



**REPUBLIC OF KENYA
COUNTY GOVERNMENT OF NYANDARUA
COUNTY TREASURY**



**APPROVED COUNTY BUDGET REVIEW AND OUTLOOK
PAPER (CBROP)**

2021

JANUARY, 2022

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OI Kalou,

KENYA

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FORWARD

The County's Budget Review and Outlook Paper (CBROP) is both a backward and forward-looking policy paper that captures three key elements. These are the review of budget performance from the most recent financial year, an updated expectations for key economic indicators and implications for budget performance in the current year and upcoming year and proposed sector distribution of the budget for the coming financial year. In the CBROP 2021, the County has reviewed its fiscal policy strategy in the last financial year as it strategizes for budget implementation in the FY 2021/22. In the past Financial Year, the County recorded the highest absorption rate since devolution translating to the highest rate of budget implementation in a Financial Year. It is expected that the outputs/programme and projects deliverables will be instrumental to the County Government's achievement of the Socio-economic Transformative Agenda.

In the preparation of CBROP, anchorage to the fiscal principles as stipulated in the PFM has been paramount in ensuring that the resources at the disposal of the County are optimally used for efficiency and effectiveness in service delivery to the County citizenry. This policy document acts as a strategy to ensure that all the County entities are working towards the achievement of its objectives as is enshrined in the Constitution of Kenya.

The socioeconomic facets of the County residents have been ravaged by the COVID-19 pandemic. It is pertinent that the County in its planning and implementation of programmes and projects advances strategies that will alleviate the suffering of the residents whilst at the same time stimulate growth and development in pursuit of achieving higher indicators as at the pre-COVID-19 period. To this end, the emphasis in the Departmental programmes and projects across all the Departments will be on higher investments in the social enablers and infrastructure development for sustainable growth.

The Medium-Term Budget has also been scrutinized to curtail spending on non-productive areas and ensure resources are directed to priority programmes for optimality. It is expected that the programme and strategies herein will reinforce the County's Socio-Economic Transformative Agenda as the County seeks to wind up the implementation of the CIDP 2.

HON. STEPHEN M. NJOROGE, HSC.

COUNTY EXECUTIVE COMMITTEE MEMBER

FINANCE AND ECONOMIC DEVELOPMENT

ACKNOWLEDGEMENT

The County Budget Review and Outlook Paper has been prepared in line with the provisions of the Public Financial Management Act, 2012 Article 118 (1) (a) and has been prepared through concerted efforts by various stakeholders. However, there have been changes in the budget calendar for the FY 2022/23 due to the electioneering period that is to culminate in the elections in August 2022. The County Treasury has acted on the new dates to fast-track the formulation of the County Budget Review and Outlook Paper 2021. The review of the dates, from 30th September, as provided for in the PFM Regulations to 17th November is instrumental in ensuring seamless implementation of the budget for the FY 2022/23 amidst the disruptions related to elections.

The Economic Planning and Development Directorate is grateful to H.E. the Governor Francis Kimemia, and the entire County Executive Committee for their insights and guidance in the implementation and review of the budget. Also, special thanks go to the CECM for Finance and Economic Development, Hon. Stephen M. Njoroge for his guidance in spearheading the formulation of this plan.

I also take this opportunity to greatly appreciate the Economic Planning and Development Directorate team that has worked round the clock for the successful preparation and completion of the document. Their dedication, sacrifice and commitment through this process is applauded.

MUIGAI WAINAINA
CHIEF OFFICER
ECONOMIC PLANNING AND DEVELOPMENT

LEGAL BACKGROUND

The County Budget Review and Outlook Paper is one of the key stages in the preparation of the Annual County Budget. Its preparation is enshrined in the Public Finance Management Act, 2012 where section 118 (1) postulates that a County Treasury shall:

- (a) Prepare a County Budget Review and Outlook Paper in respect of the County for each financial year, and
- (b) 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:

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

After preparation of the Paper by the County Treasury, the County Executive Committee considers the County Budget Review and Outlook Paper to approve it, with or without amendments and arranges for the same to be laid before the County Assembly, publishes and publicizes the Paper.

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

The main objectives of a CBROP are to specify:

- ❖ 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;
- ❖ The financial outlook with respect to County Government revenues, expenditures and borrowing for the coming financial year and over the medium term;
- ❖ An assessment of the current financial year and the projected state of the economy for the succeeding three years;
- ❖ Targets for overall revenues, total aggregate expenditure and domestic and external borrowing for the succeeding financial year and the medium term;
- ❖ The total resources to be allocated to individual programmes within a sector indicating the outputs expected from each such programme during that period;
- ❖ The criteria used to allocate or apportion the available public resources among the various programmes; and
- ❖ Forecast financial position for the financial year to which the Budget relates and the next two financial years.

ABBREVIATIONS

ADP: Annual Development Plan

ASDSP: Agricultural Sector Development Support Program

CARA: County Allocation Revenue Act

EU: European Union

IDEAS: Instruments for Devolution Advice and Support

KCSAP: Kenya Climate Smart Agriculture Project

KDSP: Kenya Devolution Support Program

KUSP: Kenya Urban Support Project

OSR: Own Source Revenue

PFM: Public Finance Management

CHAPTER ONE

FISCAL PERFORMANCE FOR THE FY 2020/21

1.0 OVERVIEW

The County Government's mandate as stipulated by the Fourth Schedule of the Constitution of Kenya is discharged by Departments through the implementation of projects and programmes. These projects and programmes are allocated funds through the County Budgeting process that is cyclical in nature.

Section 104. (1) of the PFM, 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 of the County Government.

The 2021 CBROP provides a review of the fiscal performance for the 2020/21 FY including adherence to the objectives and principles outlined in the PFMA 2012.

The COVID-19 pandemic had a significant impact on the business environment and occasioned a depressed overall revenue collection in 2020/21 FY. As required by PFMA 2012, the annual budget process aims to improve the process, efficiency and effectiveness of revenue mobilization and government spending to ensure stimulation of economic activity within the county. In this regard, the CBROP will provide sector ceilings that will guide the budget preparation process for the FY 2022/23 and the medium term. The sector ceilings will be based on the overall resource envelope that is informed by the medium-term macro-fiscal projections as presented in this document. Sector ceilings in this document will be aligned to the implementation of the economic recovery strategy programmes under the Big 4 agenda and other priority programmes outlined in MTP 3.

1.1 APPROVED FY 2020/21 BUDGET ESTIMATES

1.1.1 REVENUE

The County Treasury prepared the 2020/21 FY budget and a subsequent supplementary budget which were approved by the County Assembly paving way for their implementation. During the financial year, the County had a total resource envelope of Kes. 7,815,571,528 where Kes. 4,252,435,997 (54.41%) was appropriated for recurrent expenditure, Kes. 2,838,135,530 (36.31%) for development expenditure and Kes. 725,000,000 (9.28%) for the County Assembly operations.

The County was projected to receive Kes. 7,815,571,528 as its resource envelope. This comprised of Kes. 4,874,100,000 as equitable share, Kes. 954,000,000 as own source revenue, Kes. 1,424,551,072 as conditional grants and Kes. 562,920,456 as balance brought forward from FY 2019/20.

The conditional grants comprised of Kes. 89,354,000 as COVID-19 Grant from the National Government, Kes. 163,357,834 from World Bank (IDA) Loan for Transforming Health Systems, Kes. 11,000,000 as EU grant for potato Tissue Culture Lab (IDEAS), Kes. 12,491,573 from Sweden- Agricultural Sector Development Support Programme (ASDP) Level II, Kes. 13,860,000 as DANIDA Grant For Universal Healthcare for Devolved System Programme, 146,215,617 for Road maintenance levy fund, Kes. 12,735,922 as User fees foregone, Kes. 30,949,894 for Rehabilitation of village polytechnics, Kes. 50,000,000 as Supplement for construction of County headquarters, Kes. 239,157,250 as World Bank Grant for Climate Smart Agriculture Programme (KCSAP), kes. 45,000,000 for World Bank Grant for KDSP - Level 1, Kes. 184,795,683 from World Bank Grant for KDSP - Level II, Kes. 43,069,316 from World Bank Grant for KDSP - Level I BF 2018/19, Kes. 38,597,502 from IDA (World Bank) Kenya Urban Support Project (KUSP) (UDG) FY 2019/20, Kes. 20,223,224 from EU Grant (Instruments for Devolution Advice and Support IDEAS) FY 2019/20, Kes. 247,893 for Agricultural Sector Development Support Programme (ASDSP) II FY 2019/20, Kes. 5,495,000 from DANIDA Grant For Universal Healthcare for Devolved System Programme, Kes. 31,365,000 for COVID-19 Frontline Health Workers Allowance, Kes. 18,489,467 as B/F from FY 2019/20 – ASDSP, Kes. 28,869,585 as B/F from FY 2019/20 - Fuel Levy, Kes. 6,703,152 as B/F from FY 2019/20 for Youth Polytechnic, Kes. 11,669,769 as B/F from FY 2019/20 – IDA, Kes. 85,857 B/F from FY 2019/20 – KCSAP,

Kes. 30,000,000 from World Bank Grant for KDSP - Level 1 BF 2019/20 and Kes. 58,796,257 as B/F from FY 2019/20 - KDSP Level II.

Description	FY 2020/2021 1st Supplementary Budget Estimates as Approved in Kes.	Percentage of Total Budget
REVENUES		
Equitable Share Transfers	4,874,100,000.00	62.36
Own Source Revenue	954,000,000.00	12.21
Conditional Loans and Grants	1,424,551,072.00	18.23
B/F from FY 2019/20	562,920,456.00	7.20
Grand Total	7,815,571,528.00	100.00

In the FY 2020/21, the equitable share transfer from the national government comprised the highest proportion of resource envelope with 62.36% followed by conditional loans and grants with 18.23%, own source revenue with 12.21%, and unspent balances brought forward from the 2019/20 FY with least proportion of Kes. 7.20%.

The analysis shown above is indicative of the overreliance of County Governments on equitable share transfer from the National Government and the need to enhance own source revenue of the counties in ensuring sustainability.

REVENUES

Table 1 captures the budgeted revenue estimates for the FY 2020/21 FY

Description	FY 2020/2021 Budget Estimates as approved in Kes.	FY 2020/2021 1st Supplementary Budget Estimates as Approved in Kes.
REVENUES		
Equitable Share Transfers	4,905,750,000	4,874,100,000
Own Source Revenue	800,000,000	924,000,000
Linda mama (A-I-A)	30,000,000	30,000,000
J.M Hospital Transfers	-	-
Engineer Hospital Transfers	-	-
		-
CONDITIONAL GRANTS AND LOANS		-
Covid-19 Grant from the National Government	89,354,000	89,354,000
World Bank (IDA) Loan for Transforming Health Systems	163,357,834	163,357,834

Description	FY 2020/2021 Budget Estimates as approved in Kes.	FY 2020/2021 Ist Supplementary Budget Estimates as Approved in Kes.
EU grant for potato Tissue Culture Lab (IDEAS)	11,000,000	11,000,000
Sweden- Agricultural Sector Development Support Programme (ASDP) Level II	12,491,573	12,491,573
B/F from FY 2019/20 - ASDSP		18,489,467
DANIDA Grant For Universal Healthcare for Devolved System Programme	13,860,000	13,860,000
Road maintenance levy fund	146,215,617	146,215,617
B/F from FY 2019/20 - Fuel Levy		28,869,585
User fees foregone	12,735,922	12,735,922
Rehabilitation of village polytechnics	30,949,894	30,949,894
Rehabilitation of village polytechnics FY 17/18	-	-
B/F from FY 2019/20 - Youth Polytechnic		6,703,152
Supplement for construction of County headquarters	50,000,000	50,000,000
Leasing of Medical Equipment	132,021,277	132,021,277
B/F from FY 2019/20 - IDA		11,669,769
World Bank Grant for Kenya Urban Support Programme (KUSP) Level 1		-
World Bank Grant for Kenya Urban Support Programme (KUSP) Level 2	-	-
World Bank Grant for Climate Smart Agriculture Programme (KCSAP)	239,157,250	239,157,250
B/F from FY 2019/20 - KCSAP		85,857
World Bank Grant for KDSP - Level 1	45,000,000	45,000,000
World Bank Grant for KDSP - Level 1 BF 2019/20		30,000,000
B/F from FY 2019/20 - KDSP Level II		58,796,257
World Bank Grant for KDSP - Level II	184,795,683	184,795,683
World Bank Grant for KDSP - Level I BF 2018/19		43,069,316
IDA (World Bank) Kenya Urban Support Project (KUSP) (UDG) FY 2019/20		38,597,502
EU Grant (Instruments for Devolution Advice and Support IDEAS) FY 2019/20		20,223,224

Description	FY 2020/2021 Budget Estimates as approved in Kes.	FY 2020/2021 Ist Supplementary Budget Estimates as Approved in Kes.
Agricultural Sector Development Support Programme (ASDSP) II FY 2019/20		247,893
DANIDA Grant For Universal Healthcare for Devolved System Programme		5,495,000
COVID-19 Frontline Health Workers Allowance		31,365,000
B/F from FY 2019/20 - National Treasury Returns		562,920,456
Grand Total	6,866,689,050	7,815,571,528

1.1.2 PROJECTED EXPENDITURES IN THE FINANCIAL YEAR 2020-21

In the year under review, the County projected total expenditure amounting to Kes. 7,815,571,528 as tabulated in the table below.

