plan
CIMES:	County Integrated Monitoring and Evaluation System
COB:	Controller of Budget
CPSB:	County Public Service Board
CRF:	County Revenue Fund
ECDE:	Early Childhood Development Education
EU:	European Union
FY:	Financial Year
ICT:	Information Communication Technology
IDEAS:	Instruments for Devolution Advice and Support
IFMIS:	Integrated Financial Management Information System
KCSAP:	Kenya Climate Smart Agriculture Project
KDSP:	Kenya Devolution Support Program
KES:	Kenya Shillings
KUSP:	Kenya Urban Support Project
M&E:	Monitoring and Evaluation
MTEF:	Medium Term Expenditure Framework
MTP:	Medium Term Plan
NG:	National Government
OSR:	Own Source Revenue
PFMA:	Public Finance Management Act
PPP:	Public Private Partnership

CONCEPTS AND TERMINOLOGIES

Bottom-up Economic Transformation Agenda: This is an economic model that aims at economic turnaround and uplifting the lives and livelihoods of those at the bottom of the pyramid.

Programme: This is a grouping of similar projects and/or services performed by a National/County Department to achieve a specific objective. The Programmes must be mapped to strategic objectives. **Project:** A project is a set of coordinated activities implemented to meet specific objectives within defined time, cost and performance parameters. Projects aimed at achieving a common goal form a programme.

Sectors: This is a composition of departments, agencies and organizations that are grouped together according to the services and products they provide. They produce or offer similar or related products and services, and share common operating characteristics.

Own Source Revenue: This is the County Government's local collections.

Equitable Share: This is the National Government's revenue share to the County Government.

Exchequer releases: This refers to the funds that are released by the National Government for expenditure by the County Governments.

Balance of payments: This is a systematic record of all economic transactions that occur between residents of one country and residents of other countries during a specific period.

Foreign Exchange Reserves: This is a country's holdings of foreign currencies that are primarily used to facilitate international trade and manage its exchange rate.

Macro-economic outlook: This is the forecast of overall state and future direction of the overall state and future direction of an economy which involves analysing various economic indicators, trends and other factors that provide insights into the expected performance of an economy.

CHAPTER ONE:

FISCAL PERFORMANCE FOR THE FY 2023/24

1.0 OVERVIEW

The Constitution of Kenya 2010, in the fourth schedule delves on the distribution of functions between the National Government and the County Governments. Departments discharge the County Government's mandate as stipulated by the Fourth Schedule through the implementation of programmes and projects. These programmes and projects are allocated funds through the County Budgeting process that is cyclical in nature.

Section 104(1) of the PFMA, 2012 stipulates that; subject to the Constitution, a County Treasury shall monitor, evaluate and oversee the management of public finances and economic affairs of the County Government including coordinating the implementation of the Budget.

The CBROP 2024 provides a review of the fiscal performance for the 2023/24 FY including adherence to the objectives and principles outlined in the PFM Act 2012 and the outlook for the fiscal year 2025/26 and the medium-term.

1.1 LEGAL BACKGROUND

The Nyandarua County Budget Review and Outlook Paper is prepared in accordance with **Section 118** of the Public Financial Management Act (PFMA), 2012 which states that the County Treasury shall:

- i. Prepare a County Budget Review and Outlook Paper in respect of the County for each financial year, and
- ii. Submit the paper to the County Executive Committee by the 30th of September of that year.

Section 118 (2) of the same Act further provides that the CBROP should contain:

- i. The details of the actual financial performance in the previous year compared to the Budget appropriation for that year;
- ii. The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;
- iii. Information on:

- a) Any changes in the forecasts compared with the County Fiscal Strategy Paper; or
- b) How actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year; and
- iv. Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.

The preparation of this paper is further supported by the County Governments Act, 2012 and the Constitution of Kenya, 2010 which compels County Governments to plan for their Counties and requires the appropriation of the funds to be within the approved planning framework.

The **main objectives** of a CBROP are to specify:

- i. The broad strategic priorities and policy goals that will guide the County Government in preparing its Budget for the coming financial year and over the medium term;
- ii. The financial outlook with respect to County Government revenues, expenditures and borrowing for the coming financial year and over the medium term;
- iii. An assessment of the current financial year and the projected state of the economy for the succeeding three years;
- iv. Targets for overall revenues, total aggregate expenditure and domestic and external borrowing for the succeeding financial year and the medium term;
- v. The total resources to be allocated to individual programmes within a sector indicating the outputs expected from each programme during that period;
- vi. The criteria used to allocate or apportion the available public resources among the various programmes; and
- vii. Forecast financial position for the financial year to which the Budget relates and the next two financial years.

After preparation of the Paper by the County Treasury, the County Executive Committee (CEC) will consider the County Budget Review and Outlook Paper to approve it, with or without amendments, publish and publicize the Paper and transmit the same to the County Assembly. The CBROP sector ceilings, as per the PFM Regulations 2015 are to form basis for the sector working groups' consultations.

1.2 APPROVED FY 2023/24 BUDGET ESTIMATES

The County prepared the FY 2023/24 original budget estimates and the first supplementary budget, submitting both to the County Assembly for approval. The approved original budget estimate was Kes 8,212.46 million, which increased to Kes 8,748.15 million in the supplementary budget.

In the first supplementary budget of Kes. 8,748.15 million, Kes 5,567.05 million (63.6%) was allocated to recurrent expenditure, while Kes 3,181.1 million (36.4%) was designated for development expenditure. This budget was financed by revenues which included Kes 5,905.98 million (67.51%) from the national government's equitable share, Kes. 1,225 million (14%) from own-source revenue, including Linda Mama, Kes. 1,179.7 million (13.49%) from conditional grants and loans, and Kes. 437.5 million (5%) as balance brought forward from the FY 2022/23.

Table 1: Approved Expenditure and Revenue Estimates for the First Supplementary Budget-Kes.

Description	FY 2023/24 First Supplementary Budget as Approved	Percentage of Total Budget financing
Broad Expenditure classifications		
Recurrent	5,567,051,385	63.6
Development	3,181,100,160	36.4
Total expenditure	8,748,151,545	100
Broad Revenues Sources		
Equitable Share Transfers	5,905,976,056.00	67.51
Own Source Revenue	1,225,000,000.00	14.00
Conditional Loans and Grants	1,179,713,032.00	13.49
B/F from FY 2022/23	437,462,456.00	5.00
Total Revenues	8,748,151,545.00	100.00

Source: County Treasury

Table 1 highlights the County Government's overreliance on equitable share transfers as well as loans and grants from development partners and the national government. This underscores the need to boost own-source revenue to ensure long-term sustainability in funding County's programmes.

1.2.1 Projected Revenues in the 2023/24 Fy

The county's anticipated revenues increased from Kes. 8,212.46 million in the first approved budget estimates to Kes. 8,748.15 million in the supplementary budget for FY 2023/24. This was mainly due to a projected rise in Own Source Revenue by Kes. 240 million (including Linda

Mama), along with other additional revenue streams such as, the Kenya Devolution Support Programme Level 11 B/f 2020/21 (Kes. 92.8 million), the World Bank Grant for Locally Led Climate Action Programme B/f (Kes. 11.9 million), Transfers to Youth Polytechnics B/f 2017/18 (Kes. 1.2 million), the Road Maintenance Levy Fund B/f 2016/17 (Kes. 0.4 million), and other unspent balances B/f of Kes. 331.2 million.

Table 2: Comparatives for Original and First Supplementary Approved Revenue Estimates (Itemized)-Kes.

Description	FY 2023/24 Original Budget Estimates as Approved	Approved 1 st Supplementary Budget FY 2023/24	Changes in revenue
REVENUES	Kes.	Kes.	
Equitable Share	5,905,976,056	5,905,976,056	-
Local Collections	955,000,000	1,165,000,000	210,000,000
Linda Mama	30,000,000	60,000,000	30,000,000
Conditional Grants from National Government			-
Supplement for Construction of County Headquarters	121,000,000	121,000,000	-
Leasing of Medical Equipment	124,723,404	124,723,404	-
DANIDA - Primary Health Care in Devolved Context	-	-	-
Aggregated Industrial Parks Programme	250,000,000	100,000,000	-150,000,000
Fertilizer Subsidy Programme	121,624,039	121,624,039	-
Livestock Value Chains Support Project	135,204,000	135,204,000	-
Transfer of Library Services	-	5,730,418	5,730,418
Conditional Grants from Development Partners			
IDA (World Bank) - National Agriculture Value Chain Development Project (NAVCDP)	250,000,000	250,000,000	-
World Bank Grant for Climate Smart Agriculture Project (KCSAP)	90,000,000	90,000,000	-
Sweden- Agricultural Sector Development Support Programme (ASDSP) Level II	499,617	2,999,617	2,500,000
DANIDA - Primary Health Care in Devolved Context	8,893,500	8,893,500	-
World Bank -Kenya Informal Settlement Improvement Project- KISIP II	50,000,000	50,000,000	-
EU Grant -Instruments for Devolution Advice and Support (IDEAS)	-	-	-
World Bank- Financing Locally Led Climate Action Program	11,000,000	11,000,000	-

Description	FY 2023/24 Original Budget Estimates as Approved	Approved 1 st Supplementary Budget FY 2023/24	Changes in revenue
(FLLOCA)- County Climate Institutional Support (CCIS)Grants			
World Bank- Financing Locally Led Climate Action Program (FLLOCA) - County Climate Resilience Investment Grant	136,000,000	136,000,000	-
Kenya Devolution Support Programme Level 1- B/f 2020/21 FY	22,538,054	22,538,054	-
Balances Brought Forward			
Road Maintenance Levy Fund - B/f 2016-17	-	368,641	368,641
Support to Youth Polytechnics Transfer Fund - B/F 17/18 FY	-	1,189,576	1,189,576
Kenya Devolution Support Programme Level II - B/f 2020/21 FY	-	92,776,734	92,776,734
World Bank- Financing Locally Led Climate Action Program (FLLOCA) - County Climate Resilience Investment Grant 2022/2023 FY	-	11,934,875	11,934,875
Unspent Balances - CRF 2022/23 FY	-	331,192,629	331,192,629
Total Revenue	8,212,458,670	8,748,151,545	535,692,873

Source: County Treasury

1.2.2 Projected Expenditures in the 2023/24 Fy

In the year under review, the County projected a total expenditure amounting to Kes. **8,748,151,545** as tabulated in the table 3.

Table 3: Approved summary of projected expenditures for Original Budget and First supplementary Budget estimates for FY 2023/24 in Kes.

Description	FY 2023/24 Original Estimates as Approved	FY 2023/24 First Supplementary Budget as Approved	Changes between the original and First Supplementary Budget
SUMMARY OF EXPENDITURE ESTIMATES			

Description	FY 2023/24 Original Estimates as Approved	FY 2023/24 First Supplementary Budget as Approved	Changes between the original and First Supplementary Budget
Compensation to employees (County Executive salaries)	2,254,000,000	2,259,730,418	5,730,418
Use of Goods and Services	1,497,054,143	1,586,760,346	89,706,203
Current Transfers	325,058,404	231,524,576	-93,533,828
Kenya Devolution Support Programme Level I- B/f 2020/21 FY	22,538,054	22,538,054	-
Kenya Devolution Support Programme Level II- B/f 2020/21 FY	0	28,963,970	28,963,970
County Funds (Rec.)	292,500,000	319,900,000	27,400,000
Acquisition of Non -Financial Assets	83,529,000	83,959,565	430,565
Development expenditure	2,555,670,812	2,689,246,101	133,575,289
County Funds (Dev.) - Trade /Biashara	15,000,000	15,000,000	-
Pending bills- Recurrent	58,312,999	153,388,750	95,075,751
Pending bills- development	122,856,454	366,854,059	243,997,605
County Assembly (recurrent and development)	985,938,804	990,285,706	4,346,902
Total	8,212,458,670	8,748,151,545	535,692,875

Source: County Treasury

The estimated development expenditure budget had the highest allocation at Kes. 2,689.2 million, followed by compensation to employees (for the County Executive and Assembly) at Kes. 2,614.7 million. Recurrent expenditure for goods and services totaled Kes. 1,970.4 million, which included provisions for the Bursary Fund, Mortgage Fund, Medical, Pension, Retirement Benefits, and the Emergency Fund

1.2.3 Departmental Allocations

In the year under review, the departmental allocations were as highlighted in the table 4.

Table 4: Approved Departmental allocations for the FY 2023/24 First Supplementary Budget-Kes

Department/ entity	Recurrent	Development	Total	% of the total budget
Governor's Office	136,000,000	-	136,000,000	1.55
Office of the County Secretary	58,950,000	-	58,950,000	0.67

Department/ entity	Recurrent	Development	Total	% of the total budget
Office of the County Attorney	37,650,000	-	37,650,000	0.43
Public Service, Administration and Devolution	2,625,310,729	-	2,625,310,729	30.01
County Public Service Board	25,000,000	-	25,000,000	0.29
Finance, Economic Planning and ICT	585,173,643	21,000,000	606,173,643	6.93
Health Services	424,682,000	352,094,012	776,776,012	8.88
Education, Children, Gender, Culture and Social Services	168,578,251.00	98,303,632.00	266,881,883	3.05
Tourism, Cooperative Development, Trade & Industrialization	68,139,142	265,166,790	333,305,932	3.81
Youth Empowerment, Sports and the Arts	77,260,527	3,498,020	80,758,547	0.92
Water, Environment, Climate Change and Natural Resources	58,034,875	527,518,587	585,553,462	6.69
Public Works, Roads, Transport, Housing & Energy	101,838,065.00	1,029,985,775.00	1,131,823,840	12.94
Lands, Physical Planning and Urban Development	61,713,422	136,401,644	198,115,066	2.26
Ol-Kalou Municipality	9,887,900	18,997,664	28,885,564	0.33
Mairo-Inya Municipality	8,000,000	3,500,000	11,500,000	0.13
Engineer Municipality	7,000,000	3,000,000	10,000,000	0.11
Agriculture, Livestock & Fisheries	233,547,125	611,634,036	845,181,161	9.66
County Assembly	880,285,706	110,000,000	990,285,706	11.32
Total	5,567,051,385	3,181,100,160	8,748,151,545	100

Source: County Treasury

The County had an annual approved budget estimate of Kes. 8,748.15 million. The Department of Public Service, Administration and Devolution received the highest allocation amounting to Kes. 2,625.3 million (30.01%), mainly due to employee compensation and staff welfare. This was followed by Public Works, Roads, Transport, Housing & Energy with an allocation of Kes. 1,131.8 million (12.9%) of which a sizeable proportion was meant to settle pending bills and the County

Assembly with Kes. 990.3 million (11.3%). Mairo-Inya Municipality received the second lowest allocation of Kes. 11.5 million (0.13%), while Engineer Municipality had the lowest allocation of Kes. 10 million (0.11%).