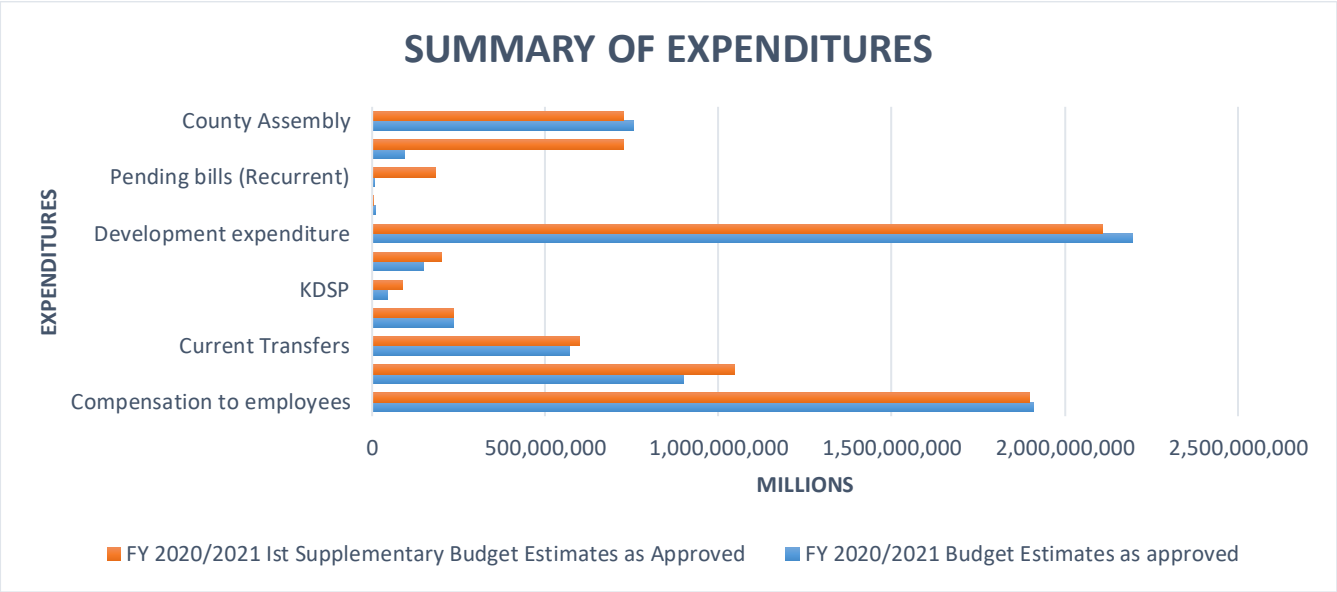
Table 2: Approved summary of Projected expenditure estimates for the FY 2020/21

Summary of projected Expenditure Estimates	FY 2020/2021 Budget Estimates as approved	FY 2020/2021 Ist Supplementary Budget Estimates as Approved
Compensation to employees	1,908,500,000	1,898,500,000
Use of Goods and Services	898,222,719	1,046,065,408
Current Transfers	570,278,927	599,146,848
County Funds (Recurrent)	236,000,000	236,000,000
KDSP	45,000,000	88,069,316
Acquisition of Non -Financial Assets	149,556,981	201,430,138
Development expenditure	2,195,382,994	2,108,523,777
County Funds (Development) - Trade /Biashara	10,000,000	5,000,000
Pending bills (Recurrent)	6,635,620	183,224,287
Pending bills (Development)	92,111,809	724,611,753
County Assembly	755,000,000	725,000,000

Total	6,866,689,050	7,815,571,528
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As highlighted above, the expenditures comprised of Kes. 1,898,500,000 as Compensation to employees, Kes. 1,046,065,408, as use of goods & services, Kes. 599,146,848 as Current Transfers, Kes. 236,000,000 as County Funds (Reccurent), Kes. 88,069,316 for KDSP level 1, Kes. 201,430,138 for acquisition of non financial assets, Kes. 2,108,523,777 as Development expenditure, Kes. 5,000,000 as County Funds (Development) -Trade /Biashara, Kes. 183,224,287 for Pending bills (Recurrent), Kes. 724,611,753 for Pending bills (Development) and Kshs 725,000,000 as County Assembly allocations for both recurrent and development expenditures.

The chart below illustrates the appropriations by category for the FY 2020/21:



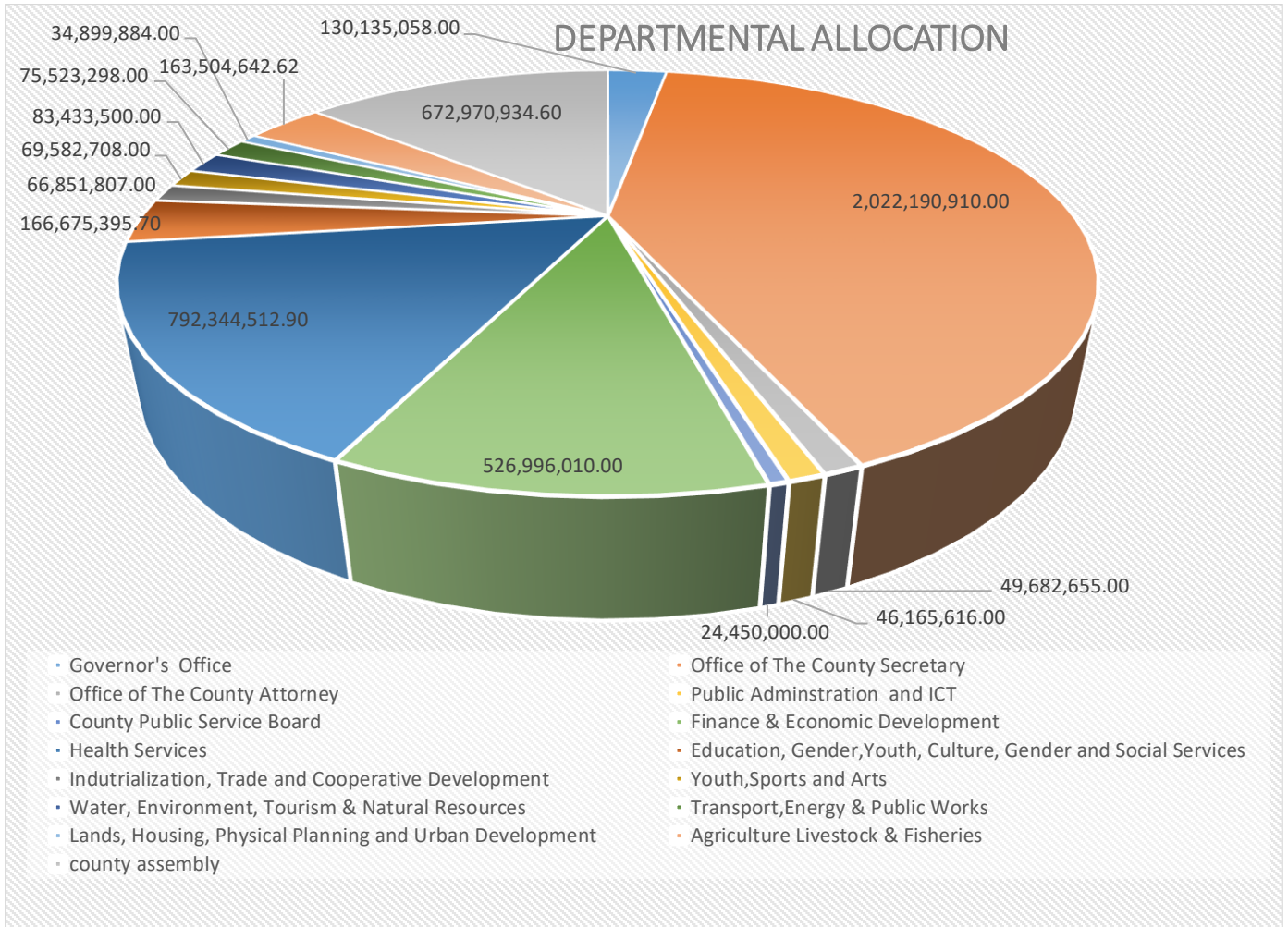
1.1.3 DEPARTMENTAL ALLOCATIONS

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

Table 3: Approved Departmental allocations for the FY 2020/21

Department	Recurrent Kes.	Development Kes.	Total Kes.	% Allocation
Governor's Office	130,135,058	2,000,000	132,135,058	1.69
Office of the County Secretary including compensation to employees	2,022,190,910	-	2,022,190,910	25.87
Office of The County Attorney	49,682,655	-	49,682,655	0.64
Public Administration and ICT	46,165,616	11,000,000	57,165,616	0.73
County Public Service Board	24,450,000	-	24,450,000	0.31
Finance & Economic Development	526,996,010	5,423,316	532,419,326	6.81
Health Services	792,344,513	294,266,507	1,086,611,020	13.90
Education, Gender, Youth, Culture, Gender and Social Services	166,675,396	139,194,478	305,869,874	3.91
Industrialization, Trade and Cooperative Development	66,851,807	144,674,640	211,526,447	2.71
Youth, Sports and Arts	69,582,708	63,220,551	132,803,259	1.70
Water, Environment, Tourism & Natural resources	83,433,500	416,177,574	499,611,074	6.39
Transport, Energy & Public Works	75,523,298	1,289,525,416	1,365,048,714	17.47
Lands, Housing, Physical Planning and Urban Development	34,899,884	168,109,273	203,009,157	2.60
Agriculture Livestock & Fisheries	163,504,643	304,543,776	468,048,419	5.99
County Assembly	672,970,935	52,029,065	725,000,000	9.28
TOTAL	4,925,406,933	2,890,164,596	7,815,571,529	100.00

The chart below illustrates the distribution of the appropriations per department:



1.2 ACTUAL REVENUE PERFORMANCE FY 2020/21

Table 4: Revenue performance in FY 2020/21 (In Kes)

Description	Approved FY 2020/2021 Budget Estimates	Approved FY 2020/2021 Ist Supplementary Budget Estimates	Actual Revenue Receipt	Deficit/Surplus
REVENUES				
Equitable Share Transfers	4,905,750,000	4,874,100,000	5,293,272,600	419,172,600
Own Source Revenue	800,000,000	924,000,000	389,309,242	(534,690,758)
Linda mama (A-I-A)	30,000,000	30,000,000	19,409,017	(10,590,983)
J.M Hospital Transfers	0	0	-	-
Engineer Hospital Transfers	0	0	-	-
CONDITIONAL GRANTS AND LOANS				-
Covid-19 Grant from the National Government	89,354,000	89,354,000	89,354,000	-
World Bank (IDA) Loan for Transforming Health Systems	163,357,834	163,357,834	163,095,262	(262,572)
EU grant for potato Tissue Culture Lab (IDEAS)	11,000,000	11,000,000	11,000,000	-
Sweden- Agricultural Sector Development Support Programme (ASDP) Level II	12,491,573	12,491,573	9,992,349	(2,499,224)
B/F from FY 2019/20 – ASDSP	0	18,489,467	18,489,467	-
DANIDA Grant For Universal Healthcare for Devolved System Programme	13,860,000	13,860,000	13,860,000	-
Road maintenance levy fund	146,215,617	146,215,617	146,215,617	-
B/F from FY 2019/20 - Fuel Levy	0	28,869,585	28,869,585	-
User fees foregone	12,735,922	12,735,922	12,735,922	-
Rehabilitation of village polytechnics	30,949,894	30,949,894	30,949,894	-

Description	Approved FY 2020/2021 Budget Estimates	Approved FY 2020/2021 Ist Supplementary Budget Estimates	Actual Revenue Receipt	Deficit/Surplus
Rehabilitation of village polytechnics FY 17/18	0	0	-	-
B/F from FY 2019/20 - Youth Polytechnic	0	6,703,152	6,703,152	-
Supplement for construction of County headquarters	50,000,000	50,000,000	-	(50,000,000)
Leasing of Medical Equipment	132,021,277	132,021,277	-	(132,021,277)
B/F from FY 2019/20 – IDA	0	11,669,769	11,669,769	-
World Bank Grant for Kenya Urban Support Programme (KUSP) Level 1	0	0	-	-
World Bank Grant for Kenya Urban Support Programme (KUSP) Level 2	0	0	-	-
World Bank Grant for Climate Smart Agriculture Programme (KCSAP)	239,157,250	239,157,250	246,663,481.65	7,506,231.65
B/F from FY 2019/20 – KCSAP	0	85,857	85,857	-
World Bank Grant for KDSP - Level 1	45,000,000	45,000,000	45,000,000	-
World Bank Grant for KDSP - Level 1 BF 2019/20	0	30,000,000	30,000,000	-
B/F from FY 2019/20 - KDSP Level II	0	58,796,257	58,796,257	-
World Bank Grant for KDSP - Level II	184,795,683	184,795,683	184,795,683	-
World Bank Grant for KDSP - Level I BF 2018/19	0	43,069,316	43,069,316	-
IDA (World Bank) Kenya Urban Support Project (KUSP) (UDG) FY 2019/20	0	38,597,502	38,597,502	-
EU Grant (Instruments for Devolution Advice and Support IDEAS) FY 2019/20	0	20,223,224	20,223,224	-
Agricultural Sector Development Support Programme (ASDSP) II FY 2019/20	0	247,893	247,893	-

Description	Approved FY 2020/2021 Budget Estimates	Approved FY 2020/2021 Ist Supplementary Budget Estimates	Actual Revenue Receipt	Deficit/Surplus
DANIDA Grant For Universal Healthcare for Devolved System Programme	0	5,495,000	5,495,000	-
COVID-19 Frontline Health Workers Allowance	0	31,365,000	31,365,000	-
B/F from FY 2019/20 - National Treasury Returns	0	562,920,456	562,920,456	-
Grand Total	6,866,689,050	7,815,571,528	7,512,185,546	-303,385,982

1.2.1 EQUITABLE SHARE

In the FY 2020/21, the County received Kes. 5,293,272,600 (108%) as equitable share from the National Government. The additional Kes. 419,172,600 was the equitable share remittance for FY 2019/20 which was not disbursed at the end of the financial year. This implies that the County received the full amount of the projected equitable share.

Table 1: Exchequer Releases for the period ending 30th June 2021

RELEASE	REVENUE ESTIMATE IN KES.	TOTAL EXCHEQUER RECEIPTS IN KES.	SURPLUS/DEFICIT IN KES.
Amount	4,874,100,000.00	5,293,272,600	419,172,600
% of the total	100	108.6	8.6

During the year, the County expected to receive exchequer releases of Kes. 406,175,000 per month and Kes. 1,218,525,000 per quarter. This was not the case as the monies were not received on time. In the first quarter, the County didn't receive any allocation as equitable share for the financial year 2020/21. The amount received in the first quarter comprised of Kes. 419,172,600 attributable to 2019/20 FY.

Releases per quarter

RELEASE	QUARTER 1 IN KES	QUARTER 2 IN KES	QUARTER 3 IN KES	QUARTER 4 IN KES	TOTAL IN KES
Amount	419,172,600	1,608,453,000	804,226,500.00	2,461,420,500	5,293,272,600
% Release	7.92	30.39	15.19	46.50	100.00

Source: Financial Reporting

From the analysis above, the county received the highest allocation in the 4th quarter (April to June 2021). The high allocation received in quarter two comprised of two quarter's allocations (July to December 2020). The National Treasury has therefore not been disbursing allocations to the county governments as per the disbursement schedules. This has been affecting the county's cashflows thus hampering effective programme and project implementation.

1.2.2 CONDITIONAL GRANTS FROM NATIONAL GOVERNMENT AND DONOR FUNDS

The County anticipated receiving Kes. 1,424,551,072 as conditional grants. Out of the anticipated revenues, Kes. 50,000,000 as a supplement for Construction of County Headquarters and Kes. 132,021,277 for the Leasing of Medical Equipment was not released to the County but was paid directly at the National Treasury.

Other grants had a shortfall from the projected amount. The grants fell short by kes. 262,572 and Kes 2,499,224 for Transforming Health Systems for Universal Care Project (WB) and Agricultural Sector Development Support Programme (ASDSP) II respectively.

The County anticipated receiving Kes. 239,157,250 from World Bank as Grant for Climate Smart Agriculture Programme (KCSAP). However, the county received Kes. 246,663,481.65 resulting in a surplus of Kes. 7,506,231.65.

In the same financial year, the county received Kes. 52,702,261 for Kenya urban support Programme (KUSP level 1). This was not captured in CARA 2020.

1.2.3 OWN SOURCE REVENUE (OSR)

The County anticipated collecting Kes. 954,000,000 as own source revenue. The County collected Kes. **408,718,259 (43%)** resulting in a shortfall of **Kes. 545,281,742**. This was as a result of the effects of COVID-19 pandemic which slowed down businesses and other major economic activities. Consequently, the County Government advanced waivers in the affected revenue streams to cushion the county residents against the adverse effects of the pandemic.

1.2.4 UNSPENT BALANCES

In FY 2020/21, the County had a total of Kshs. 825,167,478 as balance brought forward from FY 2019/20 budget. These are as captured in table 5 below:

Description	FY 2020/2021 Ist Supplementary Budget Estimates as Approved in Kes.
B/F from FY 2019/20 - ASDSP	18,489,467
B/F from FY 2019/20 - Fuel Levy	28,869,585
B/F from FY 2019/20 - Youth Polytechnic	6,703,152
B/F from FY 2019/20 - IDA	11,669,769
B/F from FY 2019/20 - KCSAP	85,857

Description	FY 2020/2021 Ist Supplementary Budget Estimates as Approved in Kes.
World Bank Grant for KDSP - Level 1 BF 2019/20	30,000,000
B/F from FY 2019/20 - KDSP Level II	58,796,257
World Bank Grant for KDSP - Level I BF 2018/19	43,069,316
IDA (World Bank) Kenya Urban Support Project (KUSP) (UDG) FY 2019/20	38,597,502
EU Grant (Instruments for Devolution Advice and Support IDEAS) FY 2019/20	20,223,224
Agricultural Sector Development Support Programme (ASDSP) II FY 2019/20	247,893
DANIDA Grant For Universal Healthcare for Devolved System Programme	5,495,000
B/F from FY 2019/20 - National Treasury Returns	562,920,456
Grand Total	825,167,478

1.3 ACTUAL EXPENDITURE PERFORMANCE FY 2020/21

1.3.1 COUNTY EXPENDITURE

In the period under review, the County spent 93.83 % of its recurrent budget and 70.74% of its development Budget. Overall, County spending stood at 84.29 % % of the entire Budget as shown in table 6.

Table 2: County expenditure for the period ending 30th June 2021

	FY 2020/21 Budget in Kes.	Expenditure in Kes.	% utilization of Budget
Recurrent	4,925,406,932	4,621,304,507	93.83
Development	2,890,164,595	2,044,525,098	70.74
Total	7,815,571,528	6,665,829,605	85.29

Table 3: Summary of Budgeted Verses the Actual Expenditure

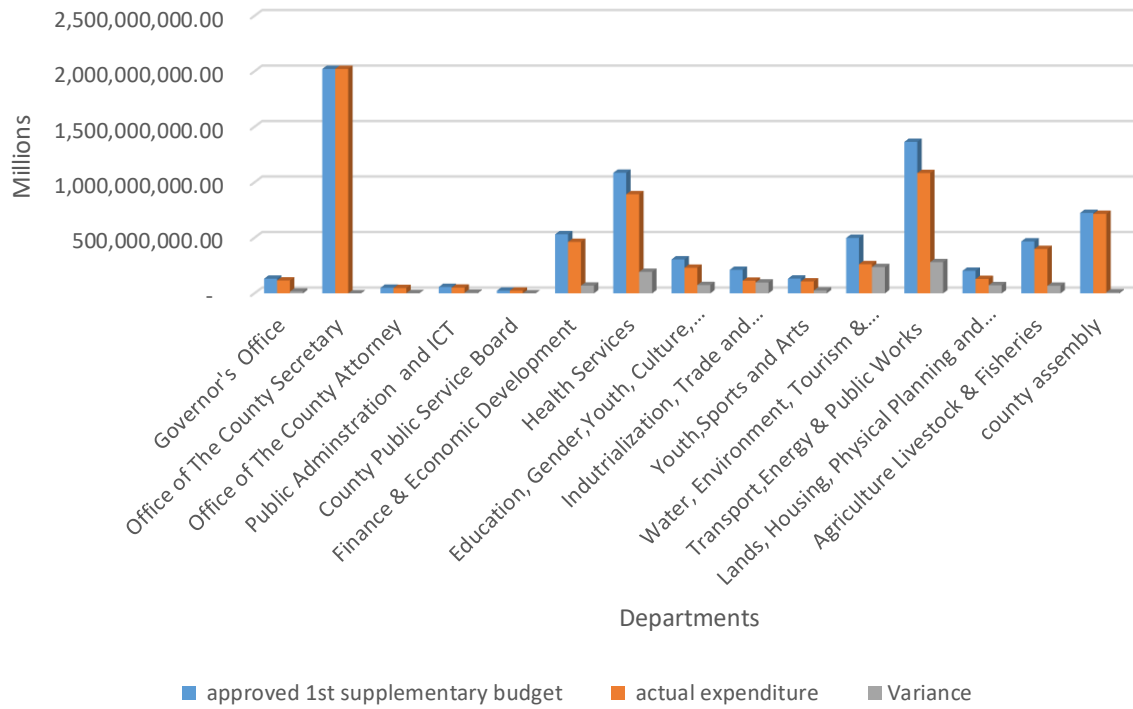
DEPARTMENT	Approved 1st Supplementary Budget Kes.	Actual Expenditure Kes.	Variance	Percentage Absorption
Governor's Office	132,135,058	115,928,050	16,207,008	87.73
Office of The County Secretary	2,022,190,910	2,022,190,889	-28,389,750 ¹	100.00

¹ The compensation to employees was reduced during the supplementary budget. At the close of the financial year the county could not pay dues arising from compensation to employees amounting to Kes. 28,389,750

DEPARTMENT	Approved 1st Supplementary Budget Kes.	Actual Expenditure Kes.	Variance	Percentage Absorption
Office of The County Attorney	49,682,655	47,702,965	1,979,690	96.02
Public Administration and ICT	57,165,616	51,478,860	5,686,756	90.05
County Public Service Board	24,450,000	24,450,000	-	100.00
Finance & Economic Development	532,419,326	463,130,888	69,288,438	86.99
Health Services	1,086,611,020	893,312,735	193,298,285	82.21
Education, Gender, Youth, Culture, Gender and Social Services	305,869,874	230,747,837	75,122,037	75.44
Industrialization, Trade and Cooperative Development	211,526,447	114,061,020	97,465,427	53.92
Youth, Sports and Arts	132,803,259	107,036,576	25,766,683	80.60
Water, Environment, Tourism & Natural Resources	499,611,074	263,094,207	236,516,867	52.66
Transport, Energy & Public Works	1,365,048,714	1,083,598,040	281,450,674	79.38
Lands, Housing, Physical Planning and Urban Development	203,009,157	129,715,271	73,293,886	63.90
Agriculture Livestock & Fisheries	468,048,419	399,900,353	68,148,065	85.44
County Assembly	725,000,000	719,481,914	5,518,086	99.24
Totals	7,815,571,527	6,665,829,605	1,149,741,922	85.29

Summary of Departmental allocations versus the actual expenditures by County Executive Departments (Kes.)

Departmental allocation visa- vis actual expenditure



1.3.2 DEPARTMENTAL EXPENDITURE

Office of the Governor

The Office of the Governor provides policy direction for the County, Coordinates Service Delivery, Promotes Investment and Intergovernmental Relations. It is thus pivotal that the programmes under the Office are well facilitated for seamless operationalization.

The Office had an allocation of Kes. 132,135,058 in the FY 2020/21 and recorded an absorption of Kes. 115,928,050, 87.7% in the year under review. In the year under review, Kes. 2,000,000 had been allocated for development while Kes. 130,135,058 was set for the recurrent expenditure and facilitation of the programmes not limited to the Service Delivery Unit, Inter-Governmental Relation, Public Civic Education and Investment Promotion for the Transformative Socio-economic agenda of the County. In the Year under review, the Department:

- ❖ Improved and sustained investor relations;
- ❖ Held Governor Mashinani fora at sub ward levels across the county;
- ❖ Improved intergovernmental relations with the National Government, development partners, the Council of Governor's, summit etc.;
- ❖ Signing and follow up of various Memorandum of Understanding for projects geared towards improving the County;
- ❖ Promotion and facilitation of a Central Region Economic Block which H.E. the Governor Chairs;
- ❖ Provision of regular updates on the level of service delivery/Transformative Agenda;
- ❖ Coordinated the establishment of the Nyandarua County Trade Development & Investment Authority and its office bearers;
- ❖ Oversaw the signing of the performance contracts;
- ❖ Initiated development of the Governor's Service Delivery Unit dashboard;
- ❖ Production of numerous reports on project implementation status;
- ❖ Coordinated the operations of *COVID-19* management Committee to help fight the pandemic and spearhead the fight against *COVID-19* and oversaw their operations;
- ❖ Participated in the International and National day celebrations;
- ❖ Through the Governor's outreach programme, vulnerable persons have been assisted;
- ❖ Coordinated civic education and public participation activities; and
- ❖ Regular communication on briefs from the GPS on levels of service delivery.

Office of the County Secretary

This office coordinates the County Departmental organization and functions as directed by the County Executive Committee and in reference to the Executive Orders issued by the Office of the Governor. The County Secretary is also the Head of the County Public Service and takes up Human Resource Management while also executing some responsibilities delegated by the County Public Service Board. To this end, the salaries and other staff welfare expenses are factored under the Department. The Department recorded an absorption of Kes. 2,022,190,889 which was 99.99% of its appropriations for the Year. Various programmes and projects were undertaken by the Department in the year under review. These are not limited to:

- ❖ Coordination, planning and execution of Cabinet meetings;
- ❖ Development and sensitization of a Human Resource Manual and sensitization of key stakeholders on the same;
- ❖ Coordinated the development of job descriptions and establishments across all departments;
- ❖ In conjunction with CPSB, Coordinated recruitment process to address critical staffing gaps;
- ❖ Introduction, institutionalization and sensitization of staff on performance management;
- ❖ Coordinated the implementation of the internship policy where 125 of them were engaged;
- ❖ Coordination of KDSP programme;
- ❖ Streamlined operations of County Human Resource Management and Advisory Committee;
- ❖ Timely processing of payroll for staff salaries and attendant deductions in line with the performance contract targets;
- ❖ Development of draft transport policy, service charter;
- ❖ Smooth registry operations including installation of a records management system;
- ❖ Coordination of County Government Security of staff and buildings;
- ❖ Development of quarterly publications (The Nyandarua today) in conjunction with PA&ICT department;
- ❖ Sustained and improved media relations resulting in positive coverage of the County Government activities;
- ❖ Development and deployment of content across various social media platforms;
- ❖ Enhanced visibility of H.E. the Governor and other senior County Government Officials in the National landscape;

- ❖ Timely coverage and publicity of H.E. the Governor’s Manifesto programs and plans;
- ❖ Maintenance of County Headquarters;
- ❖ Custody of County Assets; and
- ❖ Held monthly meetings with chief officers to track departmental projects

Office of the County Attorney

The office of the County Attorney had an appropriation of Kes. 49,682,655 set for both the recurrent and development expenditure. As at the end of the financial year, the office spent Kes. 47,702,965 recording an absorption of 96%.

Key priorities of the Department are drafting of various Regulations and Acts, tabling various Bills and Regulations before forwarding them to the County Assembly for debate and approval, drawing various Commercial and Conveyance transactions, Alternative Dispute Resolution (ADR) litigation on behalf of the County Government as well as offering general legal services. The office achieved its priorities by:

- ❖ Legislative drafting;
- ❖ Litigation;
- ❖ Commercial transactions;
- ❖ Conveyancing;
- ❖ Alternative Dispute Resolution mechanisms (A.D.R.);
- ❖ Provision of general legal services;
- ❖ Legal Registry and legal resource centre; and
- ❖ Publishing of gazette notices and legislative documents.

County Public Service Board

The County Public Service Board had an appropriation of Kes. 24,450,000 which was all expended recording a 100% absorption rate as at the end of the Financial Year 2020/2021. However, more allocations are required to allow the Board to fully undertake all its responsibilities.

Human Resource Planning and Development is essential for the implementation of sound and coherent programmes in the County for sustainability. To achieve this the Board is involved in setting up optimal County offices and staffing levels for effective service delivery, entrenching values and principles to all County staff and maintaining discipline within the County Public Service.

Highlights of the milestones by the Board are not limited to:

- (i) Recruitment of 200 Interns who were deployed in various Departments in the County Government
- (ii) Recruitment of 70 interns under the UHC Programme for Health Services
- (iii) Recruitment of 200 Health Workers on 3-year contract under the UHC Programme Phase 1 & 2
- (iv) Recruitment of staff for the Directorate of Public Works
- (v) Advertisement for 627 positions in the various Departments in the County Government
- (vi) Out of the **627** positions advertised, the Board was able to recruit a total of **184** staff in the various Departments as shown:
 - County Public Service Board - 2
 - Department of Health Services - 54
 - Department of Agriculture, Livestock and Fisheries - 66
 - Office of the County Attorney - 4
 - Department of Education, Culture & the Arts - 32
 - Department of Youth, Sports, Gender and Social Services – 16
 - Department of Public Administration and ICT - 10

The Board is in the process of recruiting the remaining **443** officers.

- (vii) Confirmations in Appointment
- (viii) Promotions
- (ix) Re-designations
- (x) Reinstatement of Youth Polytechnic Instructors
- (xi) Determination of Appeals
- (xii) Engagement of casual workers
- (xiii) Finalization of the Human Resource Manual
- (xiv) Development of Strategic Plan (2020 – 2025)
- (xv) Workshops and Conferences
- (xvi) Disciplinary Control

Finance and Economic Development

Public Finance Management is a key facet for the implementation of all County Programmes and projects. In the financial Year 2020/2021, the Finance and Economic Development in advancing its programmes and facilitating those of other Departments, recorded an 87 % absorption rate. The expenditures in the Department were Kes. 463,130,888 against a budget of Kes. 532,419,326. Key County Funds that are largely recurrent in nature are domiciled in this Department. These are the County Emergency Fund, County Bursary and County Staff Mortgage Fund.

The Nyandarua County Trade Development and Investment Authority is intertwined with the Department. Their operations kicked off in the Financial Year. The Department achieved the following:

- ❖ Prepared timely monthly, quarterly and annual financial reports;

- ❖ Coordinated the external audit by KENAO for the FY 2019/20;
- ❖ Facilitated payments for the development and recurrent expenditure to achieve an absorption rate of 82%;
- ❖ 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 1 supplementary budget;
- ❖ Coordinated the preparation of County work plans;
- ❖ Coordinated the preparation and implementation of the County RRI's.
- ❖ Prepared projects implementation, annual progress report for 2020/2021 FY;
- ❖ Prepared the 2020 Finance Act;
- ❖ Held various public participation for Budget Estimates and Finance Act;
- ❖ Mobilized Kes. 408 Million from Own Source Revenue;
- ❖ Conducted various internal audits on Revenue, payments, Assets and liabilities, pending bills, payroll among others;
- ❖ Facilitated the acquisition of goods, services and works for all County Departments;
- ❖ Prepared consolidated County procurement plan;
- ❖ Initiated the records management unit; and
- ❖ Facilitated the implementation of various County Funds i.e. Bursary, mortgage and emergency fund.

Transport, Public Works and Energy

The Department had an appropriation of Kes. 1,289,525,415 for development expenditure in the FY 2019/2020 and Kes. 75,523,298 for recurrent expenditure. The Department recorded absorption of Kes. 1,083,598,039.55 (79.4%).