Figure 1 illustrates the proportionate distribution of the allocations per department:

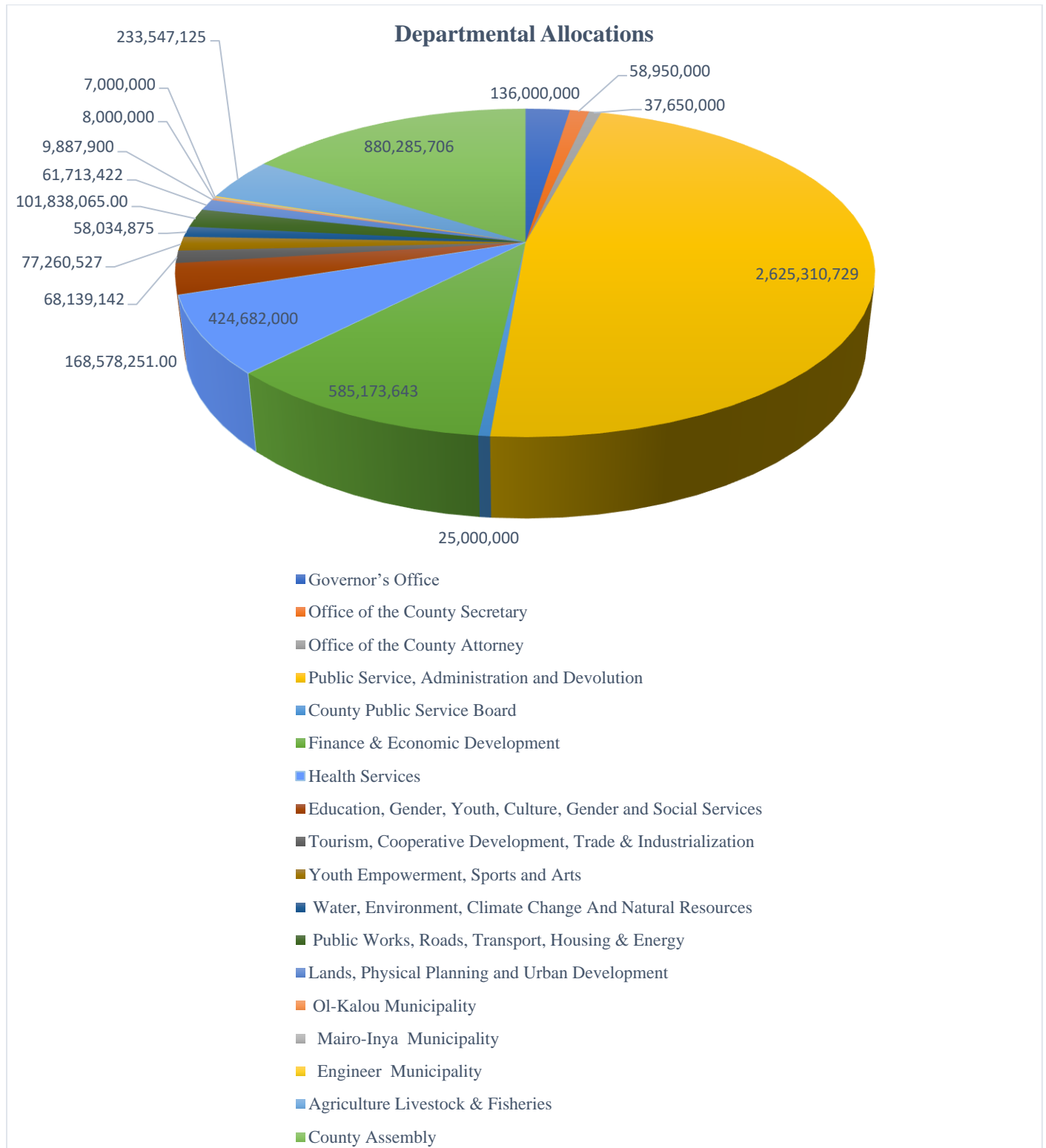


Figure 1: Distribution of Departmental Allocations

1.3 ACTUAL REVENUE PERFORMANCE FY 2023/24

Table 5 shows the actual performance in receipt of revenues from the various sources;

Table 5: Revenue performance in FY 2023/24 (In Kes)

Description	FY 2023/24 First Supplementary Budget as approved	Actual Revenue Receipt	Deficit	%
REVENUES				
Equitable Share	5,905,976,056	5,433,497,971	472,478,085	92.00
Local Collections	1,225,000,000	515,740,772	709,259,228	42.10
CONDITIONAL GRANTS				
Supplement for Construction of County Headquarters	121,000,000	121,000,000 ¹	0	100.00
Leasing of Medical Equipment	124,723,404	124,723,404 ²	0	100.00
Aggregated Industrial Parks Programme	100,000,000	100,000,000 ³	0	100.00
Fertilizer Subsidy Programme	121,624,039	121,624,039 ⁴	0	100.00
Livestock Value Chains Support Project	135,204,000	-	135,204,000	-
Transfer of Library Services	5,730,418	-	5,730,418	-
IDA (World Bank) - National Agriculture Value Chain Development Project (NAVCDP)	250,000,000	249,932,457	67,543	99.97
World Bank Grant for Climate Smart Agriculture Project (KCSAP)	90,000,000	-	90,000,000	-
Sweden- Agricultural Sector Development Support Programme (ASDSP) Level II	2,999,617	500,000	2,499,617	16.67
DANIDA - Primary Health Care in Devolved Context	8,893,500	11,000,000 ⁵	(2,106,500)	123.69
World Bank -Kenya Informal Settlement Improvement Project- KISIP II	50,000,000	235,008,704 ⁶	(185,008,704)	370.17
World Bank- Financing Locally Led Climate Action Program (FLLOCA)- County Climate Institutional Support (CCIS)Grants	11,000,000	-	11,000,000	-
World Bank- Financing Locally Led Climate Action Program (FLLOCA)- County Climate Resilience Investment Grant	136,000,000	52,268,976	83,731,024	38.43
Kenya Devolution Support Programme Level 1- B/f 2020/21 FY	22,538,054	22,538,054	0	100.00
Road Maintenance Levy Fund - B/f 2016-17	368,641	368,641	0	100.00
Support to Youth Polytechnics Transfer Fund - B/F 17/18 FY	1,189,576	1,189,576	0	100.00

¹ Supplement for Construction of County Headquarter Grant deducted at source

² Leasing of Medical Grant deducted at source

³ Refers to County Contribution in compliance to the conditional grant. The County was not in the beneficiary cycle with enactment of Additional County Allocation Act, 2023.

⁴ Fertilizer Subsidy Grant deducted at source

⁵ Receipts for DANIDA were more than provided for under Additional CARA 2024

⁶ Receipts for KISP were more than provided under Additional CARA 2024

Description	FY 2023/24 First Supplementary Budget as approved	Actual Revenue Receipt	Deficit	%
Kenya Devolution Support Programme Level II - B/f 2020/21 FY	92,776,734	92,776,734	0	100.00
World Bank- Financing Locally Led Climate Action Program (FLLOCA)- County Climate Resilience Investment Grant 2022/2023 FY	11,934,875	11,934,875	0	100.00
Unspent Balances - CRF 2022/23 FY	331,192,629	331,192,629	0	100.00
Total Revenue	8,748,151,544	7,425,296,832	1,322,854,712	84.87

Source; County Treasury

The projected county's total revenue from all sources amounted to Kes. 8,748.1 million, which comprised of equitable share transfers (67.51%), conditional loans and grants (13.49%), balances brought forward from FY 2022/23 (5%), and own-source revenue (14%). Of this, the county received Kes. 7,425.29 million, representing 84.87% of the total revenue. The shortfall was Kes. 1,322,854,712.

1.3.1 Equitable Share performance

In the FY 2023/24, the County received Kes. 5,433,497,971 (92%) as equitable share from the National Government as at 30th June 2024. The final month of the FY (June 2024) disbursement amounting to Kes. 472.47 M was not received. This is as shown in table 6.

Table 6: Exchequer Releases for the period ending 30th June 2024

Exchequer Release	Revenue Estimate In Kes.	Total Exchequer Receipts In Kes.	Deficit In Kes.
Amount	5,905,976,056	5,433,497,971	472,478,085
% of the total	100	92	8

Source: County Treasury

During the year, the County expected to receive exchequer releases of Kes. 492,164,671.3 per month totalling to Kes. 1,476,494,014 per quarter as per the approved equitable share disbursement schedule. The money received in the first quarter was Kes. 1.476 B as expected. The amounts received in the second and third quarters of Kes. 974 M were lower than the expected Kes 1.476 B for each quarter. Disbursements receipts in the last quarter of the budget implementation cycle increased to Kes 2,008,031,859 despite the non-remittance of June's expected disbursement. This is as shown in table 7;

Table 7: Exchequer Releases per quarter

Release	Quarter 1 In Kes	Quarter 2 In Kes	Quarter 3 In Kes	Quarter 4 In Kes	Total In Kes
Amount	1,476,494,014	974,486,049	974,486,049	2,008,031,859	5,433,497,971
% Release	27.17%	17.93%	17.93%	36.96%	92%

Source: County Treasury

From the analysis above, the county received the highest allocation in the 4th quarter (April to June 2024) when it received Kes 2,008,031,859. The lowest disbursements were in the second and third quarters when the county received Kes. 974,486,049 in each of the two quarters. The county received 27.17% of its allocation in the first quarter with receipts amounting to Kes 1,476,494,014.

1.3.2 Conditional Grants From National Government and Donors

The county anticipated receiving 13 conditional grants totaling to Kes. 1,157 million. These included key allocations such as Kes. 121 million for the construction of county headquarters, Kes. 124.7 million for the leasing medical equipment, Kes. 100 million for the Aggregated Industrial Parks Programme, and Kes. 121.6 million for the Fertilizer Subsidy Programme. These funds were not deposited into the County's Revenue Fund Account as they were deducted at the source.

Additional anticipated grants included the DANIDA Grant for Primary Health Care, budgeted at Kes. 8.9 million, and the World Bank Grant for the Kenya Climate Smart Agriculture Project (KCSAP), expected to provide Kes. 90 million. To enhance food and nutrition security, the Sweden-Agricultural Sector Development Support Programme (ASDSP) Level II expected to bring in Kes. 2.99 million, while the IDA (World Bank) National Agriculture Value Chain Development Project (NAVCDP) aimed to contribute Kes. 250 million to increase market participation for value addition.

The county also planned to improve the welfare of residents in informal settlements, with the World Bank - Kenya Informal Settlement Improvement Project (KISIP II) anticipating Kes. 50 million. Furthermore, the World Bank's Financing Locally Led Climate Action Program (FLLOCA) was expected to generate Kes. 136 million, and the transfer of library services was projected to receive Kes. 5.7 million.

The county received a total of Kes. 828.9 million, which represents 71.64% of the anticipated conditional loans and grants. Major contributors to this funding included Kes. 249.9 million from the IDA (World Bank) for the National Agriculture Value Chain Development Project

(NAVCDP), Kes. 121.6 million for the Fertilizer Subsidy Programme, and Kes. 124.7 million for leasing medical equipment. Additionally, Kes. 121 million allocated as the Supplement for the Construction of County Headquarters, the World Bank - Kenya Informal Settlement Improvement Project (KISIP II) at Kes. 50 million were effected. These significant allocations are vital for supporting essential development initiatives across the county.

1.3.3 Own Source Revenue (OSR)

The County anticipated to collect Kes. 1,225,000,000 as its own source revenue in the FY 2023/24. The County collected Kes. 515,740,771.69 (42.1%) resulting in a shortfall of Kes. 709,259,228.31.

JM Kariuki Memorial Hospital stream had the highest collection of revenue at Kes 128 million. The second highest collection was from Fees and charges emanating from single business permits which realized Kes 79 million.

A critique of revenue collection per department shows that the health department had the highest collection in revenue of Kes. 205.8 million. Trade, Industrialization & Cooperatives department collected second highest amount of Kes 98.5 million. The shortfall in collection registered in this department was Kes 94.2 million. The Agriculture, Livestock and Fisheries Department which had a target of Kes. 177.1 million managed to collect Kes. 84.7 million registering a Kes 92.3 million shortfall. Liquor licensing, inspection and application had targeted to collect Kes. 57.3 million but ended up collecting Kshs. 14.2 million registering a shortfall of Kes 43.1 million.

Table 8: Projected Revenue Estimates Versus Actual Collections

Revenue Source	TARGET FY 2023/24	1ST QUARTE R TOTAL	2ND QUARTE R TOTAL	3RD QUARTE R TOTAL	4TH QUARTE R TOTAL	GRAND TOTAL	VARIA NCE
Health Services							
J.M. Hospital	282,615,00 0.00	42,187,947. 00	45,208,393. 50	21,619,832. 00	18,906,103. 00	127,922,27 5.50	- 154,692, 724.50
Engineer Hospital	74,700,000 .00	8,949,538.5 0	7,816,083.0 0	13,496,203. 00	9,892,396.0 0	40,154,220 .50	- 34,545,7 79.50
N.H.I.F Fee/Insurance	60,000,000 .00	16,461,519. 00	1,007,590.0 0	5,387,739.0 0	9,828,879.0 0	32,685,727 .00	- 27,314,2 73.00
Public Health Fees And Charges	14,193,000 .00	1,274,013.0 0	574,050.00	1,528,321.0 0	1,580,200.0 0	4,956,584. 00	- 9,236,41 6.00
Grave Fees	56,025.00	7,200.00	10,400.00	3,600.00	6,300.00	27,500.00	- 28,525.0 0

Revenue Source	TARGET FY 2023/24	1ST QUARTE R TOTAL	2ND QUARTE R TOTAL	3RD QUARTE R TOTAL	4TH QUARTE R TOTAL	GRAND TOTAL	VARIA NCE
Total	431,564,025.00	68,880,217.50	54,616,516.50	42,035,695.00	40,213,878.00	205,746,307.00	-225,817,718.00
Water, Environment, Climate Change And Natural Resources							
Conservancy	3,237,000.00	9,100.00	3,700.00	892,960.00	2,846,200.00	3,751,960.00	514,960.00
Exhauster And Exh. Milage/Dumping Fees	1,506,450.00	9,000.00	-	19,500.00	11,700.00	40,200.00	-1,466,250.00
Hire Of Water Tanker And Water Fees	1,164,075.00	25,184.00	501	-	-	25,685.00	-1,138,390.00
Park Entrance Fee	13,695.00	-	-	-	-	-	-13,695.00
Logging Fees	3,423,750.00	82,900.00	328,960.00	67,440.00	63,380.00	542,680.00	-2,881,070.00
Sale Of Trees	124,500.00	-	105,000.00	-	-	105,000.00	-19,500.00
Noise Control	37,350.00	10,080.00	16,000.00	22,000.00	16,000.00	64,080.00	26,730.00
Water Provider Licence/Borehole Drilling	37,350.00	30,000.00	-	-	3,100.00	33,100.00	-4,250.00
Total	9,544,170.00	166,264.00	454,161.00	1,001,900.00	2,940,380.00	4,562,705.00	-4,981,465.00
Youth Empowerment, Sports And Arts							
Open Space/ Stadium Hire	622,500.00	12,500.00	35,270.00	10,000.00	12,000.00	69,770.00	-552,730.00
Sport Activities	12,450,000.00	-	-	-	-	-	-12,450,000.00
Total	13,072,500.00	12,500.00	35,270.00	10,000.00	12,000.00	69,770.00	-13,002,730.00
Public Service Administration And Devolution							
Impounded Fees	6,847,500.00	346,060.00	480,780.00	170,200.00	139,500.00	1,136,540.00	-5,710,960.00
Storage Fees	68,475.00	-	16,270.00	8,100.00	-	24,370.00	-44,105.00
Other Non-Compliance Penalties	3,423,750.00	70,750.00	62,630.00	148,400.00	122,000.00	403,780.00	-3,019,970.00
Total	10,339,725.00	416,810.00	559,680.00	326,700.00	261,500.00	1,564,690.00	-8,775,035.00
Lands, Physical Planning And Urban Development;							
Plot Rates	37,350,000.00	4,275,422.90	713,402.00	3,161,458.00	2,550,047.00	10700329.9	-26,649,670.10
Land Rates	29,880,000.00	1,157,210.00	334,687.00	1,145,113.80	641,904.00	3,278,914.80	-26,601,085.20

Revenue Source	TARGET FY 2023/24	1ST QUARTE R TOTAL	2ND QUARTE R TOTAL	3RD QUARTE R TOTAL	4TH QUARTE R TOTAL	GRAND TOTAL	VARIA NCE
Ground/Kiosk Rent	5,229,000.00	716,635.00	26,800.00	188,360.00	198,880.00	1,130,675.00	- 4,098,325.00
Sub-Division Of Land	25,896,000.00	922,348.00	171,000.00	502,522.00	350,600.00	1,946,470.00	- 23,949,530.00
Site Indication	74,700.00	2,500.00	12,000.00	39,700.00	24,000.00	78,200.00	3,500.00
Change Of User	5,976,000.00	233,250.00	107,450.00	295,150.00	267,000.00	902,850.00	- 5,073,150.00
Land/Plot Reg. Fees	1,494,000.00	246,260.00	38,502.00	109,650.00	70,050.00	464,462.00	- 1,029,538.00
Dev.(Ppa Forms)	4,482,000.00	286,800.00	75,000.00	130,800.00	74,000.00	566,600.00	- 3,915,400.00
Building Plans Charges/ Fees	35,756,400.00	2,945,691.00	1,416,800.00	2,598,724.00	1,920,597.00	8,881,812.00	- 26,874,588.00
Transfer Fees	5,976,000.00	817,564.00	202,800.00	349,450.00	235,700.00	1,605,514.00	- 4,370,486.00
Clearance Certificate	6,723,000.00	618,000.00	366,000.00	609,500.00	334,000.00	1,927,500.00	- 4,795,500.00
Hire Of Hall/Chairs	14,940.00	-	-	-	-	-	- 14,940.00
Survey Fees	4,482,000.00	-	-	-	-	-	- 4,482,000.00
Lease Extension	4,482,000.00	5,000.00	73,500.00	11,500.00	-	90,000.00	- 4,392,000.00
Search Fee	2,988.00	-	-	1,100.00	-	1,100.00	- 1,888.00
Certificate Of Compliance	2,241,000.00	135,960.00	36,850.00	75,830.00	40,850.00	289,490.00	- 1,951,510.00
Advertisement	20,169,000.00	2,636,633.00	142,250.00	3,894,771.00	7,330,150.00	14,003,804.00	- 6,165,196.00
Wayleave	18,675.00	-	-	-	274,000.00	274,000.00	- 255,325.00
Total	190,247,703.00	14,999,273.90	3,717,041.00	13,113,628.80	14,311,778.00	46,141,721.70	- 144,105,981.30
Public Works, Energy, Roads Transport and Housing							
Bus And Matatu Fees	21,503,142.00	2,837,300.00	2,891,200.00	2,951,480.00	2,846,200.00	11,526,180.00	- 9,976,962.00
House/Office Rent	2,241,000.00	329,472.00	324,250.00	198,400.00	413,080.00	1,265,202.00	- 975,798.00
Motor Cycle Fees (Parking)	12,699,000.00	1,661,300.00	2,197,800.00	2,702,055.00	2,113,410.00	8,674,565.00	- 4,024,435.00
Town Parking Fee	2,241,000.00	134,630.00	115,250.00	145,365.00	219,400.00	614,645.00	- 1,626,355.00