County Rural Roads Programme has fast-tracked roll out of roads maintenance and rehabilitation across the County. The unit cost of road repair and maintenance has also gone down due to the noble programme. The Department carried out the following:

Transport section

- Improvement of the rural road network including grading of 519.02 kms, gravelling of 234.577 kms, installation of 28 drainage structures and bush clearing
- Use of county machinery for gravelling of 125.1 kms of road and grading of 146.05 kms of road including maintenance.

Energy section

- Maintenance of existing floodlights
- Installation of 70 floodlights across
- Ongoing plans together with REREC for the installation of more transformers.

Public works section

Ongoing works for the following bridges;

- Construction of Matindiri kwa mukira Bridge in Charagita ward
- Construction of Itombaya bridge in Engineer ward
- Construction of Kinja Secondary Box Culverts in Gathaara ward
- Construction of Rironi bridge in Wanjohi ward
- Kihuho Kwa MOA Bridge – KDSP
- Kamirangi Bridge in Murungaru
- Construction and Installation of 7 Boda Boda Sheds
- Supervision of Construction works being done by other departments.
- Preparation of Bill of Quantities for Construction works to be undertaken by other departments
- Development of relevant policies in support of compliance regulations set by relevant construction authorities in support of the Transport, Energy and Public Works Division.
- Ongoing construction and supervision of the county assembly offices, county headquarters, law courts and civil registry.

Health Services

The Department has been on the frontline in fighting against the *COVID-19* pandemic that continues to ravage the County. The Department recorded an absorption rate of 65.16%. In the year under review Kes. 893,312,734 was absorbed in the Financial Year against a budget of Kes. 1,086,611,019.

The Department's priorities notwithstanding, *COVID-19* Pandemic to a large extent affected the implementation of some programmes and projects in the Department due to the need for an appropriation for the alleviation of the pandemic's effects and infection.

In the Department, Kes. 294,266,506 had been set for the development projects whilst Kes. 792,344,512 for planning, general administration, preventive and curative health care among other recurrent programmes in the Department. The Department achieved the following:

- ❖ Upgrade of JM Kariuki Hospital through;

- Equipping of JM ICU
- Construction of a Modern Mortuary that is at 85% Completion stage
- Renovation of Maternity Theatre
- Renovation of JM Kariuki Kitchen and laundry
- Ground breaking of the JM Mashujaa Complex
- ❖ Expansion of Manunga and Bamboo Health Centres
- ❖ Renovations and maintenance of various Health Facilities
- ❖ Procurement of Health products for all the Health Facilities
- ❖ Procurement of Equipment for various facilities
- ❖ Issuance of sanitisers and masks across the County with regard to COVID-19 pandemic
- ❖ Training and sensitizing of citizens on COVID-19 Pandemic precautionary measures

The following Health Facilities were commissioned by His Excellency the Governor recently;

- ❖ Kihuha Health Facility
- ❖ Kanguu Dispensary
- ❖ Makara Container Clinic and
- ❖ Matura Health Facility

Lands, Housing & Physical Planning

Key priorities of the Department in the Financial Year 2020/2021 were to streamline land ownership and promote investment in the County, the Budget prioritized buying land (for public facilities), land survey & mapping. The Department was allocated a sum of Kes. 168,109,273 for development whilst Kes. 34,899,884 was an appropriation for the recurrent expenditures. The Department recorded absorption of Kes. 129,715,270 (64%).

A highlight of key milestones and achievements for the year under review are:

- ❖ Acquired Over 80 parcels of Land for various public utilities and of access of roads
- ❖ Ol' Kalou Urban Improvement Phase I - Extension of Shoulders, Drain & Walkway Along Roads A4 & B20
- ❖ The Lands Task Force cleared 2440 plots in Ol Kalou for development
- ❖ Survey Services For 5 Townships done
- ❖ Survey Services For twenty-six (26) colonial villages done
- ❖ Development plans for 4 towns done
- ❖ Development plans for 26 colonial villages done
- ❖ Resolved various disputes through re-establishment of boundaries

Trade, Industrialisation & Cooperative Development

The FY 2020/21 Budget for this Department aimed at promoting trade, cooperative movement and cottage industries in the County through an upgrade, rehabilitation & completion of market sheds, construction of Jua kali sheds and purchase of milk coolers for cooperatives. It also purposed to enhance value addition to reduce postharvest losses, enhance cheap credit and fairness in weights and measures. This Department had an allocation of Kes. 211,526,447 and recorded absorption of Kes. 114,061,020 (54%). The Department managed to:

- ❖ 6 markets constructed
- ❖ 4 toilets were constructed (1 bio digester toilet and 3 pit latrines)
- ❖ 1000 traders' capacity building training.
- ❖ 1 trade policy formulated
- ❖ 15 markets and toilet fumigation and cleaning done (equipment distributed under COVID funds).
- ❖ 6 markets/toilets committee trained.
- ❖ 2 co-operatives revived
- ❖ 45 co-operatives audited
- ❖ 12 co-operatives disputed settled.
- ❖ 56 co-operatives capacity building training
- ❖ 56 co-operatives infrastructure supports
- ❖ 1 cooperative policy formulated
- ❖ Promotion of good governance and ethics in cooperatives through training of 100 cooperatives
- ❖ 750 weight and measures equipment verified.
- ❖ 5 towns upgrade to cabro standard
- ❖ 1 drainage works done

Education, Culture and the Arts

The Department is mandated with the promotion of education in the County, the FY 2020/21 Budget emphasized the completion and construction of ECDE Centres, completion of Youth Polytechnics and provision of sanitation materials and learning materials in the ECDE centres. This Department had a total allocation of Kes. 305,869,874 and managed to absorb Kes. 230,747,837. The Department had an absorption at 75.4 % of its budget.

With the advent to of the novel *COVID-19*, the Department played an essential role in offering social services to the vulnerable. Food rations and other socio assistance was done by the Department. The Department allocated amounts were used for:

i. Early Childhood Development Education

- ❖ Construction and equipping of 30 ECDE classes. (12 complete, 19 ongoing)
- ❖ Procurement and distribution of ECDE furniture, resting materials, learning and play materials all wards at Kes. 6 M
- ❖ Procurement and distribution of teaching materials for 498 ECDE centres.
- ❖ Construction of 18 ECDE toilets (11 complete, 7 ongoing).
- ❖ Training of 1,320 ECDE teachers on competence-based curriculum.
- ❖ ECDE milk feeding programme with 23,700 beneficiaries.
- ❖ Provision of County Education Bursaries to needy learners with 28,192 beneficiaries.

ii. Youth Training

- ❖ Increased trainees' enrolment in VTCs from 1,918 to 1919.
- ❖ Disbursement of Kshs. 28.8M subsidized Vocational Training Centres Support Grants (SVTCSG) to all 1,919 trainees.
- ❖ Construction to completion of Milangine VTC sanitation facility.
- ❖ Implementation of NAVCET in 4 VTCs.
- ❖ Training of VTC managers on procurement practices
- ❖ Registration of 352 candidates for national exams
- ❖ Construction of 3 hostels at Miharati, Kinangop and Melangine VTCs

iii. Culture & The Arts

- ❖ Kinyahwe Cultural Museum Phase One-Fencing
- ❖ County talent search held in seven sub counties, colleges/universities edition and the grand finale in Olkalou
- ❖ Formulation of County Heroes and heroines Policy and the same approved by cabinet
- ❖ Operationalization of music studio through purchase of music recording equipment-1700 recordings by 700 artists.
- ❖ Identification of county historical sites in Wanjohi ward (2 sites).

Agriculture, Livestock & Fisheries

With a budget of Kes. 468.0 Million in the FY 2020/21, only appropriations of Kes. 399.90 Million (85.4%) were absorbed by the Department.

In the Financial Year under review, the Department had planned to concentrate on enhancing access to information, skills and adoption of modern technologies to increase Agricultural production, Productivity for food security and improved livelihoods. To achieve this, the Department was to focus on strengthening Institutional Policy, Legal Framework and Integrated Extension Services, enhancing access to quality inputs and safety of food products, promotion of postharvest handling services, market access, and sustainable land use and mechanized agriculture. The Department remains a key beneficiary of conditional grants in the County that operationalize various programmes in the Department.

The Department carried out the following:

- ❖ The Directorate carried out a Countywide livestock vaccination programme that was funded by the County Government and World Bank through KCSAP. A total of 138,434 cattle were vaccinated against Foot and Mouth Disease (FMD) and Lumpy Skin Disease (LSD).
- ❖ The Directorate partnered with the State Department of Livestock through the Director of Veterinary services and vaccinated the following animals against rabies:
 - 14,270 Dogs
 - 2,920 donkeys
 - 1,878 cats
- ❖ 1465 Sheep were vaccinated against Peste des Petits Ruminants (PPR)
- ❖ Disease Surveillance 2850 blood samples were collected from animals and taken to the veterinary regional laboratory for diagnosis
- ❖ For Livestock Movement control 5,024 Livestock movement permits were issued while 3,512 No objection permits were issued
- ❖ The directorate inspected the following carcasses
 - Bovine-11,575
 - Ovine- 60,414
 - Caprine-23,061
- ❖ 16,417 Certificate of Transport were issued
- ❖ The directorate generated revenue of Kes. **5,703,070/=**
- ❖ Three slaughterhouses (Milangine, Olkalou, Miharati were repaired
- ❖ 70 slaughter houses were licensed
- ❖ On **County Subsidized AI** 5,205 inseminations were carried out while the directorate also supervised private AI inseminators. Inseminations carried out by the private inseminators were 44,100
- ❖ 23 Cattle dips were recharged with acaricide
- ❖ 21 youth were offered internship in the Directorate in collaboration with the State Department of Livestock while 27 students were offered attachment
- ❖ The re-stocking of 58 dams with of 580,000 fish fingerlings
- ❖ Training of 20 trainers on fishery management, innovation and technologies in partnership with KSCAP and KARLO

- ❖ Six (6) group trainings on catfish fingerling production and general aquaculture in partnership with ASDSP
- ❖ Conducted training needs assessment and training for seven (7) groups, six in Kinangop and one in Olkalou. The groups were trained in partnership with AgriFi and MESPT (Micro Enterprises Support Programme Trust)
- ❖ Production of 5000 fingerlings in the Geta trout farm
- ❖ Capacity building of 2600 fish farmers on best management practices
- ❖ On input subsidy, 4993 bags of County subsidized DAP fertilizer, 2000 bags of COVID - 19 mitigation DAP fertilizer, 238 Yala power fertilizer, was procured and distributed to farmers
- ❖ Seeds and seedlings procured and distributed to farmers include :-
 - Pyrethrum – 76,500 seedlings
 - Strawberries – 6,250 seedlings
 - Irish potatoes – 610 bags (certified seeds) + 10,000 Minitubers
 - Sunflower seeds – 2000 kgs
 - Maize seeds – 3000 kgs
- ❖ Fruit seedlings including 8,500 avocados, 10,000 macadamia, 600 tree tomatoes, 200 Passion fruits were acquired and distributed to farmers.
- ❖ 180 litres of Pesticide chemicals were acquired for control migratory pests e.g. locusts.
- ❖ Purchase of 610 bags (certified seeds) + 10,000 Minitubers of seed potatoes for multiplication and bulking.
- ❖ Construction of 1 grading shed at Nyakio
- ❖ Annual subscription licence for 1 mobile soil testing kit done
- ❖ Acquisition of the following agricultural machineries for the AMS
- ❖ 2 No. potato harvester
- ❖ 3-row ridge former
- ❖ bottom disc plough
- ❖ Procurement of 20 piglets and feeds for farmers
- ❖ Procurement of various high quality feeds and fodder seeds for farmers.
- ❖ Purchase of 10,500 chicks for youth/women – Kinangop, Ndaragwa and OIjoroorok
- ❖ Construction of Livestock sale yards at Geta is ongoing.
- ❖ Construction of model zero-grazing at Njabini ATC to enhance training.

- ❖ About 200 Dairy cattle were registered with KSTUD book
- ❖ Approximately 270 tons of silage fodder were conserved and about 25 Ha. Of fodder were established.

Public Administration and ICT

In the Financial Year 2020/21, the Department had a total approved appropriation of Kes. 57,165,616 and recorded an absorption rate of 90.05% of its budget. The Departmental programmes are County Administration, Provision of Security services to County Assets and ensured compliance with County Legislation and relevant National Laws and Coordination of County Government functions for efficient service delivery. The Department carried out the following:

- ❖ Identified and reported issues requiring action by the government in the Sub County and wards through daily reporting in the official WhatsApp, online Goggle form sub-county logbook, and monthly reports.
- ❖ Officers branded uniforms procured.
- ❖ Ensured smooth office operations by Purchase of office furniture and fittings and general office supplies ongoing
- ❖ Disasters and emergency response. Sensitizing Wananchi on disasters and their mitigations. Timely reporting of disaster incidences. coordinated disaster responses in sub-counties
- ❖ Supervision of county government and other development programmes and projects in the sub-counties and wards including the flagship projects. Regular project progress reports and visits on-site and ensuring projects are implemented according to specifications and demanding value for money.
- ❖ Procured ward offices in Magumu, Wanjohi, Rurii, Kiriita and Shamata.
- ❖ Completed Ol joro orok one stop service delivery offices and already in use by officers from various devolved functions.
- ❖ Engineer one-stop service delivery offices at completion stage with exception of the elevated water tank, electricity connectivity and public toilets.
- ❖ Draft Disaster risk management policy in place.
- ❖ Developed career guidelines for County administrators
- ❖ Conducted job evaluation for all cadres as per SRC requirements
- ❖ Sensitization and ensuring compliance of liquor and alcoholic drinks act.
- ❖ Coordinated the establishment of a multi-sectoral committee on the enforcement of potato regulations of 2019.
- ❖ Developed policy on Ward development committees which has been approved by the cabinet. The formation of the committees ongoing
- ❖ Timely facilitation of sub-county and ward administrators

ICT

- ❖ Installation of WIFI hotspots in 8 locations across the County.
- ❖ Installation of Fiber Internet at Ardhi House, Governor's Office Engineer, Mirangine health centre. Ol Jororok Primary School, and Ritaya Primary School
- ❖ Enhancement of a customer-facing website
- ❖ Completion of revenue automation system
- ❖ Implantation of Domain and Storage system
- ❖ Maintenance and repair of ICT equipment and infrastructure.
- ❖ Developed and implemented an online prequalification system.
- ❖ Developed a bursary processing system
- ❖ Extension of unified communication system
- ❖ Development of an ICT policy draft
- ❖ Capacity building by training of staff (Online Courses from ICT Authority)
- ❖ Implementation of network management solution.
- ❖ Support of County systems like IFMIS, IPPD, Revenue, Prequalification etc.
- ❖ Support of County infrastructures like Network and Internet

Enforcement

- ❖ Purchase of uniform for Enforcement officers.
- ❖ Training of 21 Enforcement Officers for basic Enforcement course.
- ❖ Payment of pending bills (allowances).
- ❖ Maintenance and service of directorate vehicle.
- ❖ Enforced compliance on potatoes Regulation Acts, single business permits and also covid-19 Rules and Regulations within the County.
- ❖ Managed to control traffic and also bus parks within the county.
- ❖ Prepared a carrier guideline for the directorate.
- ❖ Provision of security and safety of County property and staff within the County premises.
- ❖ Holding of workshops for counselling against drug abuse for all Enforcement officers.
- ❖ Security and crowd control during Governors functions.