Revenue Source	TARGET FY 2023/24	1ST QUARTE R TOTAL	2ND QUARTE R TOTAL	3RD QUARTE R TOTAL	4TH QUARTE R TOTAL	GRAND TOTAL	VARIA NCE
Project Management Fee	69,720,000.00	1,310,196.00	1,866,554.00	2,156,285.00	13,438,134.00	18,771,169.00	-50,948,831.00
Disposal Of Assets	24,900,000.00	-	-	-	158,000.00	158,000.00	-24,742,000.00
Fire Certificate	9,711,000.00	520,000.00	91,250.00	2,818,250.00	4,292,839.00	7,722,339.00	-1,988,661.00
Total	143,015,142.00	6,792,898.00	7,486,304.00	10,971,835.00	23,481,063.00	48,732,100.00	-94,283,042.00
Tourism, Cooperatives Development Trade & Industrialization And Development							
Single Business Permits	155,002,500.00	5,419,754.00	2,031,486.00	18,122,302.00	53,387,756.00	78,961,298.00	-76,041,202.00
SBP Penalties	2,801,250.00	531,189.00	469,657.00	25,875.00	331,354.00	1,358,075.00	-1,443,175.00
Sale Of Application/Renewal	1,867,500.00	224,590.00	105,870.00	634,350.00	2,251,790.00	3,216,600.00	-1,349,100.00
Open Air Market Fees	14,193,000.00	2,858,796.00	2,518,088.00	2,577,776.00	2,170,597.00	10,125,257.00	-4,067,743.00
Market Stall Rent	3,735,000.00	316,800.00	383,700.00	518,400.00	534,000.00	1,752,900.00	-1,982,100.00
Change Of Business/Business Transfer	280,125.00	3,650.00	2,670.00	550	7,000.00	13,870.00	-266,255.00
Weights And Measures	1,400,625.00	-	203,040.00	274,400.00	690,120.00	1,167,560.00	-233,065.00
Tourism Activities	12,450,000.00	-	-	-	50,000.00	50,000.00	-12,400,000.00
Cooperative Audit Fees	996,000.00	66,785.00	126,970.00	707,682.00	114,660.00	1,016,097.00	-20,097.00
Aboretum Charges			228,250.00	443,870.00	187,420.00	859,540.00	-859,540.00
Total	192,726,000.00	9,421,564.00	6,069,731.00	23,305,205.00	59,724,697.00	98,521,197.00	-94,204,803.00
Education, Children, Gender Affairs, Culture And Social Services							
Reg. And Renewal Of Groups	9,337.50	-	-	450	450	900	-8,437.50
Liquor Licence/Inspection/ App	57,394,500.00	8,792,854.00	1,333,110.00	-	4,018,100.00	14,144,064.00	-43,250,436.00
Library Charges		23,020.00	17,650.00	20,845.00	12,240.00	73,755.00	-73,755.00
Total	57,403,837.50	8,815,874.00	1,350,760.00	21,295.00	4,030,790.00	14,218,719.00	-43,185,118.50
Agriculture, Livestock And Fisheries							
Cattle Dips	373,500.00	20,900.00	13,815.00	17,025.00	14,295.00	66,035.00	-307,465.00

Revenue Source	TARGET FY 2023/24	1ST QUARTE R TOTAL	2ND QUARTE R TOTAL	3RD QUARTE R TOTAL	4TH QUARTE R TOTAL	GRAND TOTAL	VARIA NCE
Produce Cess Royalties	99,102,000.00	16,101,035.15	14,996,577.65	15,326,068.55	21,973,039.00	68,396,720.35	- 30,705,279.65
Slaughter Fees	2,988,000.00	206,860.00	176,475.00	155,300.00	126,210.00	664,845.00	- 2,323,155.00
Hire Of Machines(Agriculture)	3,735,000.00	-	-	-	5,500.00	5,500.00	- 3,729,500.00
Meat Inspection	10,458,000.00	992,715.00	991,305.00	915,710.00	928,305.00	3,828,035.00	- 6,629,965.00
Vet Department(Ai Services)	7,470,000.00	182,681.00	489,714.00	443,142.00	407,407.00	1,522,944.00	- 5,947,056.00
Vaccination	6,551,314.50	6,700.00	-	-	285,300.00	292,000.00	- 6,259,314.50
C.O.T And Movement Permit	896,400.00	108,430.00	151,513.00	131,830.00	95,750.00	487,523.00	- 408,877.00
ATC Njabini	448,200.00	10,000.00	-	-	-	10,000.00	- 438,200.00
ATC Njabini (Revolving Fund A/C)	-				1,370,675.00	1,370,675.00	- 1,370,675.00
ATC Oljoro Orok	5,976,000.00	61,400.00	189,958.60	-	-	251,358.60	- 5,724,641.40
ATC Oljoro Orok(Revolving Fund A/C)	-				1,076,461.00	1,076,461.00	- 1,076,461.00
Nyandarua Seed (Revolving Fund A/C)	-				1,237,405.00	1,237,405.00	- 1,237,405.00
Fisheries	149,400.00	-	-	-	20,750.00	20,750.00	- 128,650.00
Motorcycle Mortgage Fees	249,000.00	1,200.00	-	-	-	1,200.00	- 247,800.00
Subsidized Fertilizer Sale	38,275,000.00	2,904,600.00	1,050,000.00	158,500.00	-	4,113,100.00	- 34,161,900.00
Reg. Of Transporters (Agri)	249,000.00	3,600.00	-	-	39,690.00	43,290.00	- 205,710.00
Shamba Rent	124,500.00	-	-	-	500	500	- 124,000.00
A.M.S Nyahururu	30,000.00	153,000.00	-	-	-	153,000.00	- 123,000.00
A.M.S Nyahururu (Revolving Fund A/C)	-				1,189,863.00	1,189,863.00	- 1,189,863.00
A.M.S Kinangop	11,583.00				-	-	- 11,583.00
A.M.S Kinangop (Revolving Fund A/C)	-				31,600.00	31,600.00	- 31,600.00

Revenue Source	TARGET FY 2023/24	1ST QUARTE R TOTAL	2ND QUARTE R TOTAL	3RD QUARTE R TOTAL	4TH QUARTE R TOTAL	GRAND TOTAL	VARIA NCE
Total	177,086,89 7.50	20,753,121. 15	18,059,358. 25	17,147,575. 55	28,802,750. 00	84,762,804 .95	- 92,324,0 92.55
Others		-					
Imprest Surrender/Salary Recoverly	-	113,818.50	209,388.20	149,452.00	224,510.00	697,168.70	697,168. 70
Insurance Compensation				1,500,000.0 0	-	1,500,000. 00	1,500,00 0.00
Total	-	113,818.50	209,388.20	1,649,452.0 0	224,510.00	2,197,168. 70	2,197,16 8.70
Direct Diposit	-					9,223,588. 34	
Grand Total	1,225,000, 000.00	130,372,34 1.05	92,558,209. 95	109,583,28 6.35	174,003,34 6.00	515,740,77 1.69	- 709,259, 228.31

Source; County Treasury

1.3.4 Unspent Balances

In the FY 2023/24, the County had a total of Kes. 460,000,509 as unspent balance brought forward from the FY 2022/23 budget. The unremitted equitable share had the highest proportion of the balances at Kes 331.2 million. Others that were significant are Kenya Devolution Support Programme Level II - B/f 2020/21 FY of Kes 92.7 million and Kes 22.5 million from the World Bank Grant for KDSP (Level II) Kenya Devolution Support Programme Level 1- B/f 2020/21 FY. The summary of the unspent balances are as captured in table 9:

Table 9: Unspent balances-Kes

Description	FY 2023/24 First Supplementary Budget as approved
Kenya Devolution Support Programme Level 1- B/f 2020/21 FY	22,538,054
Road Maintenance Levy Fund - B/f 2016-17	368,641
Support to Youth Polytechnics Transfer Fund - B/F 17/18 FY	1,189,576
Kenya Devolution Support Programme Level II - B/f 2020/21 FY	92,776,734
World Bank- Financing Locally Led Climate Action Program (FLLOCA)- County Climate Resilience Investment Grant 2022/2023 FY	11,934,875
Unspent Balances - CRF 2022/23 FY	331,192,629
Total Unspent Balances B/F	460,000,509

Source; County Treasury

1.4 ACTUAL EXPENDITURE PERFORMANCE FOR FY 2023/24

1.4.1 COUNTY EXPENDITURE

In the period under review, the County spent 93.06% of its recurrent budget and 45.90% of its development Budget. Overall, total absorption stood at 75.90% of the entire Budget as shown in table 10.

Table 10: County overall expenditure for the period ending 30th June 2024- Kes

	FY 2023/24 Second Supplementary Budget as approved	Expenditure in Kes.	% utilization of Budget
Recurrent	5,567,051,385	5,180,902,958.05	93.06
Development	3,181,100,160	1,468,399,582	44.34%
Total	8,748,151,545	6,649,302,540.05	75.90%

Source: County Treasury

A further analysis of the expenditure for all departments, offices and agencies for recurrent and development is as shown in table 11.

Table 11: Summary of Departmental allocations versus the actual expenditures for the County (Kes.)

Programme	Recurrent Expenditure Approved Estimates	Actual Expenditure	Absorption Rate (%)	Development Expenditure Approved Estimates	Actual Expenditure	Absorption Rate (%)
Office Of The Governor	136,000,000	125,951,881	92.61	-	-	
Office Of The County Secretary	58,950,000	56,628,411	96.06	-	-	
Office Of County Attorney	37,650,000	25,695,844	68.25	-	-	
Public Service, Administration And Devolution	2,625,310,729	2,599,533,681	99.02	-	-	-
County Public Service Board	25,000,000	24,658,591	98.63	-	-	
Finance, Economic Planning And ICT	585,173,643	515,724,051	88.13	21,000,000	1,997,600	9.51
Health Services	424,682,000	353,620,220	83.27	352,094,012	129,458,205	36.77
Education, Children, Gender, Culture and Social Services	168,578,251	126,299,491	74.92	98,303,632	14,374,610	14.62
Tourism, Industrialization, Trade & Co-Operatives Development	68,139,142	56,049,600	82.26	265,166,790	68,606,104	25.87
Youth Empowerment, Sports and Arts	77,260,527	68,686,202	88.90	3,498,020	663,314	18.96
Water, Environment, Climate Change and Natural Resources	58,034,875	33,237,787	57.27	527,518,587	215,366,721	40.83

Programme	Recurrent Expenditure			Development Expenditure		
	Approved Estimates	Actual Expenditure	Absorption Rate (%)	Approved Estimates	Actual Expenditure	Absorption Rate (%)
Public Works, Roads, Transport, Energy and Housing	101,838,065	100,807,820	98.99	1,029,985,775	687,732,017	65.90
Lands, Physical Planning and Urban Development	61,713,422	48,093,518	77.93	136,401,644	77,219,148	56.61
Municipalities	24,887,900	17,963,767	72.18	25,497,664	13,289,421	52.12
Agriculture, Livestock And Fisheries	233,547,125	156,980,344	67.22	611,634,036	204,232,441	33.39
County Assembly	880,285,706	870,971,750	98.74	110,000,000	55,460,001	50.42
Total	5,567,051,385	5,180,902,958.05	93.06	3,291,100,160	1,459,399,581	44.34

Source: County Treasury

Recurrent expenditure

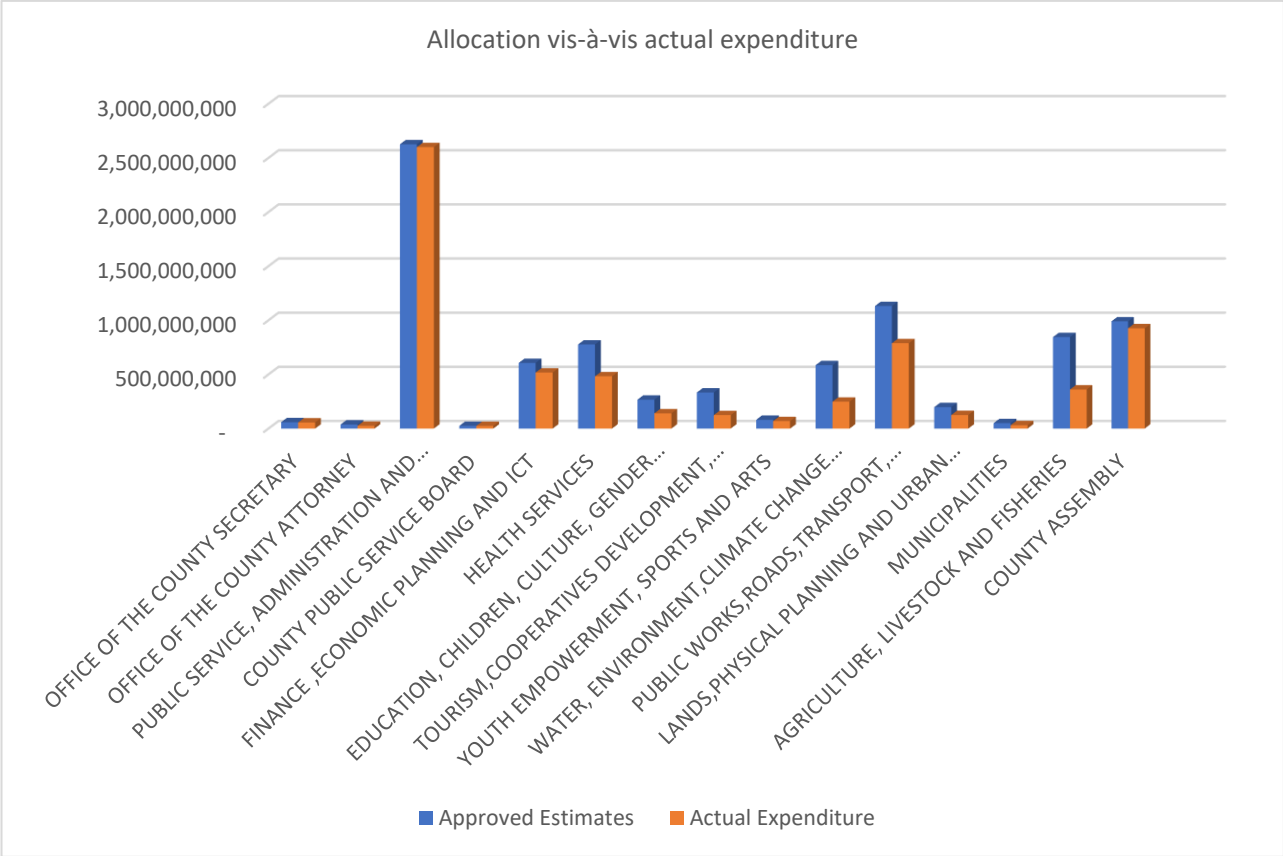
Table 11 shows that the county recorded an absorption of 93.06 % of its recurrent expenditure. The department of Public Service, Administration and Devolution recorded the highest absorption at 99.02%. They were followed by the departments of Public Works, Roads, Transport, Energy and Housing at 98.99% and County Assembly at 98.74%.

The department of Water, Tourism, Environment and Natural resources had the least absorption at 57.27% followed by Agriculture, Livestock and Fisheries at 67.22%.

Development expenditure

Development expenditure for the county stood at 45.90%. The department of Public Works, Roads, Transport, Energy and Housing recorded the highest absorption of 65.90% followed by Lands, Physical Planning and Urban Development at 56.61%. The department of Finance, Economic Planning and ICT had the lowest development expenditure of 9.51% followed by Education, Children, Gender, Culture and Social Services at 14.6%. The low absorption on development was attributed to a myriad of factors which include; delayed procurement for some projects, contractors taking long to undertake works, weather challenges affecting implementation of projects, delays in disbursement of funds and low own source revenue collection.

Figure 2: graphical presentation of departmental allocations vs actual expenditures



1.4.2 DEPARTMENTAL EXPENDITURE AND ACHIEVEMENTS

1.4.2.1 Office of the Governor

This Office predominantly gives policy direction and overall leadership to the county. It did not have any development expenditure in the 2023/24 FY. For its recurrent budget expenditure, it had an absorption rate of 92.61% having expended Kes 126 million out of the allocated Kes 136 million. The key achievements were:

- ❖ The SDU monitored all projects as directed by HE the Governor and prepared reports for the same.
- ❖ Participation in all Council of Governor's and other intergovernmental relations meetings such as IBEC.
- ❖ Oversaw public participation to ensure compliance with the constitutional requirement on citizens' engagement.
- ❖ Sourced for investors locally and internationally to promote investments.
- ❖ Swore in the various officials such as the Nyandarua County Trade Development and Investment Authority.
- ❖ Coverage of all events by Governor's Press Service
- ❖ 6 ongoing stakeholder engagements
- ❖ An operational liason office
- ❖ 100% response rate on approvals from the Office of the Governor

1.4.2.2 Office of the County Secretary

The office of the County Secretary recorded an absorption of 96.06% amounting to Kes.56.6million. The Department had no development expenditure. In the year under review, key undertakings and deliverables by the Office of the County Secretary were;

Administration and Support services

- ❖ Coordination of KDSP and other donor programs in conjunction with the line departments,
- ❖ Coordination of intergovernmental programs and activities,
- ❖ Coordination of capacity building of county staff,
- ❖ Coordination of national day events and county government events,
- ❖ Coordination of County Government Security of staff and buildings,

- ❖ Enhancement of a Complaints and Compliment system, :
- ❖ Maintenance of County Headquarters; :
- ❖ Custody of County Assets; :
- ❖ Insurance of all the county assets,
- ❖ Implemented liaison services between the County Government and the County Assembly, National Government and other partners,
- ❖ Held monthly meetings with chief officers to track on departmental projects,
- ❖ Maintenance of County buildings through repair and face lift i.e Ndaragwa and County headquarter offices
- ❖ Staff training.
- ❖ Creation of county motor vehicle inventory.

County executive committee affairs

- ❖ Coordination of Cabinet meetings
- ❖ Dissemination and follow-up on the implementation of cabinet resolutions
- ❖ A cabinet retreat.

Communication and public relations

Documenting and dissemination of information, ie coverage and publishing.

County record management

- ❖ Implemented the integrated records management policy,
- ❖ Maintenance of county records.
- ❖ Completion of phase 1 appraisal of records
- ❖ Automation of records management in the Cabinet Office

1.4.2.3 Office of the County Attorney

The Office of the Attorney is charged with the provision of county legal services and advisory. Further, the office is charged to ensure operationalization of a seamless legal framework in support of the county's operations. The office recorded a 68.25% absorption rate having expended 25.7 million out of the allocated 37.7million. Key achievements of the office were;

1. Litigation and Legal Compliance: 20 out of the planned County Government matters were settled/completed successfully.

2. Assisted department in county legislations such as Nyandarua County:

- ❖ Designated area, Bus Park and Parking Bays regulation 2024
- ❖ Lake Olbolossat sports tourism and conservation half marathon funds regulation 2023
- ❖ Trade development and investment funds regulations 2024
- ❖ Pre-primary capitation policy 2024
- ❖ Drafting, reviewing, negotiating and vetting of departmental MoUs And agreements

1.4.2.4 County Public Service Board

The department had an allocation of Kes 25 million with 24.7 million of the appropriated budget expended recording a 98.63% absorption. Key deliverables achieved in the year under review were;

To achieve improved productivity and performance, the County Public Service Board has recruited:

- ❖ 200 Interns
- ❖ 30 Revenue Clerks
- ❖ 20 Clinical Officers
- ❖ 34 Nurses
- ❖ 1 Renal Nurse
- ❖ 6 Medical Officers
- ❖ 1 Orthopedic Surgeon
- ❖ 1 Agricultural Officer
- ❖ 2 Senior HR Officers
- ❖ 3 Chief Officers
- ❖ 2 Peri-Operative Nurses
- ❖ 3 Municipal Officers

1.4.2.5 Public Service, Administration and Devolution

Public Service, Administration and Devolution had an absorption of the recurrent expenditure of 99.02% with Kes 2.6 million expended. Key deliverables attained by the department within the year under review were;

Public administration

- ❖ Coordinated and participated in County government functions and events in the Sub counties and ward levels
- ❖ Represented the office of the Governor in official county and National events
- ❖ Coordinated and managed disaster and emergency response in the decentralized units
- ❖ Coordinated development projects and programmes being undertaken by other County Department
- ❖ Trained and capacity-built officers in the department

Enforcement

- ❖ Developed legal and institutional frameworks for the directorate
- ❖ Collaborated with other departments in policy formulation
- ❖ Coordinated with national security agencies and other County departments in enforcement measures
- ❖ Empowered and enhanced professionalism of enforcement officers through training and provision of uniforms and accessories
- ❖ Secured County government installations and assets
- ❖ Maintained law and order during public and county government functions
- ❖ Participated in national celebrations and county governments functions through parades

Payroll Management

- ❖ Phased out the manual payroll
- ❖ Digitized payroll records
- ❖ Processed monthly payroll accurately and on time
- ❖ Remitted payroll deductions on time

Performance Management

- ❖ Trained the management on performance contracting
- ❖ Trained HROs and Departmental heads on development of service charters
- ❖ Trained administrative officers on customer care
- ❖ Coordinated KICOSCA event
- ❖ Procured Comprehensive Medical Cover, Last Expense and Group Life for the County staff

Human resource management

- ❖ Coordinated engagement of interns in the County Governments
- ❖ Developed Organizational structures for County departments
- ❖ Coordinated recruitment and appointment of staff in the County
- ❖ Coordinated declaration of income, Assets and liabilities
- ❖ Facilitated timely exits of staff from service
- ❖ Offered secretariat services to CHRMAC
- ❖ Processed attachments, leaves and Staff Enquiries
- ❖ Handled disciplinary cases in the county public service
- ❖ Facilitated confirmation, promotions and redesignations

Counselling Unit

- ❖ Drafted the County Counselling policy document
- ❖ Offered counselling services to staff and members of public
- ❖ Participated in National and County counselling program

1.4.2.6 Finance. Economic Planning and ICT

The Finance and Economic Planning department had an approved recurrent budget expenditure of Kes 585.2 million with a development expenditure of Kes 21 million. Development expenditure recorded a 9.51% absorption with recurrent expenditure registering a 88.13% absorption rate. The recurrent expenditure captured under Finance encapsulates expenditures on county funds such as bursary, emergency fund, and county mortgage fund among others. Key achievements of the Department were:

- ❖ Prepared timely monthly, quarterly and annual financial reports;
- ❖ Facilitated payments for the development and recurrent expenditure for to achieve an absorption rate of 69%;
- ❖ Processing of requisitions and payments to enhance project implementation through absorption of resources;
- ❖ Prepared various reports and responses to the County Assembly;

- ❖ Prepared all planning and budget documents i.e. Budget circular, Annual development plan, CBROPs, CFSPs, Debt Management Strategy Paper, Programme and Itemized budget, Appropriation Acts, An annual cash flow projection and 1st supplementary budget;
- ❖ Coordinated the preparation County work plans;
- ❖ Coordinated the preparation and implementation of the County RRI's.
- ❖ Prepared projects implementation, annual progress report for 2023/2024 FY;
- ❖ Prepared the 2023 Finance Act;
- ❖ Held various public participation for CFSP and Finance Act;
- ❖ Mobilized Kshs. 515 Million from Own Source Revenue;
- ❖ Successfully conducted mapping of businesses in the County;
- ❖ Conducted various internal audits on Revenue, payments, Assets and liabilities, pending bills, payroll among others;
- ❖ Ensured compliance to procurement laws and regulations during issuance of awards including youths and special groups.
- ❖ Facilitated the acquisition of goods, services and works for all County Departments;
- ❖ Prepared consolidated County procurement plan;
- ❖ Facilitated the implementation of various County Funds i.e. Bursary, Mortgage and Emergency funds.
- ❖ LAN and MAST installation to various county offices to ensure seamless operations;
- ❖ Successfully restored to data recovery system to enhance security systems.

1.4.2.7 Public Works, Roads, Transport, Energy and Energy

Transport, Energy and Public Works had an absorption rate for the development expenditure at Kes. 687.7 million (65.90%). The recurrent expenditure recorded a 98.99% absorption rate expending Kes 100.8 million out of the apportioned Kes 101.8 million. Key sectional achievements are as captured below;

Roads and Transport Development

- ❖ Grading (County Machinery) 623.95 KM- Ongoing
- ❖ Gravelling (County Machinery) 123.94 KM-Ongoing
- ❖ Grading (Contractual works) 268 km
- ❖ Graveling (Contractual works) 155.5 KM

- ❖ Culverts (Contractual works) 1,082 LM

Public Works

- ❖ Construction of County Headquarters
- ❖ Construction of County Executive Residences-Governor's residence
- ❖ Construction of Ciondo-Cobe, Njoguini, Manyatta Kidoa, Rumathi, Kanduma and Thaba bridges

Energy Development

- ❖ Installation of 67 floodlights across the county
- ❖ Repair and maintenance of 310 County floodlights
- ❖ Kiganjo A transformer maximization
- ❖ Wangumba transformer installation and maximization commenced; Engineer Ward
- ❖ Completion of the County Energy Plan

Emergency Response and Disaster Preparedness

- ❖ Fabrication of two fire engines to respond to fire emergencies-Olkalou & Engineer municipalities

Housing Development

- ❖ Affordable housing project -Olkalou & Engineer

1.4.2.8 Health Services

In pursuit of ensuring access to county health services, the Department of Health Services expended 83.27% of its recurrent budget. Kes 353.6 Million was spent on recurrent programmes and projects. The Department managed to absorb 36.77% of its development expenditure expending Kes 129.5 million.

In summary, the Department undertook the following projects/programmes in the financial year 2023/2024;

- ❖ Construction of mashujaa complex at 60% level of builders' work. Finishing works ongoing.
- ❖ Tiling of Lereshwa Dispensary.
- ❖ Partitioning and painting of Kagaa dispensary.

- ❖ Construction of a Pharmacy block at Manunga health center is ongoing.
- ❖ Construction of Maternity block at Chamuka dispensary at foundation level works ongoing.
- ❖ Construction of a radiology block at Bamboo health center Works ongoing.
- ❖ Construction of a radiology block at ndaragwa health center Works ongoing.
- ❖ Construction of Mosset Dispensary block ongoing builders work (walls and roof) done.
- ❖ Construction of Tumaini Cemetery toilets complete.
- ❖ Construction of munyeki dispensary at foundation level works ongoing.
- ❖ Fencing of Mumui dispensary.
- ❖ Fencing of Karangatha Cemetery.
- ❖ Procurement of Health products for all the Health Facilities
- ❖ Procurement of Equipment for various facilities
- ❖ Strategic stocks for all facilities procured.
- ❖ Health products supervision and surveillance.
- ❖ Provision of essential health services in all health facilities in the county.
- ❖ Continuous countywide immunization programme.
- ❖ Provision of GBV, family health, nutrition and dietetics services in the county.
- ❖ Public health systems surveillance.
- ❖ Garbage collection and management of disposal sites in the county.
- ❖ Management of all cemeteries in the county.

1.4.2.9 Lands, Housing & Physical Planning

In the department of Lands, Housing and Physical Planning, the absorption rate was 56.61% for its development expenditure. However, the recurrent expenditure of the department recorded a 77.93% absorption rate. The milestones achieved by the department in the year under review were;

Survey and mapping

- ❖ Survey of Ol'Kalou township
- ❖ Surveyed 18 colonial dams; Kinja dam, Mung'etho dam, Mbichu dam, Ex-Major dam, Nelson Colt lee dam, kwa Johana Dam, Kahihu dam, Kiregithi dam, Dirisha Dam, Gathanje dam, Nya/Gilgil West/160, Nyandarua/Olkalou Central/346/ among others

- ❖ Addressed 30 requests to survey public land and roads across the county
- ❖ Preparation of topographical maps for (Kiriogo, Leshau, Ol'jolorok, Rurii, Mawingo, Michore, Kianjogu, Kiambogo, Miharati and Njabini towns

Physical planning

- ❖ Physical and land use development plans for Engineer and Mairo-Inya municipalities, Kiriogo, Leshau, Ol'jolorok, Rurii, Mawingo, Michore, Miharati and Njabini towns
- ❖ Preparation of County Urban Institutional Development Strategy (CUIDS)

Land management and administration

- ❖ Purchase of Land for Social amenities in Munyeki (Karau), water tower in Kwa Ngengi (Gathanji), Highwood water project (Mirangine), Greenland ECDE Ol-bollosat (Shamata), Gathiriga Water Project (Githioro)
- ❖ Public asset identification and valuation in the land bank
- ❖ Preparation of valuation roll (Screening and data collection phase done)
- ❖ Verification of beneficiaries for the titling support program in Rurii & Kanyagia colonial villages

Urban development

- ❖ Upgrade of Kwa haraka town-cabro works and drainage works
- ❖ Ongoing upgrade of Njabini and Huruma settlements which include:
- ❖ Upgrade of roads to bitumen standards
- ❖ Development of drainage systems
- ❖ Installation of flood mask
- ❖ Development of vending platforms
- ❖ Construction of drainage system and culverts installation in Murungaru and Ngorika

1.4.2.10 Municipalities

Municipalities comprises of Ol Kalou, Engineer and Mairo-inya municipalities. The municipalities recorded an absorption of 72.18% for the recurrent expenditure amounting to Kes.18million and 52.12 % for the development expenditure amounting to Kes 13.3 million . In the year under review, the following milestones were achieved;

- ❖ Fencing of Ol Kalou multi-purpose hall

- ❖ Development of drainage system in Mairo-Inya headquarters-Kiriita ward
- ❖ Roofing of Ol 'Kalou Old market
- ❖ Fencing, grading, gravelling and culverts installation in proposed wholesale market area
- ❖ Construction of public toilets in Tumaini and Kariamu

1.4.2.11 Tourism, Industrialisation, Trade & Cooperative Development

The Department is an integral component of the county's productive sector. It had an allocation of Kes 68.1million for recurrent expenditure and an appropriation of Kes 265.2 million for development expenditure. The Department registered 82.26% and 25.87% absorption rate for the recurrent and development expenditure respectively. Key milestones achieved by the department within the year under review were;

Tourism

- ❖ Solar-heated Olympic-sized swimming pool was completed, launched, and operationalized, with 6 schools visiting the pool weekly, revenues crossing over 1 million since its launch.
- ❖ Development of ablution block completed and was operationalized
- ❖ Feasibility study in conjunction with KWS commissioned in readiness for the establishment of Ol' Kalou arboretum sanctuary.
- ❖ Launch of the Ol' Kalou Arboretum Master Plan.
- ❖ Development of arboretum museums designs and the BOQs.
- ❖ Enhanced collaboration and correspondence with the National Government in addressing the County Museum agenda.
- ❖ Conducted the first Lake Olbollosat Conservation half marathon
- ❖ Development of tourism policy draft completed

Trade

- ❖ Upgrade of Ndunyu Njeru, Mawingu, Ngorika, and Tulasha markets done.
- ❖ Upgrading Soko mpya is ongoing with cladding, guttering and construction of an eco-toilet done, installation of cabros is ongoing
- ❖ Maintenance of markets was done

- ❖ Capacity building of traders was done in partnership with major financial institutions
- ❖ Development of market management policy and bill
- ❖ The Nyandarua County Trade Development and Investment Authority board was appointed and sworn into office

Industrialization

- ❖ Development of the Nyandarua County Aggregation and Industrial park is currently ongoing
- ❖ Development of draft Industrialization policy
- ❖ Identification of cottage sector entrepreneurs to occupy Loliondo cottage hub
- ❖ Exhibition for entrepreneurs during the Devolution Conference

Cooperative Development

- ❖ Capacity building of cooperative societies including registration
- ❖ 50 co-operative societies have come up with strategic plans and are now focused on their operations.
- ❖ 60 Cooperative Societies trained on good corporate governance.
- ❖ 56 Co-operative Societies leaders in the County have established their code of ethics.
- ❖ 10 new cooperative societies registered after successful pre-operative trainings.
- ❖ Revival of Gatondo farmers dairy cooperative.
- ❖ 60 Cooperative societies have been audited

1.4.2.12 Education, Children, Gender Affairs, Culture and Social Services

Investment in Human resources is essential for socio-economic development. In the year under review, the department expended Kes. 126.3 million on recurrent expenditure and Kes 14.4 million on development expenditure which was 74.92% absorption of its recurrent expenditure and 14.62% absorption rate for the development expenditure. Key milestones are highlighted below;

Early Childhood Development Education

- ❖ Construction and completion of 8 ECDE classrooms (Others are ongoing)

- ❖ Construction and completion of 3 ECDE toilets
- ❖ Renovation of 2 classrooms was undertaken
- ❖ Tumaini ECDE center gate was constructed
- ❖ 5 Recurrent Pending bills were paid
- ❖ 11 Development Pending bills were paid
- ❖ Procurement and distribution of ECDE furniture, for 8 ECDE centers
- ❖ Provision of County Education Bursaries to 51,065 needy learners

Vocational Training Centers

- ❖ Trainees' enrolment in VTCs has increased from 2,301 to 2,413 trainees
- ❖ Trainees' capitation of Ksh. 34.515M was provided for the all 2,301 trainees.
- ❖ Registration of 600 candidates sat for national exams with a 95% pass rate
- ❖ Construction of Pesi VTC lecture hall and Olkalou VTC hostel was completed
- ❖ 3 VTC graduation ceremonies were conducted successfully
- ❖ Training of VTCs Managers and officers on financial management at KSG was done
- ❖ VTCs participation in Kenya National Music and Drama festivals at National level
- ❖ Attachment of 900 trainees in various industries
- ❖ Equipping of Kanyagia and Kangui VTCs with modern tools and equipment
 - ❖ Formulated VTCs Training Policy

Culture

- ❖ Conducted Gordon cultural initiation mentorship training
- ❖ Heroes and heroines policy was formulated
- ❖ Vetted and registered cultural groups
- ❖ Mapped Mau Mau veterans and other heroes
- ❖ A National Kikuyu prayers and cultural exhibition day was conducted at Ol-kalou
- ❖ Phase 1 of Gordon Mentorship was constructed

Library Services

- ❖ Conducted Library Outreach services
- ❖ Fenced and constructed a gate for Olkalou VTC

Children, Gender Affairs and Social Services

- ❖ International Celebrations for the African child
- ❖ Formulation of a social, Gender, and Disability policy
- ❖ Commemoration of 16 days of activism on GBV issues
- ❖ Provision and distribution of basic needs to 5000 vulnerable persons
- ❖ Celebrations during the International PWD day on 3rd December
- ❖ Provision of 50 PWDs with assistive devices, prosthetic, prostheses, and hearing aids.
- ❖ Facilitation of 1200 PWD persons with registration assessments within the County
- ❖ Empowerment of 800 members through capacity building of the PWD, Victims of GBV and other vulnerable groups.
- ❖ Provision of income-generating equipment to 100 groups including PWD and victims of GBV
- ❖ Identification and documentation of 800 PWDs into a database
- ❖ Social support to women, men, youth and other social welfare groups
- ❖ Carried out corrective surgeries in conjunction with other institutions to 18 persons

Alcohol drinks control

- ❖ Enactment of Nyandarua County Alcoholic Drinks Control Act
- ❖ Alcoholic Drinks Control regulations was approved by the County Assembly
- ❖ County and Sub-County alcoholic drinks control committees were established
- ❖ The Programme collected 34.87M revenue which was 87.18% achievement against the set target.