Communication

- ❖ Regular and timely coverage of County Government activities and projects across various platforms
- ❖ As directed by His Excellency the Governor, delivered on: 1). Youth empowerment magazine; and 2). Five Sub-County magazines
- ❖ Acquisition of a toll-free number (0800221228)
- ❖ Continued sensitization of members of the public on the County Government's grievance redress system
- ❖ Departmental activities included in the July-September and October-December 2020 as well as January-March and April-June 2021 editions of the County Government newspaper, Nyandarua Today
- ❖ Facilitated Government communication through the County Government's social media platforms, publications, mainstream media, etc
- ❖ Held a round-table with Nyandarua-based journalists on COVID-19 related trauma, etc
- ❖ Conducted two digital campaigns (October 5th – December 30th, 2020 and April 1st –June 30th 2021)
- ❖ Re-activated complaints and compliments system, including bulk SMS module
- ❖ Maintained consultations with departmental communication liaison officers
- ❖ Ensured the County Government complies with Key Result Area 4 (Civic Education and Public Participation) under the Kenya Devolution Support Programme (KDSP), funded by the World Bank;
- ❖ Developed press releases on various issues of interest to citizens and County Government employees
- ❖ Handled inquiries from the public, the press, and related organizations
- ❖ Prepared media coverage in mainstream media outlets on issues relating to the County

Youth, Sports, Gender and Social Services

The Olkalou Stadium is a key flagship project that was rolled out in FY 2017/18. This is a phased project that has continually been funded by the County.

In the FY 2020/2021, appropriations of Kes. 63,220,550 were set for the development expenditures in the Department while Kes. 69,582,708 was appropriated of the recurrent expenditures in the Department for the facilitation of other programmes therein. With the advent of the **COVID-19**, the second supplementary reorganized programmes in the Department to mitigate and respond to

the Pandemic. The Department recorded absorption of Kes. 107,036,576 that is 80.6%. The Department:

- ❖ Nyandarua County FKF Sub-branch league supported
- ❖ 3 playgrounds upgraded
- ❖ In Olkalou Stadium, construction of foul water drainage, and mechanical works on VIP Dias complete, levelling and compacting ongoing.
- ❖ Promoted sports talents by sponsoring youths under 20 in athletics, cross country and the governor tournament

YOUTH AFFAIRS

- ❖ 109 Youth groups issued with equipment
- ❖ 6 Greenhouses constructed
- ❖ Involved the youth in sensitizing the public on Covid-19
- ❖ Produced cloth face masks and liquid soap in response to the Covid-19 pandemic for Nyandarua community.
- ❖ Ongoing operationalization of youth centres.
- ❖ Registration of youth companies and registration of youth groups.

Alcohol drink control and civic education

- The County Alcoholic Drinks Management Committee was established, vetted by the County Assembly and approved.
- The induction of the CADMC and the Sub Counties committees was conducted successfully, community stakeholder consultation forum on the Alcohol matter was done successfully and the joint participation of the executive and the county assembly forum was done making changes and recommendations.
- The formulation of the County Alcoholic Drinks Regulations and the inspection checklist were developed in consultation with all the stakeholders and approved for use by the County Assembly.

Social services

- Christmas celebration food distribution to 3,500 households and Christmas tree lightening successfully at Mairo inya town.
- Distribution of catering service equipment, tents and chairs, water tanks, umbrellas among other items to 53 community groups and 1,175 elderly persons.
- 733 women trained on briquette making
- Distribution of foodstuffs to 31,757 citizens.
- Distribution of blankets to 14,000 elderly people across the county (all 25 wards). 14,000 blankets were supplied to the vulnerable groups within the county and 150 more blankets were supplied to Nyandarua and Magomano high school for the quarantined persons.
- 1600 complete LPG gas cylinders issued to various wards across the county.
- NHIF –UHC biometric registration to over 52,000 beneficiaries.
- Corrective surgery for 24 beneficiaries at the AIC CURE International was carried out successfully.
- Issuance of wheelchairs and walking sticks to over 100 PLWD.

- Distribution of face mask to 225,000 persons.
- Identification and support of 62 cancer patients through cash transfer. Distribution of food staff to 31,757 citizens
- Distribution of face masks to 225,000 persons
- Identification and support of 62 cancer patients through cash transfer (Kshs. 2,000)
- 10,000 sanitary towels/kits issued to vulnerable boys and girls in the community and public institutions.

Gender

- 500 women leaders sensitized on entrepreneurship in the community.
- Issuance of sanitary towels/kits to 9,624 vulnerable boys and girls in the community.
- 4 international day for people living with disabilities celebrated
- Issuance of empowerment equipment to 200 people

Water, Environment, Tourism and Natural Resources

The Department had an appropriation of Kes. 499,611,073 and managed to absorb Kes. 263,094,207.00 recording an absorption of 52.7 %.

Water resource development has been a focal area for the Department. To this end, water reticulation has continually been the focus of the Department. Development projects under these programmes among others in the Department had an appropriation of Kes. 416,177,573. To facilitate recurrent programmes, the Department had an appropriation of Kes. 83,433,500. The Department carried out the following:

Water Resource Development

- NYANDAWAS operationalized in line with 2016 water act
- Draft County water policy ready
- 13 No new borehole sunk and 3 no boreholes rehabilitated
- Sewer master plan complete and the works for Olkalou town sewerage system at 60%
- Design consultancy for Pesi dam ongoing
- Hydro-geological surveys were conducted in 6 boreholes sites
- 23 new boreholes drilled to reduced distance to water sources, distribution pipes laid
- Plastic tanks supplied to ECDs and schools as per the budget
- Plastic tanks supplied to various wards (Gathara, Murungaru, North Kinangop, Shamata and Njabini wards)
- 22 No water storage facilities works completed (masonry tanks and elevated water tower)

Climate Change Resilience

- County climate change unit establishment approved
- County Climate Change Unit established
- County Climate Change policy developed
- County Climate change act developed and approved
- County Climate Change Fund Regulations developed
- County Climate change finance policy developed

Tourism Development and Marketing

- Robust marketing of tourism products done through MICE concept where three successful events were undertaken in the course of the year i.e hiking, commemoration of the world tourism day, signing of TIPS.
- Reduction of human-wildlife conflict through a partnership with KWS, stakeholders and community.
- The gazettement process of lake Olbolsat as a national reserve is ongoing, request letters were written to the relevant line ministries for action
- Drafting of a lake management plan complete, plan to be launched on 27th September 2021

Environment Conservation and Management

- The department operationalized the County Environmental Committee
- Advisory and monitoring of environmental and social safeguards in county projects and programmes – EIAs, SPR and EA
- Facilitated the commemoration of the World Environmental Day
- Monitoring of environmental management plans (EMPs)

Irrigation

- Mastoo Irrigation water project-Ongoing
- Karandi irrigation project complete
- Kurungu Borehole irrigation project-ongoing
- Natural Resource Management
- Gazettement of Arboretum and Nyayo forest as County forests initiated through a cabinet memo.
- Gazzetent of lake Ol bolossat as a national reserve is ongoing.

The 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. 724,999,999 vis-à-vis an actual expenditure of Kes. 715,985,564. The absorption rate of the County Assembly was 98. 7%.

Challenges experienced

In carrying out its role during the FY 2019/2020, Nyandarua County encountered challenges not limited to the *COVID-19* Pandemic that has resulted in a myriad of other multiplier challenges ranging from diminishing revenue streams, increase expenditure for mitigation of the effects of the Pandemic. These challenges pose a monumental hurdle to the County in its operationalization

of programmes. It is important that going forward, the County Government and the National Government and its agencies institute mitigation measures to curb uncertainties that culminate in these challenges to allow for the implementation of the programmes and projects.

A highlight of these challenges is elucidated below.

In the FY 2020/21, the county was grappling with the COVID-19 pandemic that continues to affect negatively all the socio-economic facets of the citizenry of the County. Mitigating the effects was a key strategy across the departments which was largely done through the County Emergency Fund and other social programmes across all the sectors. The challenges notwithstanding, the County has had the highest Own-Source, revenue collection at Kes. 408M. Notable challenges in the financial year are not limited to:

- ✓ Budgetary constraints thus limiting the scope and the number of projects being undertaken by the department
- ✓ Shortage of personnel in the departments.
- ✓ Lack of working offices for staff at sub-county level.
- ✓ Lengthy processes of approval by external stakeholders
- ✓ Inadequate internal control systems
- ✓ Inadequate resources for capacity building

Table 4: Expenditure on Other transfers & payments

OTHER TRANSFERS & PAYMENTS IN KES.	
Bursary fund	126,000,000
Mortgage fund	60,000,000
Pension and retirement benefits	30,000,000
Emergency fund	50,000,000
Hospital transfers and other transfers	599,146,848
Sub totals	865,146,848
Expenditure by Departments	5,081,200,773
County Assembly	715,985,565
Un surrendered imprest at 30th June 2021 b/f	0
Total Expenditure	6,662,333,186

OTHER TRANSFERS & PAYMENTS IN KES.	
Unrealized revenue (including Leasing of medical equipment and supplement for construction of headquarters deducted at source)	722,558,582
Unspent balances (including surrendered imprests at 30th June 2021)	430,679,760
Grand total	7,815,571,528

The table below above the transfers & payments done, county expenditure for all the Departments, the County Assembly, unrealized revenues and unspent balances. From the above analysis, Kes. 865,146,848 were transfers & payments done in the financial year, Kes. 5,081,200,773 was the total expenditure by Departments, Kes. 715,985,565 as expenditure by County Assembly, Kes. 722,558,582 as Unrealized revenue (including Leasing of medical equipment & supplement for construction of county headquarter) and Kes. 430,679,760 as unspent balances in the year (including surrendered imprests at 30th June 2021)

1.4 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. These include the following:

1. County Government’s expenditure on wages and benefits for its public officers shall not exceed thirty-five (35) per cent of the County Government’s total revenue;
2. The County public debt shall never exceed twenty per cent of the County Governments total revenue at any one time;
3. The approved expenditures of a County assembly shall not exceed seven per cent of the total revenues of the County Government or twice the personnel emoluments of that County assembly, whichever is lower;
4. The County Government actual expenditure on development shall be at least thirty per cent

An analysis of the County’s adherence to the fiscal responsibility principles for the period under review is as follows:

Table 5: Analysis of the County’s adherence to the fiscal responsibility principles for the period ending 30th June 2021

Indicator	Budgeted (Kes.)		Ratio (%) in relation to the total Budget
County expenditure	Recurrent	4,925,406,933	63.02
	Development	2,890,165,596	36.98
	Total	7,815,572,529	100
	Expenditure on wages & benefits (executive and Assembly)	2,407,868,616	30.81
Expenditure by County Assembly	Recurrent	672,970,935	8.61
	Development	52,029,065	0.67
	Total	725,000,000	9.28
County Debt financing		-	

Expenditure on Wages and Benefits

The County’s expenditure on wages and benefits accounted for 30.81% of the total Budget. The County Budget was therefore in line with the set limit of 35 % of the Revenues.

Expenditure on Development

The total development expenditure in the financial year amounted to kes. 2,890,165,596 (36.98). The County is in line with the stipulated 30% allocation in development expenditure.

Public Debt

The County's budget was financed by its own revenue from the equitable share, conditional grants and locally generated revenue. The County Government did not, therefore, consider Debt Financing through internal or external borrowing to Finance the FY 2020/21 Budget.

Approved expenditures for County Assembly

The County Assembly approved an expenditure of Kes. 725,000,000 accounted for 10.64% of the County's total Budget. The approved ceiling for recurrent expenditure was Kshs. 664,666,930 representing 8.33% of the County's total Budget.

The County Assembly was also allocated Kes. 52,029,065 which represents 0.67% of the total budget towards the completion of the office Complex was a non-ceiling Item. This further increased the share of the Budget allocated to the County Assembly.

Operational performance

The County's operations are structured in terms of Departments which are headed by a County Executive Committee Member with the Chief Officers as the Departmental Accounting Officers. For seamless Service Delivery, all Departments have to work in unison and synergize.

CHAPTER TWO

ECONOMIC AND FINANCIAL FORECAST FOR FY 2022/2023 AND THE MEDIUM-TERM

2.1 MACROECONOMIC OUTLOOK AND POLICIES

The Macroeconomic Outlook and policies gives recent Economic Developments and County Economic Outlook and policies. It allows the County to review and analyze the recent economic performance for purposes of positioning its outlook in the next financial year and over the medium term.

2.2 RECENT ECONOMIC DEVELOPMENTS

2.2.1 THE GLOBAL ECONOMY OUTLOOK

The Global Economy is still under economic recovery amidst uncertainty relating to the Covid-19 virus and particularly the mutated Delta variant. Global economic recovery highly depends on the uptake of the Global Covid-19 vaccine.

Global growth in 2021 is anticipated to grow at 6.0 from a rate of 3.2 percent in 2020 (IMF July). However, economic predictions vary across countries with the emerging developing economies expected to pick up slowly compared to advanced economies given different country policy responses to the pandemic. The projected recovery in advanced economies, particularly the United states, reflects the anticipated legislation of additional fiscal support in the second half of 2021 and broader vaccination coverage across the group. (Draft BROP 2021)

The rate at which the **Global Economy** will grow will be driven by several **factors** that include;

Vaccine Rollout – The recovery of most Global economies is being held back by the resurgence of the COVID-19 pandemic as most countries have not yet fully opened their economies. It is therefore crucial for countries to vaccinate their citizens to hasten a return to normalcy.

Fiscal and Monetary Policy – Global Countries should give priority to Health spending and mostly on Public Health advocacy, infrastructure and equipping this to further curb the spread of the Covid-19 and especially in the highly populated countries. There is also a risk of persistent transitory inflationary pressure that will necessitate the global countries' central banks to act for recovery. (IMF Publication).

Economic growth in the sub-Saharan Africa region is projected at 3.4 percent in 2021 from a contraction of 1.8 percent in 2020 due to improved exports and commodity prices, and the rollout of vaccination programmes. This growth will also be supported by a recovery in both private consumption and investment as economies re-open. However, the recent increase in infection rates in sub-Saharan Africa is expected to weigh down the region's recovery in 2022. (Draft BROP 2021)

2.2.2 THE NATIONAL ECONOMY OUTLOOK

In 2020, the Kenyan economy was adversely affected by the outbreak of COVID-19 pandemic and the swift containment measures taken disrupted Economic activities to a large extent. Additionally, Kenya faced other blows that includes Invasion by locusts in February and flooding in May 2020. This led to a decelerated economic growth in the 2020/21 FY.

The Economy is staging a partial recovery but uncertainty about the future remains high and prospects hinge on the Covid-19 vaccination drive otherwise the Covid-19 pandemic consequences will persist. The vaccination drive has currently reached 1.5% of the fully vaccinated Kenyan population so far (MOH).

In the first three quarters of 2020 the economy contracted by an average of 0.4 percent as compared to the average of 5.3 percent over the same period in 2019.

Kenya's economy is projected to rebound in 2021 to 6.6 percent from an earlier projection of 7.0 percent in the 2021 BPS due to the impact of containment measures between March and July 2021 period as a result of the third wave of the COVID-19 pandemic.

The inflation rate has remained low, stable and within the policy target range of 5+/-2.5 percent since end of 2017. In July 2021 the inflation rate increased but remained within the target range of 6.4 percent from 4.4 percent in July 2020 due to increased food and fuel prices.

The foreign exchange market has largely remained stable but partly affected by tight global financial conditions attributed to uncertainty with regard to the COVID -19 pandemic. In this regard, the Kenya Shilling to the US Dollar exchanged at Kes. 108.1 in July 2021 compared to Kes. 107.3 in July 2020.

Short-term interest rates remained fairly low and stable. The Central Bank Rate was retained at 7.0 percent in July 2021 to signal lower lending rates in order to support credit access by borrowers especially the small and Medium Enterprises distressed by Covid-19 pandemic. The money market was relatively liquid in July 2021 supported by government payments, which offset tax remittances. As such, the interbank rate remained low but increased slightly to 3.3 percent in July 2021 from 2.1 percent in July 2020. On the other hand, interest rates on the treasury bills remained relatively stable in July 2021. The 91-day Treasury Bills rate was at 6.6 percent in July 2021 compared to 6.2 percent in July 2020. Over the 364-day decreased to 7.5 percent from 7.6 percent.

2.3 COUNTY ECONOMIC OUTLOOK AND POLICIES

Global and national economic stability highly determine the performance of the county's economy. The global monetary and fiscal impacts are felt by the Kenyan economy and are consequently translated to the counties. This outlook assumes that such shocks will not have a material impact on the county in the medium-term.

The priorities contained in the third Medium Term Plan (MTP III) of the Kenya Vision 2030, Sustainable Development Goals, the African Union Agenda 2063 among others are further cascaded down to the Counties.

The county also leverages on the Presidential Big Four Agenda to fast track food security, Affordable health, Affordable housing and manufacturing.

Kenya's economy is gradually picking up after the COVID-19 shock, but the pandemic has engraved deep imprints on the country's fiscal and debt position. Similarly, COVID-19 had negative effects on the economic activities of Nyandarua County leading to loss of jobs and closing of businesses. For the county to recover and be on an upward growth trajectory, the county

has embarked on urgent responses to address the social and economic development in the County. Some of the variables, programmes and policies considered are elucidated below.

1. Own-Source Revenue:

The county will ensure full automation of revenue collection to enhance the processes and systems that are already in place for revenue collection. New revenue streams will also be explored to widen the revenue base. Following these efforts, it is projected that in the FY 2022/23 the County's own-source revenue will be Kes. 800,000,000. This is projected to enhance the County Resource envelope for an increase in development projects within the County.

2. Investment Promotion:

Nyandarua ranks eighth as per its contribution to the national GDP (through its Gross County Product). The County's share of the GDP is 2.6 %. The major contributor is the agriculture sector which is second in the country and is worth over Kes. 200 Billion. However, the manufacturing and service sectors lag behind compared to the 47 County rankings. As per the KNBS Gross County Product (GCP) report of 2019, Nyandarua is an ideal top investment destination for private investors in the agriculture, manufacturing and services industry. Through the Nyandarua county trade development and investment authority, marketing Nyandarua for its wide array of investment opportunities is an essential policy for job creation and diversification of income for socio-economic development. Investment promotion will thus be a key facet for the achievement of the Transformative Agenda.

3. Increased Access to Clean Water:

The County is one of the water catchment areas in the country but the majority of the population can't access water as could be expected. Only 14.4% access piped water, 2.0% from the borehole, 24.3 per cent from wells, 22.2 per cent from rain and the rest from other sources. The sanitation of some of the water sources is questionable given the lack of or poor treatment. The County, through the Department of Water, Environment, Tourism & Natural Resources purposes to reduce the distance taken to access clean water by households across the County. This is meant to improve the welfare of households as well as create time for other productive activities. It will also increase the level of income through irrigation activities.

Key focal areas for the Department for funding are rehabilitation of dams and water pans for water harvesting, drilling of boreholes and supply of water to the citizenry of Nyandarua.

4. Housing:

Nyandarua County has 70.1 % of the houses occupied on an owner-occupier basis with 24.2% being on rental terms. Article 25 of the Universal Declaration of Human Rights forthrightly puts it across that everyone has the right to a standard of living adequate for the health and well-being of himself and that of his family. The Department of Lands, Housing and Physical Planning is pursuing the achievement of the above through laying out of the County Spatial plans, carrying out of survey and titling for squatter villages, control development and developing of an affordable housing framework in the County.

To action this the County will;

- i) Fastrack implementation of the affordable housing programme in partnership with the private sector targeting urban centres
- ii) Introduce appropriate building technology for use by the public in house construction and improvement that responds to local cultural and environmental circumstances.
- iii) Develop a policy to promote home-ownership

5. Urbanisation:

Nyandarua County will soon experience the effects of urbanization, especially because its small towns are experiencing tremendous growth. By 2026, the population in Nyandarua will have grown to over 1 million people, with approximately 1000 additional households every year (cities alliance report). This requires rethinking and restructuring the existing systems to mitigate the urban challenge. To handle this challenge the county Government will;

1. Develop regulations on urban development control and planning;
2. Invest in urban infrastructure; and
3. Urban environment management.

6. Promotion of Early Child Education (formative education) and Tertiary Education (polytechnics):

The Constitution of Kenya, 2010, fourth schedule on the functions and powers of the county gives the responsibility of Pre-primary education, village polytechnics, home craft centres and childcare facilities to the County Government.

The County is heavily investing in Early Child Education to promote the transition to Primary education. This is currently being implemented through feeding programmes to tackle the problems of malnutrition as highlighted in the Kenya Household and Demographic Survey of 2014 that showed malnutrition in Nyandarua County is at 29.4% for children under 5 through stunted growth (height for age) measures and also enhance daily attendance for children.

The county supports tertiary education through transfers to polytechnics. These funds together with the facilitation of the students through the Higher Education Loans Board (HELB) will promote sustainability of the polytechnics across the County.

7. Universal Health Care:

The Sustainable Development Goals are anchored to the Universal Declarations of Human Rights. Article 25 reiterates the right to a healthy well-being of everyone. The SDGs envisages ensuring healthy lives and promotion of well-being for all at all ages. To facilitate this, the County through the Department of Health Services is striving to enhance access to quality health care services for the citizenry from all the corners of the County. The premises necessitate the upgrade of JM Kariuki Memorial County Referral Hospital, Engineer County Hospital, Health Centres, and dispensaries in all the 25 wards are to be provided with the requisite diagnostic equipment and commodities.

Given the intensity of the capital investments required to effect the envisaged changes, a concerted effort between the National government and County Government is paramount. Also, to enhance Universal health coverage, the promotion of insurance health coverage is necessary. To this end, the County has initiated strategies to recruit indigent households to benefit through the NHIF scheme to net more beneficiaries into the programme.

8. Improving Agricultural Productivity for Food Security:

Agriculture is the backbone of the County's economy contributing over 70% to the County's Economy. The crop value chain is the leading crop enterprise in the County in terms of wealth creation, food security and employment creation. Currently, our County cultivates an average of 37,000 Ha of potatoes per year with an average production of about 555,000 tons with a market value of Kes. 9 Billion. The dairy value chain is the second leading agricultural activity in the

County. The average annual milk production is Kes. 238 million litres with a value of Kes. 7.6 Billion.

As the County pursues diversification for income generation and economic sustainability, the productivity in the sector is inevitably enhanced to tap value addition, manufacturing and traditional markets that continue to grow given the rise in population. The Department of Agriculture, Livestock and fisheries is promoting food security through the promotion of Potato farming by seed multiplication, issuance of subsidized fertilizer and other input subsidies, promotion of mechanized agriculture and precision agriculture through soil testing. In the Livestock sector, breed improvement and enhancement of extension services remain top priorities for the Department. To this end, a tissue culture laboratory for seed potato multiplication at Ol Joroork ATC at a cost of Kshs. 110 Million is complete and the World Bank (IDA) is investing Kes. 289 million in the FY 2021/22 in measures to mitigate climate change in Agricultural production.

9. Manufacturing and value addition:

As envisaged in the National Government's Agenda, manufacturing is a multifaceted economic activity that will allow for job creation, creation of markets for raw materials and driver for consumer demand.

The County is in the process of setting up a potato, vegetable and fruits processing factory at an initial investment of Kshs. 382 Million. The County in addition plans to set up an animal feeds processing plant to leverage raw products readily available in the County.

10. Transport:

The county has a total of 4,856.39 KM of the classified road network. Approximately 67.5 per cent of the paved road network is in good condition, 29.8 per cent in fair condition and 2.8 per cent in poor condition. 17.1 per cent of the unpaved road network is in good condition, 64.1 per cent in fair and 18.7 per cent in poor condition.

To enhance mobility options for residents and maintain the roads in good condition to support economic, social and subsistence activities, the County through the directorate of transport will:

- i. Improve and expand road network throughout the county.
- ii. Enhancing efficiency in the construction of the County roads through the County Machinery programme.
- iii. Develop bus parks and termini in various urban centres.

11. Tourism:

Nyandarua County is located within the Mt Kenya and Aberdare Ranges tourist circuit. The main tourist attraction sites include the Aberdare National Park which has abundant wildlife and recreational activities including mountain climbing and nature trails; Lake Ol’Bolosat which is ideal for bird and hippos watching, boating, water surfing activities and sport fishing; pre-colonial and colonial times settlements at the foot of the Aberdare Forest; the Mau Mau caves at Geta and Kimathi; and other attractions including scenic terrains, waterfalls, rivers and forests. The County wildlife conservation areas include the Aberdare National Park and forest which covers an area of 767 sq. Km and Lake Ol’Bolosat covering about 43.3 sq. Km. The gazettement of Lake Ol’Bolosat as a national reserve is ongoing. The Aberdare National Park is managed by the Kenya Wildlife Service (KWS). The following strategies will be implemented for re-engineering of the tourism sector in the county:

- i. Map out all tourist sites and formulate a tourism sector development master plan; followed by product development, branding and marketing; Diversification of tourism beyond wildlife to include excursions/expeditions, mountain climbing, nature-based /ecotourism, camping, picnic sites and agro-tourism.
- ii. Promote domestic tourism to cushion the county’s tourism sector from external shocks such as pandemics.
- iii. Support Protection and sustainable management of wildlife, water and other natural resources.

2.4 MEDIUM TERM FISCAL FRAMEWORK

2.4.1 FINANCIAL FORECAST FOR 2022/23 FY AND THE MEDIUM TERM

2.4.1.1 Revenue projections

The 2022/23-2024/25 Medium Term Expenditure Framework is founded on a stable National macroeconomic environment and improving the fiscal forecast of the County Government. The total projected revenues for the County in the FY 2022/23 are estimated to be Kes. **6,825,963,292** from Kes. **7,217,631,789** in the FY 2021/22 approved budget. The projected revenues are expected to be generated from;

- ❖ Equitable share from the National Government
- ❖ Own Source revenue collection
- ❖ Conditional Grants and loans, and
- ❖ Donors

2.4.1.2 Expenditure forecasts

The forecast on County expenditure has taken into consideration of the Government’s agenda of improving livelihoods by reducing poverty levels and stimulating employment by spending on the high impact projects/programmes and reducing non-priority spending. This will spur County economic growth and enhance revenue collection.

The County Overall Development expenditure for the FY 2022/23 is projected to be Kshs. **2,050,520,000** which will be **30.04 per cent** of the total projected revenue.

The County Treasury will continuously endeavour to strengthen the Monitoring and evaluation of the County programmes/projects to ensure fiscal responsibilities are enhanced in the Medium Term as provided in the Public Finance Management Act, 2012 to ensure prudence use of financial resources.

Table 6: Financial forecast for FY 2022/23 and the Medium Term (Kshs.)

Revenue	Approved Revenue estimates FY 2021/22	Revenue Projections FY 2022/23 as submitted	Revenue Projections FY 2022/23 as approved	Revenue Projections FY 2023/24	Revenue Projections FY 2024/25
Equitable Share	5,670,444,228	5,930,000,000	5,670,444,228	5,900,000,000	6,100,000,000
Local Collections	560,000,000	800,000,000	600,000,000	650,000,000	700,000,000
Linda Mama	30,000,000	50,000,000	30,000,000	30,000,000	30,000,000
Conditional Grants					
World Bank -Kenya Informal Settlement Improvement Project- KISIP II	50,000,000		50,000,000	820,156,510	849,832,455
World Bank Grant For KDSP(Level 1)	45,000,000	-			
World Bank Grant For KDSP(Level II)	184,795,683				
EU Grant -Instruments for Devolution Advice and Support (IDEAS)	31,223,224	-			
World Bank Loan For Transforming Health Systems	94,478,706		-		

Revenue	Approved Revenue estimates FY 2021/22	Revenue Projections FY 2022/23 as submitted	Revenue Projections FY 2022/23 as approved	Revenue Projections FY 2023/24	Revenue Projections FY 2024/25
Donor Fund(DANIDA)	10,799,250	6,930,000	6,930,000		
Road Maintenance Levy Fund		146,215,617	-		
User Fees Foregone		12,735,922			
Transfers To Village Polytechnics		-			
Rehabilitation Of Village Polytechnics		-			
Supplement For Construction Of County Headquarters	75,000,000	75,000,000	75,000,000		
Leasing Of Medical Equipment	153,297,872	153,297,872	110,638,298		
World Bank Grant For Kenya Urban Support Programme(KUSP Level I)					
World Bank Grant For Kenya Urban Support Programme(KUSP Level II)					
World Bank Grant For Climate Smart Agriculture Programme(KCSAP)	289,609,680	280,000,000	267,000,000		
Sweden- Agricultural Sector Development Support Programme (ASDP) Level II	22,983,146		15,950,766		
Other					
Total Expenditure	7,217,631,789	7,454,179,411	6,825,963,292	7,400,156,510	7,679,832,455
Recurrent	4,885,102,660	5,068,841,999	4,775,440,000	4,810,101,732	4,991,891,096
Development	2,332,529,129	2,385,337,412	2,050,520,000	2,590,054,779	2,687,941,359
Recurrent Ratio (%)	67.68	68.00	69.96	65.00	65.00
Development Ratio (%)	32.32	32.00	30.04	35.00	35.00

CHAPTER THREE

SECTORAL PRIORITIES AND RESOURCE ALLOCATION IN THE MEDIUM TERM

3.1 OVERVIEW

As a guide to medium-term resource allocation, the County Government will concentrate on socio-economic development through job creation and livelihood enhancement. The FY 2022/23 MTEF budget will concentrate on measures to guide the County's transformation, with guidance being provided by the Constitution and other legal tools; the Acts and Regulations. The County planning framework will endeavour to allocate resources to all the sectors equitably. In strengthening the linkage between planning, budgeting and implementation, the Medium-Term Budget framework for the period 2022/23 will sustain the allocation of resources to core programs and subprograms identified in the CIDP 2 (2018- 2022).