1.4.2.13 Agriculture, Livestock & Fisheries

The Department is key in the productive sector. With approved expenditures at Kes 527.5 Million for development and Kes. 233.5 million of the recurrent expenditure. The department recorded an absorption rate of Kes 33.39% and 67.22% for the development and recurrent expenditure having expended Kes 204,2 million and Kes 157 million respectively. The key milestones in the year under review were:

Crops Development

- ❖ NAVCDP – 123,240 farmers were registered, Mapping of FLID resources (1382 private dams/pans, 198 public /community dams and 54 irrigation schemes mapped), 94 FPOS, 99 SACCOs, and preparation of 25 County Development Plans;
- ❖ 143,833 bags of subsidized fertilizer availed to farmers through the two Cereal board stores (Kipipiri & Ol'kalou);
- ❖ 2,500 farmers Sensitized on pyrethrum farming;
- ❖ 4.2 million pyrethrum seedlings were procured and distributed to farmers;
- ❖ Surveillance, monitoring & control of crop pests and diseases including procurement of Emergency pesticides;
- ❖ 10,031 farmers supported through groups training and visits by the Agriculture Sector Development Support Programme (ASDSP 11);
- ❖ 37,242 farmers provided with extension and advisory services.

Livestock Production

- ❖ Established 1 Climate-smart fodder feed centre in Ol'Kalou subcounty and 20,000 farmers were issued with climate smart fodder crops seedlings/splits/cuttings;
- ❖ Site inspection of the Cooperatives to benefit with milk coolers was done. The coolers are to be delivered by the National Government under the Livestock Value Chain Support Project;
- ❖ Breeding stock: Dairy goats and sheep farming promotion - 40 dairy goats & 78 sheep procured. Poultry farming promotion – 2,826 poultry procured, 6 incubators procured and distributed, Pig farming promotion - 32 pigs procured and distributed;
- ❖ 300 cows registered with Kenya Stud Book;
- ❖ Construction of Leshau Pondo sale yard is ongoing;
- ❖ 10,586 farmers provided with extension and advisory services on livestock production;
- ❖ 156,000 super napier cuttings procured and distributed to farmers.

Veterinary Services Development

- ❖ Kagaa and Miti-iri Cattle Dip renovated;
- ❖ 375 Animal Health Associates (AHAs) trained on Disease Surveillance;

- ❖ 2,025 subsidized AI inseminations done. The County AI programme is ongoing;
- ❖ 65,852 animals vaccinated against FMD, LSD, ECF, RVF, Rabies and Black quarter;
- ❖ Collaborative activities between the county and Kenya Veterinary Board and VMD.

Fisheries Development

- ❖ Four Pond liners procured;
- ❖ 3,240 farmers provided with extension services on fisheries development;
- ❖ Geta fish ponds and hatchery unit refurbished.

1.4.2.14 Youth Empowerment, Sports and Arts

In the year under review, Kes 77.3 million was for recurrent expenditure whilst Kes 3.5 million was appropriated for the development expenditure. The Department recorded a low absorption at 18.96% in development expenditure with the recurrent expenditure recording an absorption of 88.9%. Key achievements for the department are highlighted below;

Sports development

- ❖ Talanta hela initiative-Regional championship
- ❖ Launch of Nyandarua Boxing association
- ❖ Athletics Kenya Events (Cross-Country events, U-20 Athletics)
- ❖ Governors Tournament (659 teams participated)
- ❖ FKF Support (300 teams supported)
- ❖ Other Federation support (Tae Kwondo)
- ❖ Sporting facilities upgrade(Mutanga, Koinange Stadiums)
- ❖ Volleyball coaches capacity building
- ❖ Issuance of sports equipment (360 teams)
- ❖ Approved Sports Policy (Tabled & approved in CA)

Youth Empowerment

- ❖ Funding and support for youth Enterprises- 45 youth groups supported
- ❖ 1500 youth issued with assorted equipment
- ❖ Sensitization and capacity building-250 youth trained
- ❖ In collaboration with DCA, Youth trained on Apiculture

Arts Development

- ❖ 1800 Youth participated in the County Talent Search Events
- ❖ Copyright sensitization for 628 artists.
- ❖ Vocal Training for 300 individuals.

1.4.2.15 Water, Environment, Climate Change and Natural Resources

The Department had an allocation of Kes 58 million for the recurrent expenditure with Kes. 527.5 million appropriated for the development expenditure. Subsequently, in the financial year under review, the department recorded an absorption rate of 57.27% and 40.83% for the recurrent and development expenditure respectively. The milestones achieved in the in the year were;

Water development

- ❖ 107.5 km of pipeline network for water reticulation was laid and operationalized
- ❖ Pump testing was done to 19 projects to determine their yields in m³ /h, depth, water rest level and water quality analysis to enable engineers to design pumps for the same.
- ❖ The department contracted the construction of 6 No. masonry water storage and
- ❖ distribution tanks which are already complete and in use
- ❖ Construction of 7 No. elevated water tower with installed 14 No.10m³ plastic storage tanks and 2No. steel tower with fixed steel storage tanks to distribute water mainly from boreholes.
- ❖ 475 No. plastic tanks of 500 litres were distributed to various water projects, public institutions and vulnerable persons in the county for roof harvesting.
- ❖ 18 No. boreholes drilled and cased as the source to enhance water supply in the county
- ❖ 15 No. boreholes equipped with solar modules and inverters, solar-powered submersible pumps with its accessories, construction of modules support steel structures and power-houses effecting borehole operationalized.
- ❖ 5 No. boreholes rehabilitated and repaired by replacement of pump motors, the solar controllers and inverter and flushing
- ❖ 2 No. weir intakes were de-silted and expanded to improve on water storage and effectiveness.
- ❖ 3 No. water kiosk were constructed enhancing accessibility of potable water to the community.
- ❖ 5No. water projects were fenced ensure security.

- ❖ 1No. water treatment plant ongoing enhancing water quality through clean and safe domestic supply.
- ❖ 2No. irrigation projects were achieved enhancing food security.

Environment management

- ❖ Developed County Environmental policy
- ❖ Developed Environment Bill
- ❖ Finalized the County Environment Action Plan which was reviewed by NEMA Nairobi, suggestions being incorporated in the document
- ❖ Held the County Environment Committee (CEC) statutory quarterly meetings
- ❖ Training of environment officers ongoing.
- ❖ Screening of all budgeted projects, undertaking and approval of requisite environmental impacts assessments in projects. All budgeted projects were extracted and screened for requisite impact assessment by the national environment management authority (NEMA), recently shared for information and action
- ❖ Undertaking and approval of EIAs: most departments are evaluating their projects, planned to undertake requisite impacts assessments and get approvals before project implementation
- ❖ Cascading and monitoring of Environmental and Social Management Plan (ESMPs); ongoing for projects in previous years, projects in this year are at evaluation phase, this will be done by the County Environment Committee (CEC) and DEM staff once projects takes off
- ❖ Participated In Kenya informal settlement Program (KISIP) 2, audit and assessment of Kenya Urban Support Program (KUSP) 1 and ongoing preparation to qualify for KUSP 2, projects in KCSAP, NAVCDP, Practical action improved cookstoves program and Financing Locally Led Climate Actions (FLLCOA),
- ❖ Monitored, advised on corrective actions and reported on ten (10) sites requiring action
- ❖ Africa Climate Summit – many innovations were presented but institutional steam projects can be adopted in the county to reduce pollution, deforestation and climate adaptation.

- ❖ 15 billion tree campaign, each officer participated and further outreach can contribute immensely
- ❖ Funding for community environmental projects, participated in review of application for grants by Terra fund in August, more community can apply and benefit during the next round for these grants

Climate change

- ❖ Training and capacity building of Ward Climate Change Committees on Climate Science, Proposal development, Monitoring and Evaluation, Leadership and Governance, FLLoCA among others
- ❖ Operationalization and training of County Climate Steering and Planning Committees on FLLoCA conditions and the role of the committees in the FLLoCA program, training on general climate change science, and at a local perspective of climate change
- ❖ Training and Capacity building of Several Sectoral Assembly Committees on Climate Change, Role of County Assembly in the FLLoCA program.
- ❖ Successful compliant and implementation of FLLoCA grant first phase through Operationalization of the Climate Change unit.
- ❖ Office furniture and equipping
- ❖ Development of Nyandarua County Climate Change Action Plan 2023-2027, Nyandarua County Participatory Climate Risk Assessment Report, 2023.
- ❖ Amendment of the Nyandarua County Climate Change Act and formulation of Public Finance Management (Nyandarua County Climate Change Funds) Regulation 2023

Natural resource

- ❖ Developed Natural Resources Management policy and Sustainable Forest Management and Tree Growing bill
- ❖ The directorate is making good progress in working with partners to support the 15bn trees initiative - working with WWF-K, local community groups and Community Forest Association to improve growing of trees - considering the constraints in budgetary allocation, this is a big achievement

- ❖ In collaboration with stakeholders, the directorate is working to unlock biodiversity data that will propel designation of Lake Olbolosat as a Ramsar Site - once designated, the lake will attract additional funding from the Government and unlocks other international opportunities
- ❖ Organized the world wetlands day held in Gathaara ward
- ❖ Supported the organization of the National Tree Planting for short rains at Sofia Beat – over 25,000 seedlings were planted.

1.4.2.16 County Assembly

The County Assembly plays an essential role in the oversight and approval of various Planning and Budgeting Policy documents among other roles and responsibilities as stipulated in the Constitution of Kenya 2010 and the County Government Act, 2012.

For the facilitation of programmes and projects that are recurrent, the County Assembly had appropriations of Kes. 990,285,706.00 vis-à-vis an actual expenditure of Kes. 925,511,749.00. The absorption rate of the County Assembly was 93.55%.

1.5 EXPENDITURE ON OTHER TRANSFERS & PAYMENTS

The expenditures by the County included transfers and payments made. This is as detailed in table 12.

Table 12: Expenditure on Other transfers & payments

Other Transfers & Payments In Kes.	Amount
Bursary fund	204,900,000
Mortgage fund	70,000,000
Medical, Pension and retirement benefits	266,500,000
Emergency fund	40,000,000
Hospital transfers and other transfers	168,076,496
Sub totals	754,476,496
Expenditure by Departments	5,558,193,384
County Assembly	925,511,749
Un surrendered imprest at 30th June 2023 b/f	-
Total Expenditure	7,238,181,629
Unrealized revenue	1,509,969,916
Unspent balances (including surrendered imprests at 30th June 2024)	
Grand total	8,748,151,545

From the analysis in table 12, the County total expenditure amounted to Kes. **6,649,302,540**. This was composed of transfers and other payments that included: Kes. 204,900,000 to bursary fund; Kes. 70,000,000 to mortgage fund; Kes. 266,500,000 to medical insurance, pension and gratuity; Kes. 40,000,000 to emergency fund; Kes; 168,076,496 to hospitals and other current transfers; Kes; 925,511,749 to County Assembly; and Kes. 4,969,314,295 as departmental expenditures in the year.

Further, during the financial year, the County had Kes. 1,509,969,916 as unrealized revenues.

1.6 CHALLENGES EXPERIENCED

i) Delays in exchequer releases

The whole Financial Year was characterized by delays in the release of exchequer releases. The County experienced delays in equitable share remittance.

ii) Delays in requisition processing/issuance of approvals for withdrawal by the Controller of Budget

The County Treasury also noted undue delay in the issuance of approvals by the Controller of Budget on requisitions forwarded to the CoB. These delays affected the overall payment process.

iii) The budget process/supplementary budget

The supplementary budget preparation experienced challenges due to the wide outlay of demands and pending bills amidst constrained resources. In the year under review, contractors delayed the implementation of programmes and projects within the county as they waited for the process to be completed.

iv) Pending bills

Pending bills accrued from the previous financial years acted as a hurdle in the implementation of contractual works. This tend to delay contractual works as the contractors wait for their settlement.

1.7 FISCAL PERFORMANCE IN RELATION TO FISCAL RESPONSIBILITY PRINCIPLES

Section 107 of the PFM Act, 2012 and regulation 25 of the PFM (County Governments) Regulations, 2015 sets out the fiscal responsibility principles which the County Governments have to observe. The extent of adherence to the Fiscal Responsibility Principles in the implementation of the 2023/24 FY budget is as follows:

Table 13: Analysis of the County's adherence to the fiscal responsibility principles for the period ending 30th June 2024

Indicator	Total Expenditure (Kes.)		Ratio (%) in relation to the total expenditure	Ratio (%) Fiscal Responsibility Principle requirement
County expenditure	Recurrent	5,180,902,958.05	77.91	
	Development	1,468,399,582	22.09	Should be at least 30%
	Total	6,649,302,540.05	100.00	
	Expenditure on wages & benefits (Excluding county assembly)	2,522,092,090.28	37.93	Should not exceed 35%
Expenditure by County Assembly	Recurrent	870,971,750	13.09	Should be the lower of 7% or twice the personnel emolument
Pending bills		520,242,808	7.82	Should not exceed 20%
Emergency fund		45,000,000	0.6	Should not exceed 2% of the total budget

- i. **The County Government's actual development expenditure must be at least 30%.** Development expenditure comprised **22.09%** of the County's total expenditure, hence not adhering to this principle.

- ii. **The County Government's spending on wages and benefits for public officers must not exceed 35% of its total revenue.** The County's wage and benefit expenditure, including pension, mortgage, gratuity, and medical insurance, amounted to 37.93% of total expenditure (excluding the County Assembly). The County therefore did not adhere to this fiscal responsibility.
- iii. **The County's public debt shall not exceed 20% of its total revenue at any given time.** The County had no debt as at the end of the Financial Year. However, An allocation of **Kes. 520,242,808** was made to settle pending bills, representing 7.82% of the revenue estimates, which is within this limit.
- iv. **The County Assembly's approved expenditures should not exceed 7% of the County Government's total revenue or twice the personnel emoluments of the Assembly, whichever is lower.** The County Assembly's allocation accounted for 13.09% of total revenue, which exceeded the prescribed limit.
- v. **Fiscal risks must be managed prudently. The County Treasury implemented various control measures and checks to manage fiscal risks prudently.**
- vi. The Emergency fund accounted for **0.6%** of the total revenues, thus falling within the confines of the principle.
- vii. **A reasonable level of predictability in tax rates and tax bases should be maintained, considering potential future tax reforms.** The County collected revenues as per the Finance Act and initiated resource mapping and mobilization efforts to enhance its resource base without overburdening residents.

CHAPTER TWO

ECONOMIC AND FINANCIAL FORECAST FOR FY 2025/26 AND THE MEDIUM-TERM

2.1 MACROECONOMIC OUTLOOK AND POLICIES

Forecasting is important in policy formulation for the information on the principal forces interacting to determine likely developments in the economy and on the range of major uncertainties surrounding those developments. Macroeconomic Outlook focuses on the expected future performance of economies based on recent Economic Developments. It helps anticipate economic fluctuations and analyze indicators in order to identify the stages of economic expansion and contraction. It allows the County to monitor its economic health, develop sound policies and practices and sustain suitable growth.

2.2 RECENT ECONOMIC DEVELOPMENTS

2.2.1 Global and Regional Economic Development

Global growth bottomed out at the end of 2022 at 2.3 percent after inflation peaked at 9.4 percent. However, the April 2024 World Economic Outlook (WEO) forecast projected the Global growth at 3.2 percent in 2024 and 3.3 percent in 2025.

Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies.

Despite gloomy predictions, the global economy remains remarkably resilient, with steady growth and inflation slowing almost as quickly as it rose. The journey has been eventful, starting with supply-chain disruptions in the aftermath of the pandemic, an energy and food crisis triggered by Russia's war on Ukraine, a considerable surge in inflation, followed by a globally synchronized monetary policy tightening.

Bringing inflation back to target should remain the priority. While inflation trends are encouraging, we are not there yet. Somewhat worryingly, progress toward inflation targets has somewhat stalled since the beginning of the year. This could be a temporary setback, but there are reasons to remain

vigilant. Most of the good news on inflation came from the decline in energy prices and in goods inflation. The latter has been helped by easing supply-chain frictions, as well as by the decline in Chinese export prices. But oil prices have been rising recently in part due to geopolitical tensions and services inflation remains stubbornly high. Further trade restrictions on Chinese exports could also push up goods inflation.

The resilient global economy also masks stark divergence across countries. The strong recent performance of the United States reflects robust productivity and employment growth, but also strong demand in an economy that remains overheated. This calls for a cautious and gradual approach to easing by the Federal Reserve. The fiscal stance, out of line with long-term fiscal sustainability, is of particular concern. It raises short-term risks to the disinflation process, as well as longer-term fiscal and financial stability risks for the global economy.

Growth in the Euro area will rebound but from very low levels, as past shocks, and tight monetary policy weigh on activity. Continued high wage growth and persistent services inflation could delay the return of inflation to target. However, unlike in the United States, there is little evidence of overheating, and the European Central Bank will need to carefully calibrate the pivot toward monetary easing to avoid an inflation undershoot. While labour markets appear strong, that strength could prove illusory if European firms have been hoarding labour in anticipation of a pickup in activity that does not materialize.

China's economy remains affected by the downturn in its property sector. Credit booms and busts never resolve themselves quickly, and this one is no exception. Domestic demand will remain lacklustre unless strong measures address the root cause. With depressed domestic demand, external surpluses could well rise. The risk is that this will further exacerbate trade tensions in an already fraught geopolitical environment.

Many other large emerging market economies are performing strongly, sometimes benefiting from a reconfiguration of global supply chains and rising trade tensions between China and the US.

Going forward, policymakers should prioritize measures that help preserve or even enhance the resilience of the global economy. The first such priority is to rebuild fiscal buffers. Even as inflation recedes, real interest rates remain high and sovereign debt dynamics have become less favourable. Credible fiscal consolidations can help lower funding costs, improve fiscal headroom and financial stability. Fiscal consolidations are never easy but it is best not to wait until markets dictate their conditions. The right approach is to start now, gradually, and credibly. Once inflation is under control, credible multiyear consolidations will help pave the way for further monetary policy easing.

The second priority is to reverse the decline in medium term growth prospects. Some of that decline comes from increased misallocation of capital and labour within sectors and countries. Facilitating faster and more efficient resource allocation will boost growth. For low-income countries, structural reforms to promote domestic and foreign direct investment, and to strengthen domestic resource mobilization will help lower borrowing costs and reduce funding needs. These countries also must improve the human capital of their large young populations, especially as the rest of the world is aging rapidly.

Artificial intelligence also gives hope for boosting productivity. It may do so, but the potential for serious disruptions in labour and financial markets is high. Harnessing the potential of AI for all will require that countries improve their digital infrastructure, invest in human capital, and coordinate on global rules of the road.

Medium-term growth prospects are also harmed by rising geoeconomic fragmentation and the surge in trade restrictive and industrial policy measures. Trade linkages are already changing as a result, with potential losses in efficiency. The net effect could well be to make the global economy less, not more, resilient. But the broader damage is to global cooperation. It is still time to reverse course.

Third, a great achievement of the past few years has been the strengthening of monetary, fiscal and financial policy frameworks especially for emerging market economies. This has helped make the global financial system more resilient and avoid a permanent resurgence of inflation. Going forward, it is essential to preserve these improvements. That includes protecting the hard-won independence of central banks.

Lastly, the green transition requires major investments. Cutting emissions is compatible with growth and activity has become much less emission-intensive in recent decades. But emissions are still rising. Much more needs to be done and done quickly. Green investment has expanded at a healthy pace in advanced economies. The greatest effort must now be made by other emerging market and developing economies, which must massively increase their green investment growth and reduce their fossil fuel investment. This will require technology transfer by other advanced economies, as well as substantial private and public financing. On these questions, as well as on so many others, multilateral frameworks and cooperation remain essential for progress.

The African Development Bank Economic Outlook 2024 indicates that despite strong economic performance and remarkable resilience, structural transformation in Africa has been slow and uneven. African countries continue to contend with significant structural challenges and multiple severe shocks, including heightened food and energy prices driven by geopolitical tensions such as Russia's invasion of Ukraine, climate issues affecting agriculture and energy production, and persistent political instability. Addressing this will require calling bold reforms of the global financial architecture to meet Africa's development financing needs.

This challenging environment has led to a slowdown in Africa's real GDP growth, which dropped to 3.1 percent in 2023 from 4.1 percent in 2022. Looking forward, however, the economic outlook is more positive, with growth expected to increase to 3.7 percent in 2024 and 4.3 percent in 2025, highlighting the strong resilience of African economies. This growth rebound will be underpinned by expected improvements in global economic conditions and effective policy measures. With these outturns, Africa will remain the second-fastest growing region globally, with 40 countries set to achieve post higher growth rates relative to 2023 levels.

Despite these positive trends, Africa still faces challenges in achieving sustainable economic and social transformation. Historical growth rates have been insufficient to offset population increases, leading to minimal gains in per capita GDP. Structural transformation has been limited, with economies heavily reliant on traditional, low-productivity sectors like agriculture or low-skilled services for growth and employment. To achieve substantial structural transformation, Africa needs to focus on strategic investments in key Sustainable Development Goal areas such as

education, energy, productivity-enhancing technology and innovation, and productive transport infrastructure. The financing gap for these investments is vast, estimated at about US\$402 billion annually until 2030, and will require scaling up domestic resource mobilization and fostering private sector investment. However, given the enormity of resources, scaling up external financial flows as complementary sources of financing is crucial. In that respect, there is urgency to reform the global financial architecture to facilitate fair, sustainable, and inclusive resource allocation, essential for financing Africa's development goals. Specific recommendations for multilateral financial institutions to mobilize resources for Africa's structural transformation at scale include recycling Special Drawing Rights through Multilateral Development Banks (MDBs), implementing the MDB capital adequacy reforms, and reforming credit rating methods. If implemented, the proposed reforms could secure \$169.4 billion a year in development financing, or about 42 percent of the estimated annual financing gap of \$402.2 billion to fast-track Africa's structural transformation.

2.2.2 Domestic Economic Development

Kenya is not immune to the global developments and the combination of elevated inflation and high interest rates has resulted in lower growth over the past year. This notwithstanding, economic growth has remained strong and resilient. This is supported by strong agricultural and manufacturing activities underpinned by favourable weather conditions, strong service sector, stable macroeconomic environment, ongoing public infrastructural investment and sustained business confidence.

The World Bank projects Kenya's growth to reach 5.2% on average during 2024-2026. This will be mainly driven by the private sector as business confidence strengthens and the public sector continues to scale back. Kenya's growth is also expected to benefit from the implementation of the recently signed trade agreements under the European Union Economic Partnership Agreement, African Continental Free Trade Area.

The African Development Bank projects Kenya's GDP to grow by 5.4% in 2024 and 5.6% in 2025, driven by services and household consumption.

Although the economic outlook is broadly positive, it is subject to elevated uncertainty. The failure to achieve fiscal consolidation targets could exacerbate Kenya's debt vulnerabilities, especially due to the high-debt service repayments. Climate hazards could resume inflationary pressures and food insecurity, affecting growth. Lower than anticipated growth in developed countries could undercut ongoing recovery in tourism, exports, and remittances. Elevated commodity prices would further tighten financial conditions, weaken external balances, and impact inflation.

In addition to aligning the country's long-term development agenda to Kenya's Vision 2030, which aims to transform Kenya into a competitive and prosperous country with a high quality of life—the government's bottom-up economic model prioritizes agriculture, healthcare, affordable housing, micro and small enterprises, and the digital and creative economy.

Inflation Rate

The overall year-on year inflation is within the Government target range of 5 ± 2.5 percent largely driven by easing food and fuel prices. Overall inflation remained stable at 4.4 percent and 4.3 percent in August and July 2024, respectively, thereby remaining below the mid-point of the target for three consecutive months. Favourable weather conditions coupled with targeted government interventions have partly led to the reduction in the cost of food production thereby lowering food inflation. Other factors expected to support low inflation include the pass-through effects of the strengthening exchange rate, decreases in electricity and pump prices and the CBK monetary policy stance.

Food inflation remained a key driver of overall year-on-year inflation though it declined to 5.3 percent in August 2024 from 7.5 percent in August 2023. The easing of food prices was supported by increased food supply arising from favourable weather conditions, continued Government interventions particularly through subsidized fertilizer, and the general easing of international food prices.

Inflation is expected to fall to 6.2% in 2024 and 5.5% in 2025, as food and global inflation both declines (ADB). Monetary policy is expected to be accommodative due to projected stable inflation and exchange rates.

Kenya Shillings Exchange Rate

The foreign exchange market remained stable in the first half of 2024 despite increased global uncertainties, effects of a stronger U.S. Dollar and geopolitical tensions in the Middle East. The Kenya Shilling exchange rate was weaker at the turn of the year but strengthened against the U.S. Dollar from mid-February 2024 through August 2024. It strengthened by 10.15 per cent, 8.55 per cent and 9.55 per cent against the US Dollar, Sterling Pound, and the Euro, respectively in August 2024 compared to a similar period in 2023. It exchanged at an average of Ksh 129.32 per US dollar in August 2024 compared with Ksh 143.93 per US dollar in August 2023. Similarly, the Kenya Shilling underperformed in all EAC regional currencies over the period under consideration. The foreign exchange market was mainly supported by inflows from agricultural exports, remittances and portfolio investors while demand was driven by pickup in economic activities specifically in the manufacturing, wholesale, and retail sectors. 🇰🇪

Through the repayment of the 2024 Eurobond, the Government successfully lowered investor uncertainty and improved the financial markets perception. The appreciation and stability of the exchange rate has created confidence and triggered inflows of foreign direct investment and attracted investors to the Nairobi Securities Exchange. This appreciation has helped to reduce debt service costs, improve performance of domestic borrowing and stabilize interest rates. The currency is expected to remain relatively stable over the coming months, after which it will gradually lose value, ending the year at close to 145 per USD and reaching 155 per dollar by the end of 2025.

Interest rates

The Central Bank of Kenya lowered its benchmark interest rate to 12.75% at its meeting on August 6, 2024, after maintaining rates at their highest since 2012 for the past four meetings. This decision was prompted by an improved global economic outlook and easing inflationary pressures.

Bank Lending Rate increased to 16.45 percent in April from 15.88 percent in February of 2024(IMF). The bank lending rate is the upper rate of interest charged on unsecured loans by commercial banks to private individuals and companies. The average lending rate increased to 16.8 percent in July 2024 from 13.8 percent in July 2023 while the average deposit rate increased

to 11.3 percent from 8.4 percent over the same period. Consequently, the average interest rate spread decreased to 5.6 percent in July 2024 from 5.4 percent in July 2023

The Stock Market

The main stock market index in Kenya (Nairobi 20) increased 213 points or 14.20% since the beginning of 2024, according to trading on a contract for difference (CFD) that tracks this benchmark index from Kenya. In the last year, the market has climbed 9.1%. Earnings are forecast to grow by 12% annually.

Balance of Payments

The current account deficit narrowed to USD 4,091.3 million (3.2 percent of GDP) in June 2024 compared to USD 4,840.9 million (4.5 percent of GDP) in June 2023 reflecting lower imports, strong performance of export of goods and services as well as increased remittances. Goods exports increased by 5.0 percent in the 12 months to June 2024 compared to a similar period in 2023, reflecting increased exports of agricultural commodities and reexports. Goods imports declined by 3.3 percent in the 12 months to June 2024 compared to a similar period of 2023, reflecting lower imports across all categories, except sugar, machinery and transport equipment, crude materials, and miscellaneous manufactures. In this respect, the balance in the merchandise account improved by USD 961.1 million to a deficit of USD 9,887.8 million in June 2024. Remittances increased by 12.9 percent to USD 4,536 million in the 12 months to June 2024 compared to USD 4,017 million in a similar period in 2023. Tourist arrivals improved by 27.2 percent in the 12 months to June 2024 compared to a similar period in 2023.

Foreign Exchange Reserves

Foreign Exchange Reserves in Kenya averaged 5,783.48 USD Million from 1995 until 2024, reaching an all-time high of 15,966.50 USD Million in February of 2024 and a record low of 853.00 USD Million in November of 1995. The foreign exchange holdings remained strong at USD 16,438 million in June 2024 an improvement from USD 13,165.6 million in June 2023. The CBK foreign exchange reserves remained adequate. Official foreign exchange reserves stood at USD 7,349 million (3.8 months of import cover as at the end of August). This meets the CBK's statutory requirement to endeavour to maintain at least 4 months of import cover (CBK).

Fiscal deficit

The fiscal deficit is projected to narrow to 5.9% of GDP in 2024 and 5.0% in 2025 in response to a revenue-led fiscal consolidation program. The current account deficit is projected to narrow to 4.6% of GDP in 2024 and 4.5% in 2025 as a recovery in global trade reduces the trade deficit. However, the outlook is subject to considerable risks, including tight global financing, drought, political instability in neighbouring countries, and slow recovery of global growth.

2.3 County Outlook

On the County scene, economic growth has remained strong and gradual. Growth continues to be supported by a vibrant agricultural sector underpinned by favourable weather conditions and resilient service sector supported by the microeconomic environment and favourable government policies. Ongoing infrastructural investment is expected to create a catalyst for sustained growth. The medium-term performance of the County's economic outlook is directly impacted by the national and global economy. In the medium term, the various sectors within the County have designed programmes within the local context of Change Agenda for Socio-economic Development and Wealth Creation. All initiatives shall be geared towards reinvigorating the Country's Economic Model through pragmatic approaches as identifies under the third generation County Integrated Development Plan (CIDP 3) whose theme is the theme "*Change Agenda for Socio-Economic Development and Wealth Creation*".

The preparation and subsequent implementation of the 2025-26 FY and the medium-term budget will be aligned to the CIDP 3, the National "BETA Agenda" that includes Agriculture and Food Security, Micro, Small and Medium Enterprises, manufacturing, affordable housing, digital and creative economy, health and enablers and further H.E the Governors Change Agenda. It will also take cognizant of other emerging needs. initiatives and interventions.

To effectively adapt to the ever-changing global socio-economic variables, the County will employ various mitigating, adaption and resilience measures targeting both the resource mobilization and application sides of the equation.

These will include measures centered on addressing key developmental challenges and leveraging opportunities, especially in climate resilience and agriculture with a focus on improving food security, job creation, and investment in renewable energy. The county will aim to enhance

agricultural productivity, renewable energy, and environmental conservation to mitigate the effects of climate change.

Additionally, the County will continue to made significant investments in infrastructure, such as expanding water security projects, rehabilitating dams, and promoting ecotourism with the efforts are designed to improve water supply, increase agricultural output, and reduce reliance on costly electricity.

In the medium term, the county government will prioritize fiscal strategies to enhance resource utilization, improve service delivery, and foster transparency, aiming to address the challenges of inflation and fluctuating fuel prices.

To help the County withstand economic shocks and ensure long-term growth mitigate financial and economic risks and uncertainties the County will employ the following strategies, focused on sustainability, smart financial management, and community involvement, will.