3.1.1 PRESIDENTIAL “BIG FOUR POINT” AGENDA AND SECTORAL PILLARS

Through the Annual Development Plan (ADP) 2022/23 FY, all the County sectors have identified the priority areas with their estimated resource requirements. The sectoral priorities are in line with the Constitution of Kenya under devolved functions, Vision 2030, Third National Medium-Term Plan (MTP III) 2018-2022, Nyandarua CIDP2 2018-2022, SDGs, Jubilee manifestos and the Presidential Big Four-Point Agenda.

The “Big Four-Point Agenda” includes:

- i. Supporting value addition and raising the share of Manufacturing Sector to GDP to 15% by 2022;
- ii. Enhancing Food and Nutrition Security to all Kenyans by 2022;

- iii. Providing Universal Health Coverage to guarantee quality and affordable health care to all Kenyans; and
- iv. Provision of Affordable and Decent Housing for all Kenyans.

In addition, resources allocation has also been based on;

- (i) Development priorities identified in CIDP 2 from the Governor’s manifesto, the Jubilee manifesto, MTP III, sectoral plans and stakeholder’s consultative forums;
- (ii) Mitigation of COVID-19 pandemic effects on all the key facets of socio-economic development for the county citizenry;
- (iii) Assumption into the office of a new administration;
- (iv) A shift of budgetary allocations from a social budget to a more balanced budget factoring both the social and infrastructure development budget;
- (v) Flagship Projects, The Governor’s Transformative Agenda and the 80-20 Rule.
- (vi) **Ongoing/phased projects:** the emphasis is given to the completion of ongoing and unfinished projects and in particular infrastructure projects and other projects with a high impact on poverty reduction, equity, job and wealth creation;
- (vii) **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 for the CIDP will be considered as well as disability and gender.

3.2 SECTORAL/DEPARTMENTAL PRIORITIES IN THE MEDIUM TERM

3.2.1 AGRICULTURE SECTOR

Agriculture is the backbone of Nyandarua’s economy due to the fertile soils and favourable climate. It is considered the food basket of Kenya because of its high production of potatoes, cabbages, carrots, peas and milk. The sector has been a key economic driver creating over 70% of the available employment opportunities directly & indirectly. The sector has also been a key contributor to local revenue generation.

This sector comprises four sub-sectors namely:

- a. Agriculture
- b. Livestock Development
- c. Veterinary services

d. Fisheries development

The Priorities and Strategies for this Sector in 2022/23 will be

- i. Enhancing access to information and skills
- ii. Adoption of modern technologies to increase agricultural production.
- iii. Productivity for food security and improved livelihoods.

In the 2021/22 FY, the sector has been allocated Kes. 475,873,914 comprising Kes. 289,609,680 Million Grant for Kenya Climate-Smart Agriculture Project, Kes. 31,223,224 Million for EU grant and Kes. 22,983,146 Million of Sweden Agriculture sector Development Support. Out of this allocation, Kes. 133,625,073 (28%) is recurrent while Kes. 342,248,841 (72%) is development expenditure. In the FY 2022/23 the proposed allocation for this sector is Kes. 447,749,064 comprising Kes. 277,000,000 for development and Kes. 170,749,064 for recurrent expenditure.

3.2.2 WATER, ENVIRONMENT, TOURISM AND NATURAL RESOURCES

This department comprises the following subsectors;

- a. Water Resource Development;
- b. Environment Management and Conservation;
- c. Tourism Development and Marketing;
- d. Natural Resources Management; and
- e. Irrigation and Drainage.

The mandate of this department is to achieve access to adequate domestic and irrigation water, conservation and management of water, environment, natural resources and eco-tourism destinations for sustainable County and national development

The priorities for this Sector will be:

- i. To provide adequate and sustainable water supply for domestic, agricultural and for industrial purposes through constructing rehabilitation and developing water supply infrastructure.
- ii. Oversight to ensure the proper management of effluent transportation equipment and disposal facilities
- iii. Engage and capacity build community stakeholders to identify gaps and implement interventions to environmental issues

- iv. Mapping, developing, marketing and promotion of Nyandarua County as a preferred tourist destination as well as promoting conservation, sustainable access and use of natural resources.
- v. Develop and or enforce appropriate policy and legislative instruments.
- vi. Promote and supervise locally led climate actions in wards.

In the current financial year FY 2021/22, the sector has been allocated Kes. 363,398,258. Out of this allocation, Kes. 79,796,789 (22%) is recurrent while Kes. 283,601,469 (78%) is development expenditure.

In the FY 2022/23 the proposed allocation for this sector is Kes. 247,200,000 comprising Kes.194,400,000 for development and Kes. 52,800,000 for recurrent expenditure.

3.2.3 FINANCE AND ECONOMIC DEVELOPMENT

The Department comprises of the following directorates/section's:

- a. Economic Development;
- b. Local Revenue and Business Development;
- c. Supply Chain Management;
- d. Internal Audit; and
- e. Public Finance Management.

The mandate of the Department is to monitor, evaluate and oversee the management of public finances and economic affairs of the County Government.

The priorities for the Department will be:

- i) Entrench Public Finance Management prudence;
- ii) Strengthen Economic modelling and research;
- iii) Entrench guided identification of projects and programmes, and allocation of resources;
- iv) Preparation, publishing and launching of CIDP 3;
- v) Monitoring and evaluation of the CIDP;
- vi) Mobilization of the Own Source Revenue;
- vii) Ensure there is value for money in the acquisition of goods, services and works;
- viii) Mitigate internal audit risk and ensure compliance to laws and procedures; and
- ix) Coordination of the management of public funds

In the current financial year, the Department has been allocated Kes. 453,963,827 which comprises of Kes. 418,463,827 (92.2%) recurrent and Kes. 35,500,000 (7.8%) development.

In the FY 2022/23 the proposed allocation for this sector is Kes. 619,400,000 comprising Kes. 220,000,000 for development and Kes. 399,400,000 for recurrent expenditure. The proposed development allocation comprise Kes. 200,000,000 for payment of pending bills and Kes. 20,000 for the Nyandarua County Development and Investment Authority.

3.2.4 OFFICE OF THE GOVERNOR

This Office comprises the Executive Office of the Governor, the office of the deputy governor the Service Delivery Unit and the Directorate of the Governor Press service.

The priorities for the office will be:

- i. Performing such State functions within the County as the President may from time to time assign based on mutual consultations.
- ii. Representing the County in national and international fora and events.
- iii. Delivering annual state of the County address
- iv. Promoting intergovernmental relations.
- v. Promoting investments.

In the current financial year, the Office has been allocated Kes. 120,886,997 which is entire for recurrent expenditure.

In the FY 2022/23 the office of the governor has been allocated Kes. 107,730,000 which is 100% recurrent expenditure.

3.2.5 THE OFFICE OF THE COUNTY SECRETARY

This is the office tasked with the duty of coordinating, managing and overseeing county functions, the public service and organizing the business of the County Executive Committee.

The priorities for the office in the 2022/23 FY will be;

- i. Coordination of departmental functions and Management of County Headquarters;
- ii. Coordinate cabinet affairs and Liaison services support between County Executive and County Assembly between departments, National Government and external stakeholders;
- iii. Establishment of an ICT Based Personnel and Registry Records;

- iv. County Performance and Coordination, Strengthen Annual Staff Performance Appraisal system;
- v. Public Sector Reforms and Transformation including operational standards;
- vi. Establishment of County Human Resource Information Systems and Services;
- vii. Handling Internships, attachments and Volunteer policies and issues;
- viii. Management of County Payroll;
- ix. Managing County staff welfare issues including Management and Coordination of KICOSCA Games.
- x. Coordinating civic education and public participation on County matters

In the FY 2021/22 the office of the County Secretary has been allocated Kes. 2,273,820,000 comprising Kes. 2,066,000,000 as compensation to employees and Kes. 147,200,000 for County pension, gratuity and medical insurance.

In the FY 2022/23, the office of the County Secretary has been allocated Kes. 2,413,500,000 which is entirely recurrent expenditure to cater for compensation to employees, pension, gratuity, medical insurance and general insurance.

3.2.6 THE OFFICE OF THE COUNTY ATTORNEY

The Office of the County Attorney has been established by the Office of the County Attorney Act, 2020, whose main function is to advise the County government and departments on legislative and other legal matters.

The office is the lead legal service provider to County Departments, Agencies and Entities.

The priorities of the office in the 2022/23 FY will be:

- i. Legislative drafting;
- ii. Litigation and provision of general legal services;
- iii. Conveyancing and commercial transactions pertaining to the County government;
- iv. Alternative Dispute Resolution mechanisms (A.D.R.);
- v. Legal Registry and legal resource centre; and
- vi. Publishing of gazette notices and legislative documents.

In the current financial year 2021/22, the Office has been allocated Kes. 60,350,000 which is 100% recurrent. The projected allocation for the Office in the FY 2022/23 is Kes. 40,000,000 and is entirely recurrent.

3.3.7 COUNTY PUBLIC SERVICE BOARD

The Board is mandated to perform on behalf of the County government all that appertains to Human resources management and institutionalization of Articles 10 and 232 of the Constitution of Kenya in Nyandarua County Government.

The key priorities for the Board in the FY 2021/22:

- i. Establishment and abolition of offices;
- ii. Appoint persons to hold or act in public offices of the County public service and to confirm appointments;
- iii. Disciplinary control of county staff;
- iv. Monitoring and reporting;
- v. Promotion of values and principles; and
- vi. Human Resource Planning, Management and Development.

In the FY 2021/22 the Board has an allocation of Kes. 22,789,000 all of it being recurrent expenditure. The projected allocation for the FY 2022/23 is Kes. 25,000,000 and is meant to cater for recurrent expenditure in its entirety.

3.2.8 PUBLIC ADMINISTRATION AND ICT

The Department comprises of the following Directorates:

- a) Directorate of Information Communication (ICT).
- b) Directorate of Enforcement and Compliance.
- c) Directorate of Public Administration and Communication.
- d) Directorate of Communication.

This department provides administrative coordination, ICT and law enforcement services efficiently, effectively and transparently to the County Government departments and County residents thus contributing to the fulfilment of the County Government's agenda.

The priorities of this sector will be:

- i. Coordination of County Government functions in the Sub Counties and Wards.
- ii. Coordination of Disaster and Humanitarian Emergency Response

- iii. Enforcement of County laws, rules and regulations.
- iv. Providing safety and security to County properties and institutions.
- v. Provision and maintenance of ICT Infrastructure
- vi. Development of County Communication Platform and Strategy.
- vii. County Branding.
- viii. Handling internal and external communication of the County Government;
- ix. Coordination of County Government Advertising Services.

In the FY 2021/22 this Department has been allocated Kes. 66,990,000 which comprises of Kes. 64,290,000 (96%) recurrent and Kes. 2,700,000 (4%) development.

In the FY 2022/23 the proposed allocation for this sector is Kes. 59,950,000 comprising Kes. 10,000,000 for development and Kes. 49,950,000 for recurrent expenditure.

3.2.9 TRANSPORT, ENERGY AND PUBLIC WORKS

The sector comprises of three sub-sectors namely;

- a) Transport.
- b) Public works.
- c) Energy.

The Department is responsible for: County transport including County roads, street lighting, traffic and parking, public road transport, County public works and services, firefighting service and disaster management.

Departmental priorities for the FY 2022/23 include:

- i. To develop and manage an effective, efficient and secure road network.
- ii. To enhance an efficient and effective transport system for rapid and sustained development in the county.
- iii. To provide an efficient and effective fire emergency response and disaster management system.
- iv. To develop and maintain government/public and institutional buildings.
- v. To develop and maintain public civil works.
- vi. To provide access to areas with difficult terrain.
- vii. Erection of more floodlights and streetlights and transformers

In the financial year 2021/22, the Department has been allocated Kes. 948,719,460 translating to (13.14%) of the total budget. Out of total budget, allocation for development is Kes. 828,071,660 (87%) while that for recurrent is Kes. 120,647,800 (13%).

In the FY 2022/23 the proposed allocation for this Department is Kes. 660,500,000 comprising Kes. 570,500,000 for development and Kes. 90,000,000 for recurrent expenditure. The development expenditure is inclusive of Kes. 750,000,000 for ward projects translating to Kes. 30,000,000 per ward.

3.2.10 INDUSTRIALIZATION, TRADE, COOPERATIVES AND URBAN DEVELOPMENT

The mandate of this department is to promote, coordinate and implement integrated socio-economic policies and programs for a rapidly industrializing economy through promotion and creation of an enabling environment to facilitate growth in trade, commerce, enterprise development and Industrialization and to promote good governance and effective management of Cooperative Societies within the County.

The Department comprises five directorates. These include;

- a. Industrialization;
- b. Trade;
- c. Cooperative;
- d. Weights and Measures;
- e. Urban development

The strategic priorities of the department include:

- i. To Enable members access services of co-operatives
- ii. To promote private sector development through enterprise and entrepreneurship development
- iii. To ensure fairness in all trade transactions involving quantities through regular checking of all weights & Measures, equipment.
- iv. To improve cottage industries by value addition to local raw materials and increased quality & productivity
- v. To promote growth and development of MSEs through market access
- vi. To ensure secure competitive and sustainable urban areas for the delivery of accessible and quality infrastructure and services.

In the financial year 2021/22, the Department has been allocated Kes. 246,185,370 comprising Kes. 199,009,912 (81%) for development and Kes. 47,175,458 (19%) for recurrent expenditure. In the FY 2022/23 the proposed allocation for this Department is Kes. 255,400,000 comprising Kes. 206,200,000 for development and Kes. 49,200,000 for recurrent expenditure. The proposed development expenditure includes Kes. 100,000,000 for the construction of potato, vegetable and fruit processing plant.

3.2.11 YOUTH, SPORT, GENDER AFFAIRS AND SOCIAL SERVICES.

The Department comprises the following directorates:

- a. Youth;
- b. Sports;
- c. Gender Affairs and Social Services.

The mandate of this department is to sustainably develop and build capacity in sports, empower youth, women and other vulnerable groups in the county to enhance social and economic development.

The priority for this department over the planned period will be to;

- i. Strengthen institutional policy and legal framework,
- ii. Enhance access to information on Youth empowerment especially concerning 30% tender opportunities,
- iii. Promotion of sports activities through the formation of a County league, infrastructure improvement and introduction of other sports activities,
- iv. Establishment of sports academies.
- v. Provide empowerment to the youths.
- vi. Provide social assistance to the PWDs and other needy groups.
- vii. Control the use of alcoholic drinks through inspection and licensing

In the financial year 2021/22, the Department has been allocated Kes. 259,735,000 comprising Kes. 68,300,000 (26%) for development and Kes. 191,435,000 (74%) for recurrent expenditure. In the FY 2022/23 the proposed allocation for this Department is Kes. 168,800,000 comprising Kes. 73,000,000 for development and Kes. 95,800,000 for recurrent expenditure. The proposed development allocation includes Kes. 50,000,000 for the construction of Ol'Kalou stadium.

3.2.12 HEALTH SERVICES

The role of this department is to offer affordable, accessible, quality, sustainable health care services and a clean environment to all clients in the County.

This department has its mandate derived from the fourth schedule of the Constitution of Kenya which includes overseeing the following:

Sector Priorities includes the following:

- i. County health facilities and pharmacies;
- ii. Ambulance services;
- iii. Promotion of primary health care;
- iv. Licensing and control of undertakings that sell food to the public;
- v. Cemeteries, funeral parlours and crematoria; and
- vi. Refuse removal, refuse dumps and solid waste disposal

In the financial year 2021/22, the Department has been allocated Kes. 840,978,387 comprising Kes. 301,971,038 (36 %) for development and Kes. 539,007,349 (64 %) for recurrent expenditure. In the FY 2022/23 the proposed allocation for this Department is Kes. 700,390,000 comprising Kes. 241,320,000 for development and Kes. 459,070,000 for recurrent expenditure. The proposed allocation for development includes Kes.150,000,000 for the construction of JM Kariuki Hopital Mashujaa Complex.

3.2.13 EDUCATION, CULTURE AND THE ARTS

This department comprises of the following directorates:

- a) Early Childhood Development Education (ECDE) and Childcare facilities;
- b) Vocational Training Centres;
- c) Home Craft Centres; and Arts.

The priorities of this department will be;

- i. Establishment of suitable ECDE Classrooms and sanitation facilities for ECDE centres;
- ii. Provision of requisite teaching/ learning materials and a suitable feeding programme;
- iii. Robust curriculum supervision and co-curricular activities programme;
- iv. Strengthening of centres of excellence, for Vocational training centres;
- v. Provision of teaching and learning resources, workshops, hostels and sanitation facilities;

- vi. Conservation of cultural sites for eco-cultural tourism, national cohesion and integration;
- vii. Promotion and identification of new talents for gainful employment for alleviation of poverty.

In the FY 2021/22, this Department was allocated Kes. 126,821,279 of which Kes. 87,468,954 (69%) is development while Kes. 39,352,325 (31%) is recurrent.

In the FY 2022/23 the proposed allocation for this Department is Kes. 117,000,000 comprising Kes. 60,700,000 for development and Kes. 56,300,000 for recurrent expenditure.

3.2.14 LAND, HOUSING AND PHYSICAL PLANNING

The department comprises of the

- a) Land Administration.
- b) Survey.
- c) Physical Planning.
- d) Housing and Urban Development Directorates.

This Department draws its mandates from The County Government Act No 17 of 2012, the Constitution of Kenya 2010, the Physical Planning Act Chapter 286, the Urban Areas & Cities Act 2015 and Survey Act Chapter 299. i.e., to improve County Citizens' livelihoods through Spatial Planning, Land surveys, Urban Development and dissemination of low-cost housing technology.

Department Priorities include:

- i. To implement approved plans and enhance Development Control and Regulations
- ii. To update and enhance the availability of geospatial data in a framework for coordinated development as well as enhancing decision making.
- iii. to avail land for social amenities, investment and to enhance road connectivity
- iv. To review and implement sustainable housing plans for the County.

In the FY 2021/22, the Department's allocation has been Kes.76,520,000 of which Kes. 27,862,745 (36%) is recurrent expenditure while Kes. 48,657,255 (64%) is for development activities.

In the FY 2022/23 the proposed allocation for this Department is Kes. 84,900,000 comprising Kes. 53,400,000 for development and Kes. 31,500,000 for recurrent expenditure.

3.2.15 OL’KALOU MUNICIPALITY

Based on the Urban Areas and Cities Amendment Act, 2019 and the Ol’Kalou Municipal Charter, the Municipal Board of Ol’Kalou performs the following delegated functions within the Municipality:

- i. Promotion, regulation and provision of refuse collection and solid waste management services within the municipality;
- ii. Promotion and provision of water and sanitation services and infrastructure;
- iii. Maintenance of urban roads, storm drains and associated infrastructure;
- iv. Maintenance of walkways and other non-motorized transport infrastructure;
- v. Maintenance of recreational parks and green spaces;
- vi. Maintenance of street lighting;
- vii. Maintenance and regulation of traffic controls and parking facilities;
- viii. Regulation of outdoor advertising;
- ix. Maintenance and regulation of municipal markets and abattoirs;
- x. Maintenance of fire stations, provision of firefighting services, emergency preparedness and disaster management;
- xi. Municipal administration services (including maintenance of administrative offices) ;
- xii. Promoting infrastructural development and services within the municipality;
- xiii. Any other functions may be delegated by the County Government.

In the FY 2021/22, the Municipality’s allocation is Kes. 65,956,600 of which Kes. 15,956,600 (24.2%) was allocated for recurrent expenditure and Kes. 50,000,000 (75.8%) was allocated for development activities.

In the FY 2022/23 the proposed allocation for this Department is Kes. 48,000,000 comprising Kes. 34,000,000 for development and Kes. 14,000,000 for recurrent expenditure.

3.2.16 THE COUNTY ASSEMBLY

In the FY 2021/22, the County Assembly’s allocation has been Kes.814,643,697 of which Kes. 729,643,697 (89.57%) is recurrent expenditure while Kes. 85,000,000 (10.43%) is for development activities.

In the FY 2022/23 the proposed allocation for this Department is Kes. 84,900,000 comprising Kes. 110,000,000 for development and Kes. 720,444,228 for recurrent expenditure.

3.3 RESOURCE ALLOCATION CRITERIA

The allocation of resources to projects has been based on;

- i. Pending Bills as a first charge in terms of PFMA regulations 41(2);
- ii. Emergent issues such as the *COVID-19* pandemic;
- iii. Programmes geared towards Economic recovery from the effects of COVID 19;
- iv. Completion and operationalization of ongoing projects;
- v. High impact/flagship projects should be given priority;
- vi. Development of key infrastructure facilities and public works Countywide to stimulate growth, create employment and reduce poverty;
- vii. Targeted Socio-Economic Sector enablers;
- viii. Agriculture sector to create stable incomes and reduce poverty;
- ix. Linkage of the programme with the Objectives of the Second CIDP;
- x. The degree to which a programme addresses Core Poverty Interventions and the National Big Four Agenda;
- xi. The degree to which the programme is addressing the Core Mandate of the Department;
- xii. Enhancing Governance, Transparency and Accountability in the delivery of public goods and services;
- xiii. Cost-effectiveness and sustainability of the Programme; and
- xiv. Programmes that communities/stakeholders have identified and recognized as important through public participation fora.

Table 7: Sector Ceilings for FY 2022/23 and the Medium Term (Kes.)

PROGRAMME	FY 2021/22 ACTUAL EXPENDITURE (KES)	FY 2022-23 PROPOSED EXPENDITURE PROJECTIONS (KES)	FY 2022/23 APPROVED PROJECTED ESTIMATES (KES)	FY 2023/24 PROJECTED ESTIMATES (KES)	FY 2024/25 PROJECTED ESTIMATES (KES)
County Public Service Board	22,789,000	27,845,672	25,000,000	28,959,499	30,117,879
Governor's Office	120,886,997	130,000,000	107,730,000	108,000,000	109,000,000
Office of The County Secretary	2,273,820,000	2,574,752,030	2,413,500,000	2,524,752,030	2,674,851,796
County Attorney	60,350,000	50,660,478	40,000,000	52,686,897	54,794,373
Finance and Economic Development	453,963,827	815,286,875	619,400,000	707,898,350	711,814,284
Public Administration and ICT	66,990,000	56,229,403	59,950,000	78,478,579	80,817,722
Lands, Housing and Physical Planning	76,520,000	88,842,457	84,900,000	92,396,155	96,092,001
Transport, Public Works and Energy	948,719,460	745,803,568	660,500,000	705,635,711	726,661,139
Education, Culture and the Arts	126,821,279	165,785,227	117,000,000	172,416,636	179,313,302
Health Service	840,978,387	791,908,092	700,390,000	843,584,416	866,527,792
Agriculture, Livestock and Fisheries	475,873,914	462,447,875	447,749,064	460,945,790	472,183,622
Industrialization, Trade, Cooperatives & Urban Development	246,185,370	290,054,418	255,400,000	261,656,595	283,722,859
Youth, Sports, Gender and Social Services	259,735,000	169,665,060	168,800,000	180,237,075	202,886,558
Water, Environment, Tourism and Natural Resources	363,398,258	274,675,124	247,200,000	276,451,662	303,509,729
Ol'Kalou Municipality	65,956,600	111,766,418	48,000,000	75,662,129	87,088,614
County Assembly	814,643,697	698,456,717	830,444,228	830,394,986	800,450,785
Total	7,217,631,789	7,454,179,414	6,825,963,292	7,400,156,510	7,679,832,455

Table 8: FY 2022-2023 Indicative Recurrent and Development Ceilings

PROGRAMME	FY 2022/23 PROPOSED RECURRENT BUDGET	FY 2022/23 PROPOSED DEVELOPMENT BUDGET	FY 2022/23 PROPOSED TOTAL BUDGET
County Public Service Board	25,000,000	-	25,000,000
Governor's Office	107,730,000	-	107,730,000
Office of The County Secretary	2,413,500,000	-	2,413,500,000
County Attorney	40,000,000	-	40,000,000
Finance and Economic Development	399,400,000	220,000,000	619,400,000
Public Administration and ICT	49,950,000	10,000,000	59,950,000
Lands, Housing and Physical Planning	31,500,000	53,400,000	84,900,000
Transport, Public Works and Energy	90,000,000	570,500,000	660,500,000
Education, Culture and the Arts	56,300,000	60,700,000	117,000,000
Health Service	459,070,000	241,320,000	700,390,000
Agriculture, Livestock and Fisheries	170,749,064	277,000,000	447,749,064
Industrialization, Trade, Cooperatives & Urban Development	49,200,000	206,200,000	255,400,000
Youth, Sports, Gender and Social Services	95,800,000	73,000,000	168,800,000
Water, Environment, Tourism and Natural Resources	52,800,000	194,400,000	247,200,000
Ol'Kalou Municipality	14,000,000	34,000,000	48,000,000
County Assembly	720,444,228	110,000,000	830,444,228
Total	4,775,443,292	2,050,520,000	6,825,963,292

The proposed overall expenditure is inclusive of Kes. 750,000,000 for ward projects translating to Kes. 30,000,000 per ward

CHAPTER FOUR

RISKS TO THE COUNTY ECONOMY

The financial year 2022-2023 is the final year in the implementation of the second County Integrated Development Plan. It is expected that there will be risks and challenges that may derail or hinder the implementation of the Government's Agenda.

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

❖ **2022 General Elections.**

The general elections will be held in August 2022. The electioneering period is highly likely to bring in changes in policies emanating from what the citizenry of the county prefers. Priorities of the citizenry will likely deviate from the current priorities as a result of the various dynamics. In the County Government, different priorities between the ongoing phased projects and new projects may derail the implementation of programs and projects.

Mitigation

Interests of citizens will be guaranteed and their say as expressed in the County Development plans adhered to. Priority should be given to ongoing projects and programs.

❖ **Global Economic Factors**

The local economy is highly dependent on the performance of the global economy since the National Economy cannot operate as a closed system. An increase in international prices of oil has a direct effect on the national economy and trickles down to the county economy. Random shocks in the global economy will lead to slowed economic activities both nationally and at the county level. The above factors may lead to the non-realization of the 2022/23 plan.

Mitigation

The National government should develop policies to provide resilience as much as possible to counter the effects of international shocks and setbacks.

❖ Unpredictable weather Conditions

This could be brought about by global warming which is a major risk in the County's main economic activity i.e agriculture. A prolonged dry season may lead to reduced farm produce which affects food safety in the country and the county. Reduced agricultural activities will also hurt the county's local revenue which is the major source within the county.

Prolonged heavy rains within the County may lead to crop failure and farm produce wastage due to impassable roads that link to marketplaces, in addition to delay in implementation of projects such as roads.

Mitigation

The County needs to adopt the growth of drought-resistant crops and fast-growing crops to address the problem of prolonged drought. The timely implementation of development projects during favourable weather conditions should be prioritized. The County Government should invest heavily in drainage systems and water harvesting for irrigation.

❖ Delays in the release of funds

Untimely disbursement of funds from the National treasury which is the major source of county resources may impede the implementation of the plan. There could also be a wait and see attitude from donors and partners due to anxiety associated with elections. Contractors and suppliers may also slow down the implementation of projects due to fear of non-payment as a result of the elections.

Mitigation

There is a need to set realistic revenue targets and also increase the revenue collection bracket. While budgeting, priority should be given to unpaid complete projects (Pending bills) and ongoing phased projects.

❖ Political risk

There is a heightened political mood due to forthcoming general elections and the ongoing debate on constitutional change. Political intolerance and divisive politics may lead to political disputes plunging the country into violence and economic depression.

Mitigation

It is a collective responsibility for leaders and citizens to have political tolerance to ensure smooth elections for economic, social and political stability.

❖ Covid-19 Pandemic

COVID-19 pandemic continues to have a huge impact on the global economy. It has affected the normal way of doing things and in most cases increased the cost of operations leading to the closure of some businesses and job losses. Whereas a lot of funding that would have otherwise been used for development has been directed to curbing the spread, there is vaccination apathy leading to increased infections and fatalities. In addition, most businesses are yet to recover from the effects of the lockdown and ongoing curfew.

Mitigation

The two levels of Government should endeavour to improve business and governance climate to restore confidence, stability and growth. They should also provide stimulus and incentives to enable businesses to recover. The citizens need to be sensitized to the benefits of vaccination.

CHAPTER FIVE

CONCLUSION AND WAY FORWARD

The Government expenditures in the current Financial and FY 2022/23 will be scrutinized to ensure that the objectives behind the appropriations will be met. The Government will pursue prudent fiscal policies aimed at supporting rapid and inclusive economic growth across all the wards in the County. Allocation of resources for FY 2022/23 will be based on the priorities as agreed upon by the sectors and departments as identified in the approved FY 2022-23 ADP. This will form the basis for the setting of the ceilings in the 2022 County Fiscal Strategy Paper. It is also expected that this review will assist to enhance the implementation of the FY 2021/22 budget optimally given lessons learnt in the FY 2020/2021.

Enhancement of County Revenue streams for sustainable financing of programmes at the County is important. Dependence on the National Governments equitable share by the counties is indicative of the need for action to ensure that own-source revenue is enhanced. Alternative resource mobilization initiatives such as public-private partnerships, private investments and leveraging donors are to be advanced to alleviate the dependency challenge.

The resource envelope and the indicative ceilings for the Sectors/Departments provided in this Budget Review and Outlook Paper will form the basis of the formulation of the CFSP 2022. This will then inform on the appropriations for the FY 2022/23. Strict adherence to the sector/departmental ceiling is thus essential.

Programmes to fast-track economic recovery are to be advanced to reinstate and improve the people's welfare in reference to the status before the pandemic.