- a) **Diversification of Revenue Sources:** The county will explore alternative revenue streams, such as ecotourism, agriculture-based industries, and renewable energy projects. This will reduce over-reliance on traditional sources and cushion against economic downturn.
- b) **Strengthening Agricultural Value Chains:** As agriculture is a key sector in Nyandarua, improving value addition, storage facilities, and access to markets will protect farmers from price fluctuations and supply chain disruptions. Investments in agro-processing will also create job opportunities and enhance food security.
- c) **Climate-Resilient Infrastructure:** Enhancing infrastructure that withstands the impacts of climate change, such as roads, dams, and energy grids, will ensure continuous service delivery despite adverse weather. Solar-powered water projects and biogas installations can also reduce operational costs and improve sustainability.
- d) **Enhanced Financial Management:** Establishing emergency funds, improving fiscal discipline, and implementing financial risk management strategies can help the county cope with budget shortfalls. Transparent budgeting and prioritization of critical projects will optimize resource allocation and utilization.
- e) **Promoting Public-Private Partnerships (PPPs) :** Collaborating with private entities in sectors such as renewable energy, agribusiness, and infrastructure will bring in investments

while sharing risks. PPPs will support long-term, sustainable development and reduce the financial burden on the county.

- f) **Capacity Building and Community Engagement:** Training local communities in climate adaptation strategies, financial literacy, and sustainable farming techniques can increase local resilience. Empowering communities to be more self-reliant in food production and water management will help reduce dependence on external support.
- g) **Digital Transformation:** Leveraging technology to streamline operations, such as digitizing revenue collection, monitoring expenditure, and using data analytics for decision-making, will improve efficiency and reduce revenue leakages.

In order to support the county's recovery and maintain an upward growth trend, the county has put in place vital measures to tackle socio-economic development issues. Such measures include:

1. **Health Services:** Health services play a vital role in the effective functioning of the county government by ensuring public health and economic development. Providing access to quality healthcare helps prevent disease outbreaks, lowers mortality rates, and improves the overall well-being of the population. A healthier community is more productive, contributing directly to economic growth by reducing absenteeism and maintaining higher workforce efficiency. The construction of JM Kariuki Memorial Hospital – Mashujaa Complex, and the upgrade of key health centers—Manunga, Ndaragwa, Bamboo, Chamuka, and Ngano—each receiving are aimed at improved provision of health services in the county, initiatives are aligned with the health-related objectives outlined in the Bottom-Up Economic Transformation Agenda (BETA).
2. **Education:** Human capital development is a cornerstone of societal progress, serving as a critical element for long-term growth and sustainability. In line with Executive Order No. 1 of August 2022, the department is responsible for Early Childhood Education (ECDE), vocational training, social services, and children's welfare. These areas are central to shaping the skills and well-being of the county's population, ensuring the foundation for future workforce readiness and community development.

Recognizing the educational needs of its residents, the county provides financial support through capitation programs for learners at both early and tertiary education levels, as well as a bursary scheme for secondary and tertiary education. The proposed county bursary

allocation underscore the county's commitment to empowering its youth and supporting human capital development for sustained socio-economic growth.

To improve education and training within Nyandarua County, the establishment of Nyandarua University at the Agricultural Training Centre (ATC) in Ol-joro-orok, will expand higher education access. Additionally, resources have been set aside for enhanced library services thereby improving educational resources. These investments underscore the county's commitment to both foundational and higher education, driving long-term socio-economic growth and human capital development.

3. Youth Empowerment, Sports and Arts

The department plays a crucial role in advancing the county's goal to empower its youth through targeted programs in three key areas: **Youth Empowerment, Sports Development, and Arts Development.**

Investments in these programs reflect the county's commitment to developing a holistic approach to youth empowerment, fostering skills, entrepreneurship, and creativity.

4. Tourism, Cooperatives Development, Trade and Industrialization

This department plays a pivotal role in advancing both the county's and the nation's broader development agenda, with its initiatives generating far-reaching multiplier effects across various sectors. To maximize its impact, resources have been allocated to the Industrial Development Program, which aims to stimulate local industries and drive economic growth through innovation and industrialization.

In addition, recognizing the county's untapped tourism potential, efforts will focus on improving tourism infrastructure and promoting the region as a key destination. This is expected to boost economic activity, create jobs, and attract investment. These strategic investments underscore the department's crucial role in fostering economic diversification and driving development across multiple sectors.

5. Water, Environment, Climate Change and Natural Resources

The department operates within the productive sector, where water resources play a pivotal role in driving other socio-economic development activities. Key initiatives under this program include **community water projects**, and the county's irrigation infrastructure, promoting agricultural productivity and sustainability.

In addressing climate challenges, the **Climate Change Program** is set to receive substantial support from the World Bank's FLLoCA program and the County Climate Change Fund. These investments reflect a proactive approach to managing climate risks and enhancing resilience across the county while underscoring its strategic importance in fostering sustainable development and addressing climate adaptation needs.

6. Lands, physical planning and urban development

The department is responsible for land administration, surveying, mapping, physical planning, and urban/municipal development, all crucial for the county's orderly growth. The department's key priorities include improving waste management, updating the Geographical Information System (GIS), procuring a mapping drone, equipping the GIS lab, and completing the operationalization of the Valuation Roll.

These initiatives aim to enhance urban planning, infrastructure development, and service delivery, with a particular focus on leveraging technology for more efficient land use and management. The completion of the valuation roll is expected to play a pivotal role in increasing county revenue, while waste management improvements will contribute to cleaner, more sustainable urban environments. These projects align with the county's broader objectives of fostering sustainable development and enhancing municipal services.

7. Public Works, Roads, Transport, Housing and Energy

The department plays a crucial role in supporting various sectors, with a key focus on upgrading, rehabilitating, and maintaining the county's road infrastructure to ensure motorable standards. By enhancing road networks, the county aims to improve access to essential services and markets, which in turn will drive economic growth, boost trade opportunities, and elevate the quality of life for residents through a more efficient transportation system.

Additionally, efforts will focus on enhancing service delivery through the completion of the county headquarters and the Governor's and Deputy Governor's residences.

In the energy sector, priority will be given to the solarization of streetlights, a step aimed at promoting sustainability while reducing operational costs.

8. Agriculture, livestock and fisheries

The department manages several vital programs aimed at enhancing agricultural productivity and improving livelihoods. These include Crop Development, support for Agricultural Institutions such as Agricultural Training Centers (ATCs) and Agricultural Mechanization Services (AMS), as well as initiatives under the Special Programs and Projects Unit (SPPU) and the Revolving Fund. Other key areas of focus include Livestock Development, Veterinary Services—featuring subsidized Artificial Insemination (AI) services—and Fisheries Development.

For the upcoming fiscal year, the department's priorities include the provision of subsidized fertilizer to boost crop production and the promotion of key value chains through the National Agricultural Value Chain Development Project (NAVCDP) and the Kenya Agricultural Business Development Project (KABDP). These initiatives will strengthen agricultural and livestock value chains, enhance food security, and foster sustainable development within the county.

2.4 MEDIUM TERM FISCAL FRAMEWORK

2.4.1 FINANCIAL FORECAST FOR 2025/26 FY AND THE MEDIUM TERM

2.4.1.1 Revenue projections

The County is highly dependent on revenues from the National Government and Conditional Grants from various Development Partners. To this end, the County expects that all the revenues streams will be released to the County for all the anticipated programmes and projects to take off.

To effectively finance the priorities for the Medium-Term Expenditure Framework (MTEF) period, 2025/26-2027/28, a conscious decision will have to be taken to ensure that mobilization efforts are strengthened to match the resource requirements. The success of the County fiscal framework is dependent on a budgetary policy developed that is compliant with prevailing political, social and economic conditions.

In the medium, the projected revenues sources will be;

1. Equitable share from the National Government,
2. Own Source revenue collection,
3. Conditional Grants from the National Government and development partners, and

4. Donors and well-wishers support.

Feasibly, the total projected revenues for the County Government in the 2025/26 FY are estimated to be Kes. **7,551,850,000.00**.

Table 14 provides a breakdown for the projected revenues over the medium term;

Table 14: Revenue forecast for FY 2024/25 and the Medium Term (Kshs.)

Revenue	FY2023/24 Budgeted Revenues (Kes. Millions)	Revenue Projections (Kes. Millions)			
		FY2024/25	FY2025/26	FY2026/27	FY2027/28
Equitable Share	5,905.98	6,137.35	5,905.97	6,142.21	6,387.90
County Own Source Revenue	1,225.00	600.00	600	624.00	648.96
Other revenues	1,179.71	250	200	208.00	216.32
Conditional loans and Grants from National Government and Development Partners	437.46	1,499.12	845.88	879.72	914.90
Total	8,748.15	8,486.47	7,551.85	7,853.93	8,168.08

Source: County Treasury

2.4.1.2 Expenditure forecasts

The expenditure forecasts are based on the principle of balanced budget model where the revenues should match the expenditures. This is due to the constrained revenue generation capacities coupled with high resource requirements to implement interventions and programmes.

The fiscal policy should be expansionary and observe allocation efficiency where government spending ensures that resources are used to derive maximum socio-economic benefits. Value for money should be the guiding principle when making decisions on allocation of resources.

Resources will be allocated based on;

- (i) Development priorities identified in CIDP 3, the Governor's manifesto, the Kenya Kwanza manifesto, MTP IV, sectoral plans and stakeholder's consultative forums.
- (ii) Flagship Projects, the Bottom-up Economic Transformative Agenda and The Governor's Change Agenda;

(iii)Ongoing projects: the emphasis is given to completion of on-going and unfinished projects and in particular infrastructure projects and other projects with a high impact on poverty reduction, equity, job and wealth creation.

(iv)Job creation: Specific consideration to job creation for the youth based on sound initiatives identified in the Governor’s manifesto and during the county stakeholders’ consultation will be considered as well as disability and gender mainstreaming.

The overall expenditure on programmes in the 2025/26 FY is estimated to be Kshs. **7,551.85 million**. This expenditure is further split into Kshs **2,463.41 million** as Development expenditure and Kshs. **5,088.44** million as recurrent expenditure. This represents an allocation proportion of 32.62% and 67.38% for development and recurrent expenditure respectively.

The budget implementation will be strictly within the confines of the existing legal frameworks, predominantly the Public Finance Management Act, 2012 and its Regulations.

Table 15: Expenditure forecast for FY 2025/26 and the Medium Term (Kshs.)

Expenditure	FY2023/24 Actual Expenditures (Kes. Millions)	Expenditure Projections (Kes. Millions)			
		FY2024/25	FY2025/26	FY2026/27	FY2027/28
Recurrent	5,180.90	5,439.68	5,088.44	5,291.98	5,503.65
Development	1,468.40	3,046.79	2,463.41	2,561.95	2,664.43
Total	6,649.30	8,486.47	7,551.85	7,853.93	8,168.08

Source: County Treasury

CHAPTER THREE

SECTORAL PRIORITIES AND RESOURCE ALLOCATION IN THE MEDIUM TERM

3.1 OVERVIEW

The FY 2025/26 and Medium-Term Budget will be implemented in tandem with the Bottom-up Economic Transformation Agenda (BETA) and The Change Agenda for Socio-Economic Transformation and Wealth Creation (CIDP-3, 2023-2027). This approach will be executed by allocating resources strategically to areas that promise significant returns in terms of revenue generation, wealth creation, and job provision. The County Government will ensure that these allocations are directly linked to the needs of the citizens, the planning process, and effective implementation. The focus on strategic areas ensures that resources are used efficiently to address critical needs and achieve significant economic outcomes.

Assumptions underpinning the FY 2025/26 and Medium-Term Fiscal Framework

Consistent with the National Government's Budget Policy Statement 2024, the County Government's Medium-Term Fiscal Framework is grounded in the following assumptions:

1. GDP is projected to grow 5.4% in 2024 driven by services and household production and is expected to continue growing over the medium term.
2. Inflation is projected to gradually ease towards the Government target range of 5.0 percent in FY 2024/25 and remain within the target range over the medium term
3. Fluctuations in the exchange rates and increased interest rates leading to an increase in debt servicing costs
4. The external sector is expected to remain relatively stable despite the projected global economic slowdown, geopolitical fragmentation and uncertainties and tight global financial conditions
5. The County depends significantly on National Government revenues and Conditional Grants from development partners, with expectations that these funds will be fully provided to support planned programs and projects.
6. Adherence to fiscal principles set out in Kenya's 2010 Constitution and the PFM Act, 2012 is essential. Projects must also comply with legal frameworks such as the Public Procurement and Disposal Act and the County risk policy.

7. Disruptive events, including strikes or political unrest, are not expected to affect the implementation of FY 2025/26 programs and projects.
8. The Medium-Term expenditure projections are in tandem with the National Government fiscal projections' growth rate.
9. The unexpected changes in the macroeconomic projections may pose risks to the projected revenue and expenditure.

3.1.1 Guidelines for Preparing FY 2025/26 and Medium-Term Budget Proposals

The FY 2025/26 and Medium-Term Budget preparation process is in adherence to the following guidelines:

3.1.1.1 Fiscal Consolidation Policy

The fiscal policy stance for the FY 2025/26 and the medium-term budget seeks to reduce public debt and create fiscal space through a growth friendly fiscal consolidation plan. The plan targets to slow down the annual growth in public debt and implement an effective liability management strategy, without compromising service delivery to its citizens. This is expected to boost the County's debt sustainability position

The medium-term fiscal projections have been revised from those of the 2024 Budget Policy Statement estimates taking into account the fiscal outcome of the FY 2023/24 and the impact of the withdrawal of the Finance Bill, 2024. The consolidation will be supported by enhanced revenue mobilization and rationalization of non-priority expenditure while protecting essential social and development budget.

Departments therefore, must align their Medium-Term budgets with the Medium-Term Fiscal Framework specified in the CBROP 2024.

3.1.1.2 Bottom-up Economic Transformation Agenda (BETA)

The FY 2025/26 and Medium-Term Budget will prioritize the Bottom-up Economic Transformation Agenda (BETA), aimed at economic recovery and inclusive growth through targeted investments in five key sectors with substantial impact:

1. Agricultural transformation.
2. Support for Micro, Small, and Medium Enterprises (MSMEs).
3. Housing and settlement development.

4. Healthcare improvements.
5. Development of the Digital Superhighway and creative industries.

3.1.1.3 Vision 2030 Medium-Term Plan IV (2023-2027)

The FY 2025/26 and Medium-Term Budget will also align with MTP IV objectives, building on previous achievements. The focus will be on addressing policy, legal, regulatory, and governance challenges to ensure effective resource utilization. Departments are required to review their budgets to enhance productivity and meet MTP IV goals. This review should include:

1. Prioritizing government programs and projects in budget proposals.
2. Assessing resource needs for each program and project within budget limits.
3. Providing justifications for each program's funding with appropriate documentation.
4. Conducting Program Performance Reviews (PPRs).

3.2 SECTOR PRIORITIES

3.2.1 Office of the Governor

The Office of the Governor oversees essential programs critical to the operations and coordination of service delivery. Notable among these are the newly established Special Programs and Diaspora Affairs, as well as the Public Participation and Civic Education programs. Additionally, the office manages the Governor's Press Service and Inter-Governmental Relations. To ensure seamless operations, a total allocation of Kes 130 million has been provided.

3.2.2 Office of the County Secretary and Head of Public Service

The office runs programmes for key departmental coordination and administration, county executive committee affairs, utility management, asset and records management. The Office of the County Secretary has an allocation of Kes. 58.4 million for the FY 2025/26.

3.2.3 Office of the County Attorney

County legislation and litigation services are the purview of the County Attorney. Departments are supposed to seek legal advisory services from this office. The office has actively been addressing county litigations whose costs pose legal risks to the County. The office has an allocation of Kes 34.65 million.

3.2.4 The County Public Service Board

The County Public Service Board (CPSB) has its mandate and functions prescribed in Section 59 of the County Government Act, 2012. To fully undertake its functions as intimated in the Act, the CPSB has a proposed allocation of Kes 28 million.

3.2.5 Public Service, Administration and Devolution

The Department is mandated to undertake all human resource management programmes. To this end, the payroll sub-programme, and performance management are domiciled therein. The Department also oversees the delivery of services at the devolved unit. To enforce county laws and secure county assets, the department has an enforcement programme that facilitates this. The total departmental allocation is Kes 2,575.90 million.

3.2.6 Health Services

Key programs under the department include health infrastructure, preventive and promotive health, and curative services, which encompass Universal Health Coverage. The department has been allocated a total of Kes 748.02 million. This funding will support major projects such as the JM Kariuki Memorial Hospital – Mashujaa Complex, and the upgrade of key health centers — Manunga, Ndaragwa, Bamboo, Chamuka, and Ngano.

3.2.7 Education, Children, Gender Affairs, Culture and Social Services

Human Capital development is an essential building block for societal development. Early Childhood Education, Vocational training, Social Services and Children services are the mandate of the department as per Executive Order No. 1 of August 2022.

Alive to the needs of county residents, the county has both the capitation for learners at the two levels of education – Early and tertiary and a bursary programme that supports both tertiary and secondary education. For the 2025/26 FY, the County Bursary is proposed at Kes 110 (exclusive of the proposals that will arise from the County Assembly). The capitation for ECDE is at Kes 12.5 million whilst that of vocational trainees is at Kes 36.21 million.

The Department has also allocated 20 million to facilitate establishment of Nyandarua University at ATC Ol-joro-orok, 7.4 million to Library Services and 5 million to the second phase of ECDE Digitization in the County. The total allocation of the department is Kes. 238.11 million.

3.2.8 Youth Empowerment, Sports and Arts

The department is an essential component in the county's objective to advance the abilities of the youth. This is implemented in the department through three programmes. These are: Youth

Empowerment; Sports development; and Arts development. The total proposed allocation to the department is Kes. 93 million with the sports infrastructure development programme comprising of Kes. 10.9 million and another Kes 12 million for the governor's tournament. Youth enterprise and livelihoods Support comprises of Kes 20 million for the issuance of specialized equipment, while the Arts development programme has a proposed allocation of Kes 16.8 million.

3.2.9 Tourism, Cooperatives Development, Trade and Industrialization

This department serves as a key anchor for the development agenda of both the county and the country at large, with wide-ranging multiplier effects that underscore the need to leverage its potential. A total allocation of Kes 131.08 million is proposed for the department, with the largest share directed to Tourism development and marketing with a Kes 35.7 million allocation.

3.2.10 Water, Environment, Climate Change and Natural Resources

The department operates within the productive sector, with water resources serving as a catalyst for other socio-economic development activities. The Water Resource Development Program has been allocated Kes 174 million, with Kes 153 million dedicated to development projects within the county. The Climate Change Program has a proposed funding of Kes 104 million under the World Bank FLLoCA program, along with Kes 92 million from the County Climate Change Fund. The total departmental allocation stands at Kes 390 million.

3.2.11 Lands, Physical Planning and Urban Development

The department is mandated to undertake land administration, surveying, mapping, physical planning, and urban/municipal development. The budget allocation is Kes 111.2 million, with an additional Kes 89 million designated for the municipalities. In the FY 2025/26, the department has prioritized waste management, updating the Geographical Information System (GIS), procuring a mapping drone, equipping the GIS Lab and completion/operationalization of the valuation roll. These initiatives are designed to enhance urban planning, infrastructure development, and overall service delivery, with the valuation roll specifically intended to increase revenue.

3.2.12 Public Works, Roads, Transport, Housing and Energy

The department plays a vital role as an enabler for other sectors, with a total allocation of Kes 751.3 million. To upgrade the county's road infrastructure to motorable standards, Kes 514 million has been earmarked, including Kes 100 million for the County Machinery Program and Kes 391 million for contracted works, covering road construction and drainage.

The county headquarters has been allocated Kes 151 million, which includes Kes 121 million from the National Government and Kes 30 million from the County Government. Additionally, Kes 10 million has been allocated for completion of the Governor's residence, and another Kes 10 million to start the Deputy Governor's residence.

In the area of Energy Development, Kes 25 million has been set aside for electricity bills, with an additional Kes 22.5 million allocated for the solarization of floodlights to ensure sustainability of the county's lighting infrastructure and reduce KPLC bills towards county lighting. For Housing Development, Kes 12 million has been allocated for the rehabilitation of county residential houses at Nyahururu, Bahati and Huruma Estates in Ol'kalou.

3.2.13 Agriculture, Livestock and Fisheries

Programmes falling under the department are; Crop development, Agricultural Institutions support i.e. ATCs & AMS (including SPPU & Revolving fund), Livestock Development, Veterinary services (including subsidized AI) and Fisheries Development.

The department's key priorities and their respective allocations are as follows: subsidized fertilizer provision at Kes 121.62 million, promotion of key value chains through the National Agricultural Value Chain Development Project (NAVCDP) at Kes 161.52 million, the Kenya Agricultural Business Development Project (KABDP) at Kes 20.92 million, and the Livestock Value Chain Support Project at Kes 135.21 million. Additionally, Kes 25 million is allocated for farm inputs, Kes 11.76 million for Artificial Insemination (AI) services, and Kes 10 million for completing the Leshau Pondo livestock sale yard. The total allocation to the department is Kes. 621.78 million.

3.2.14 Finance, Economic Planning and ICT

County funds are domiciled in the Finance Department. These are Mortgage fund at Kes. 100 million, Emergency Fund, Kes. 40 million, Nyandarua Trade Fund Kes. 15 million and County Bursary Fund at Kes. 110 million.

Pending bills across various departments have been allocated Kes. 150 million which will go towards payment of duly verified pending bills. The revenue directorate is expected to put in place measures for revenue mobilization. To bolster revenue mobilization efforts, the Revenue Directorate has been allocated Kes 75.2 million.

For the prudent utilization of county public financial resources, the Public Finance Management Programme has been allocated Kes 26 million. Economic Planning which oversees county economic affairs, has an allocation of Kes 37 Million for County Planning and Budgeting.

ICT is allocated Kes 23.5 million to support e-government services within the county. Furthermore, Supply Chain Management and the Internal Audit Directorate have been allocated Kes 10 million and Kes 15 million, respectively.

3.3 CRITERIA FOR RESOURCE ALLOCATION

The County Government is operating under constrained fiscal environment. In view of this, the County's Zero-based Budgeting approach to guide the prioritization and allocation of the scarce resources to projects and programmes will prioritize high-priority service-delivery programmes over low priority expenditures. Resource allocation will be guided by the following criteria:

- (i) Programs that enhance value chains and their connection to BETA priorities;
- (ii) Flagship Projects and H.E The Governor's Change agenda;
- (iii) Decisions made by the Cabinet, are expected to ensure that all Cabinet Decisions are implemented. In this regard, departments are required to prioritize allocations to Cabinet Decisions within the available resource ceilings;
- (iv) Alignment of the program with the priorities outlined in Medium-Term Plan IV of Vision 2030;
- (v) Linkage of programmes that support mitigation and adaptation of climate change;
- (vi) Completion of ongoing projects, resolution of stalled projects, and settlement of verified outstanding bills;
- (vii) The extent to which a program contributes to job creation and poverty reduction;
- (viii) The degree to which a program aligns with the core responsibilities of the Departments;
- (ix) Considerations of cost-effectiveness, efficiency, and long-term sustainability of the program;
- (x) Requirements necessary for the advancement and implementation of the Constitution.

3.4 INDICATIVE SECTOR ALLOCATIONS

The indicative allocations to the sectors in the 2025/26 FY and medium term are as shown in table 16.

Table 16: Sector Ceilings for FY 2025/26 and the Medium Term (Kes. millions)

SECTOR	Approved Expenditure 2024/25 FY	ADP 2025/26 FY projected allocations as - Submitted to CA	FY 25/26 projected allocations	FY 2026/27 projected allocations	FY 2027/28 projected allocations
GOVERNANCE SECTOR					
Office of The Governor	120	130	130	135.2	140.61
Office of The County Secretary	60.93	58.4	58.4	60.74	63.17
County Public Service Board	25.92	28	28	29.12	30.28
County Attorney	26.85	34.65	34.65	36.04	37.48
Public Service, Administration and Devolution	2,651.32	2,575.90	2,575.90	2,678.94	2,786.09
Finance, Economic Planning and ICT	662.98	701.39	701.39	729.45	758.62
HUMAN RESORCE SECTOR					
Health Services	724.28	748.02	748.02	777.94	809.06
Education, Children, Gender, Culture and Social Services	235.28	238.13	238.13	247.66	257.56
PRODUCTIVE SECTOR					
Youth Empowerment, Sports and Arts	70.73	93	93	96.72	100.59
Tourism, Cooperatives Development, Trade and Industrialization	481.68	131.08	131.08	136.32	141.78
Water, environment, climate change	414.16	390	390	405.6	421.82

SECTOR	Approved Expenditure 2024/25 FY	ADP 2025/26 FY projected allocations as - Submitted to CA	FY 25/26 projected allocations	FY 2026/27 projected allocations	FY 2027/28 projected allocations
and natural resources					
Agriculture, Livestock & Fisheries	566.93	621.78	621.78	646.65	672.52
INFRASTRUCTURAL SECTOR					
Lands, Physical planning, and urban development	363.56	111.2	111.2	115.65	120.27
Municipalities	93.30	89	89	92.56	96.26
Public Works, Roads, Transport, Housing and Energy	1,033.72	751.3	751.3	781.35	812.61
COUNTY ASSEMBLY					
County Assembly	954.76	850	850	884	919.36
TOTAL	8,486.47	7,551.85	7,551.85	7,853.93	8,168.08

Source: County treasury

Table 17: FY 2025-2026 Indicative Recurrent and Development Ceilings (Kes. millions)

SECTOR	FY 2025/26 Proposed Development Budget	FY 2025/26 Proposed Recurrent Budget	ADP 2025/26 FY as Submitted to CA
Governor's office	0	130	130
County Secretary's office	0	58.4	58.4
County Attorney	0	34.65	34.65
County Public Service Board	0	28	28
Public Service, Administration and Devolution	0	2,575.90	2575.9
Finance, Economic Planning and ICT	284	417.39	701.39
Education, Children, Gender Affairs, Culture and Social Services	66.7	171.43	238.13

SECTOR	FY 2025/26 Proposed Development Budget	FY 2025/26 Proposed Recurrent Budget	ADP 2025/26 FY as Submitted to CA
Health Services	282	466.02	748.02
Water, Environment, Climate Change and Natural Resources	350.4	39.6	390
Tourism, Cooperatives Development, Trade and Industrialization	83.08	48	131.08
Youth Empowerment, Sports and Arts	10.9	82.1	93
Lands, physical planning and urban development	34.6	76.6	111.2
Municipalities	58.5	30.5	89
Public Works, Roads, Transport, Housing and Energy	687	64.3	751.3
Agriculture, Livestock and Fisheries	460.27	161.51	621.78
County Assembly	50	800	850
Grand Total	2,367.45	5,184.40	7,551.85

Source: County Treasury

CHAPTER FOUR

RISKS TO THE COUNTY ECONOMY

The County government's success in meeting the goals of this plan relies on its ability to anticipate and address potential risks and challenges that could obstruct or delay implementation.

Some of the risks associated with the implementation of the County Fiscal Policies and their interventions include:

1. Poverty and Low Growth

The economic fallout from the COVID-19 pandemic has led to a decline that has caused many businesses to shut down and organizations to fail. Most of the businesses that have survived have not fully recovered from the impacts and continue to face significant losses.

Mitigation:

Both levels of government should work to enhance the business and governance environment to rebuild confidence, stability, and growth. They should also implement stimulus measures and incentives to help businesses recover. As preparations for the financial year 2025/26 progress, the focus will be on proactive revenue mobilization, including policy measures to generate additional revenue. A robust outcome in revenue collection will provide a solid foundation for supporting household incomes and job growth. Additionally, the government will seek to assist the private sector in creating opportunities and fostering growth.

2. Dependence on Agriculture

In Kenya, food security issues and climate change have resulted in significant crises, including rising poverty, growing inequality among regions and households, and increased social conflicts over resources such as land and water. This plan is being developed in this context. Agriculture serves as a vital economic pillar and is the primary sector for production and job creation in Nyandarua County. However, the government is increasingly focusing on other priority sectors that can attract investment, stimulate economic growth, and generate employment.

Mitigation:

The county government will explore opportunities for diversification by promoting agro-processing and manufacturing. By establishing industrial parks and skills incubation centres, the government aims to offer citizens alternative investment opportunities to reduce overreliance on agriculture.

3. Unpredictable Weather Conditions

Global warming poses a significant risk to the County's primary economic activity that is agriculture. Extended dry spells result in decreased agricultural production, which affects both food security at the national and county levels. A decline in agricultural activities also negatively impacts the county's local revenue, its primary income source. Additionally, prolonged heavy rainfall can lead to crop failure and post-harvest losses due to impassable roads connecting markets, and it can also delay the implementation of infrastructure projects, such as road construction.

Mitigation:

The county should embrace climate-smart agriculture, which integrates agricultural development with climate adaptation strategies. Farmers should be encouraged to grow drought-resistant and fast-maturing crops to combat the effects of prolonged drought. Prioritizing the timely execution of development projects during favourable weather conditions is essential. Additionally, the County Government should make significant investments in drainage systems and water harvesting for irrigation purposes.

4. Political Risk

Following the 2022 general elections, the opposition organized protests against the cessation of subsidies, increasing living costs, and rising taxes amid the country's debt crisis. These nationwide demonstrations led to violence and the destruction of businesses and properties in the county. All economic participants experienced significant losses due to service disruptions and the actual damage to goods. Such disturbances could deter investors from both the country and the county.

Mitigation:

In accordance with peace building principles, a national dialogue can serve as an effective strategy for achieving sustainable peace. The government should strive for inclusivity and promote tolerance among its citizens.

5. Broad-based Government

Such a government can pose certain risks to the economy. These risks arise from the complexities of managing diverse interests, which can affect decision-making, policy implementation, economic stability and complexities due to political dynamics and increased expectations of county government from the national government.

While a broad-based government aims to promote inclusivity and consensus, it introduces risks of policy paralysis, instability, and inefficiency that can negatively impact economic growth.

Mitigation:

In order to mitigate these risks, such governments need strong leadership, clear frameworks for decision-making, and mechanisms to manage diverse interests effectively without sacrificing economic stability and long-term planning.

6. Global Economic Factors

The anticipated economic growth has been influenced by various global factors that continue to impact supply chains, causing disruptions, rising inflation, and increased income for regional exporters. The Kenyan economy has already been affected by these factors, along with rising food and commodity prices, the adverse effects of climate change, debt, and limited access to foreign financing. These economic challenges are significantly raising the cost of living. Increases in international oil prices directly affect the national economy and, by extension, the county economy. These unpredictable global economic shocks are expected to slow down economic activity at both national and county levels, potentially hindering the realization of the 2025/26 plan.

Mitigation:

The National and County governments need to develop policies that build resilience against the impacts of global shocks and setbacks. These strategies should focus on strengthening the connections between social service delivery, disaster risk reduction, livelihood investments, social protection, emergency response, and fostering conditions for economic growth. This can be accomplished by establishing institutions and agencies within both levels of government that deliver services to disadvantaged populations in a transparent and accountable manner.

7. Delays in Fund Disbursement

The timely release of funds is crucial for successful project implementation, as it ensures that planned activities can be translated into measurable outcomes. Disbursement is a key component of project financial management, as projects are based on capital budgeting principles that require accurate cash flow forecasting to achieve desired returns within set timeframes. Delays in fund disbursement from the National Treasury, the primary source of county resources, could hinder the execution of this plan.

Mitigation:

The county government will formulate policies to improve revenue mobilization and implement austerity measures on non-essential recurrent expenditures while reallocating resources to fund priority growth-supporting programs. It is essential to establish realistic revenue targets and expand the revenue collection base. During the budgeting process, priority should be given to outstanding projects (pending bills) and ongoing phased projects.

CHAPTER FIVE

CONCLUSION AND WAY FORWARD

The preparation of this County Budget Review and Outlook Paper (CBROP) aligns with Kenya's ambitious economic transformation initiatives outlined in Vision 2030 Medium Term Plan IV, the Bottom-up Economic Transformation Agenda (BETA), and the Change Agenda for Socio-Economic Transformation and Wealth Creation. The primary objectives are economic recovery, inclusive growth, and increased investment. The County Government intends to strategically allocate resources to achieve specific outputs and outcomes, ensuring a stronger link between citizens' needs, budget allocations, and implementation efforts.

The CBROP is founded on essential assumptions regarding GDP growth, inflation, stable interest and exchange rates, and improving revenue streams, highlighting the importance of monitoring and adapting to changes in these economic factors. There is a commitment to fiscal consolidation through enhanced revenue mobilization and expenditure rationalization to reduce the fiscal deficit and control debt accumulation.

Priority is given to the productive sectors, including agriculture, support for micro, small, and medium enterprises (MSMEs), and tourism. Attention is also directed toward healthcare and critical infrastructure such as roads, water, and ICT to drive economic impact. Departments are required to prioritize programs and projects based on key alignment criteria, ensuring efficiency and effectiveness. Successful project implementation relies on collaboration between departments, adherence to fiscal principles, and compliance with legal requirements.

A robust risk management policy is necessary to mitigate potential disruptions to program and project implementation. Additionally, priority should be given to completing ongoing programs and projects while enhancing productivity and achieving the objectives outlined in the County Integrated Development Plan (CIDP) III.

The County Government should maintain flexibility and adaptability to changes in economic conditions, including inflation, interest rates, foreign exchange rates, monetary and fiscal policies,

and political disruptions. In light of these factors, budget reviews should be conducted to direct resources toward high-impact projects that align with economic transformation goals.