COUNTY GOVERNMENT OF MURANG'A

FINANCE, IT & ECONOMIC PLANNING DEPARTMENT

COUNTY FISCAL STRATEGY PAPER (CFSP)

FEBRUARY 2019

Foreword

The 2019 Murang'a County Fiscal Strategy Paper (CFSP) is the 6th in the series and sets out broad development priorities, policies and goals that will guide the preparation of the 2019/2020 financial year budget. The paper highlights the results of the review of the County Fiscal performance during the financial year 2017/2018 and first half of 2018/2019 financial year. It also highlights both the recent economic developments and outlook at the County and National levels.

The Fiscal framework identifies sectoral priorities to be implemented during the 2019/2020 financial year and focusses on economic empowerment. It also emphasises on infrastructure development which is expected to significantly raise efficiency and productivity throughout the County. In setting out the interventions, considerations have been made to the UN SDGs, Vision 2030, Murang'a CIDP 2018-2022, ADP 2019/2020 and various sectoral policies and plans.

Realization of the objectives will entail building partnerships and prudent resource allocation. The targeted expenditure prioritizes value addition, employment creation, youth empowerment, universal healthcare, capacity building and public participation. The preparation of the paper was an inclusive, collaborative effort from an array of professionals and key stakeholders in line with the Public Finance Management Act 2012 Section 117 (1).

Hon. David Waweru,
County Executive Committee Member,
Finance, IT & Economic Planning,
Murang'a County Government.

Acknowledgement

The Murang'a County Fiscal Strategy Paper 2019/2020 is an end result of efforts and contribution of many stakeholders. Special appreciation goes to the Governor, H.E. Mwangi wa Iria and his Deputy Hon. James Maina Kamau for providing dedicated leadership during the entire process of developing the plan. I acknowledge the unyielding efforts put by the County Secretary, Mr. Patrick Mukuria, CECM's, Chief Officers, Directors and heads of all County departments.

Immense appreciation goes to the County Executive Committee Member for Finance, IT and Economic Planning for the good-will and guidance during the entire period. Special mention goes to the technical officers in the Accounting, Budget and Economic Planning units who spent significant amount of time preparing and consolidating the document. In particular, we recognize the efforts put by the Director budget, Emilyo Muchunu, Ag. Director Economic Planning Stephen Mwangi; Budget Officers Samuel Kinyanjui James Kamakia; Accountants Robert Mwangi and Samuel Ngugi; and Economists Njuguna Mwangi, Gabriel Wachira, Alex Matheri, Walter Ojwang, and Felistus Mueni who demonstrated commitment in the preparation, editing and timely finalization of the plan.

Finally, let me take the opportunity to acknowledge all the stakeholders, the SWG teams and all who contributed in one way or the other. All your efforts will never go unrewarded.

P. K. Gicheha,
Chief Officer,
Finance, IT & Economic Planning,
Murang'a County Government

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Abbreviations

CFSP	County Fiscal Strategy Paper
FIF	Facility improvement fees
GDP	Gross Domestic product
ADP	Annual Development Plan
CIDP	County Integrated Development Plan
COB	Controller of Budget
ECDE	Early Childhood Development
FY	Financial Year
KNBS	Kenya National Bureau of Statistics
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
PFM	Public Finance Management

Executive Summary

The 2019 County Fiscal Strategy Paper (CFSP) elaborately reviews the fiscal performance of financial year 2018/2019; highlights the recent economic developments and the economic outlook and looks at the broad strategic priorities and policies for the Medium Term.

The broad key strategic priorities identified for implementation in the medium term are in line with the focus areas of the Medium Term Plan III (*Big Four Agenda*) which are:

i. Supporting value addition and raising the manufacturing sector's share of GDP to 15 percent by 2022. This will accelerate economic growth, create jobs and reduce poverty;
ii. Focusing on initiatives that guarantee food security and improve nutrition to all Kenyans by 2022 through expansion of food production and supply, reduction of food prices to ensure affordability and support value addition in the food processing value chain;
iii. Providing Universal Health Coverage thereby guaranteeing quality and affordable healthcare to all Kenyans; and,
iv. Providing at least five hundred thousand (500,000) affordable new houses to Kenyans by 2022, hence improve living conditions for Kenyans.

In view of the above, the County has prioritized key strategic initiatives aimed at linking the "*Big Four*" Agenda to benefit local citizenry. The milk production factory is at initial production stage. The factory will assist farmers to add value to their milk and thus fetch higher prices. The animal feed processing factory is expected within the coming financial year. The County has facilitated provision of free fertilizer, free hybrid seeds, and farm inputs to increase agricultural production and thereby guarantee food security. In line with Universal Health Care, the County has continued to enhance provision of health facilities and services by expanding health facilities and provision of drugs. The County is exploring avenues with the National Government and other stakeholders to enhance provision of affordable housing.

The Kenyan economy remains resilient and grew by 5.8 percent, 6.2 percent and 6.0 percent in the first, second and third quarters of 2018 respectively. The resilience of the local economy has been witnessed by the growth of key sectors such as agriculture as the main backbone of the County's economy. The transport sector has significantly grown and has contributed to the opening up of both inter and intra county trade. The health sector has greatly improved the health of the locals thereby increasing the productive labour force.

The Country's economic performance will greatly affect the implementation of 2018/19 financial year budget. The main fiscal risk that is likely to be faced by the county government is the shortfall in local revenue flows. Own Revenue Sources generation has continued to face challenges that must be progressively mitigated in order to achieve County development goals.

The continued increase in the wage bill has arisen due to factors which are beyond the county government. The year 2016/17 and 2017/18 witnessed strikes by the healthcare workers which resulted to signing of Collective Bargaining Agreements (CBAs) that have had an impact on the county's wage bill. Further the wage bill has also been affected by the Salaries and Remuneration Commission (SRC) during the phase I of the harmonization of staffs' salaries.

Pending bills and contingency liabilities continues to be a major economic policy challenge facing the County governments. Murang'a County intends to create a budgetary provision in the FY 2019/2020 budget to settle the pending bills.

In order to mitigate policy challenges, the County shall put in place proper mechanisms of increasing revenue and attempt to curb wage bill through; Human resource audit, having an approved staff establishment, avoid recruitment of non-essential staff and those not in the approved staff establishment.

Legal context

The Murang'a County Fiscal Strategy Paper is prepared in accordance with Section 117 of the Public Finance Management Act, 2012. It states that;

1. The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year.

2. The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.

3. In preparing the County Fiscal Strategy Paper, the County Treasury shall 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.

4. The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.

5. In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of:
   a. The Commission on Revenue Allocation;
   b. The public;
   c. Any interested persons or groups; and
   d. Any other forum that is established by legislation.

6. Not later than fourteen days after submitting the County Fiscal Strategy Paper to the county assembly, the county assembly shall consider and may adopt it with or without amendments.

7. The County Treasury shall consider any recommendations made by the county assembly when finalizing the budget proposal for the financial year concerned.

Fiscal Responsibility Principles

In line with the Constitution, the new Public Finance Management (PFM) Act, 2012, sets out the responsibility principles to ensure prudency and transparency in the management of public resources.

The PFM law (Section 15) states that:

1. Over the medium term, a minimum of 30 percent of the County budget shall be allocated to development expenditure.

2. The County government's expenditure on wages and benefits for public officers shall not exceed a percentage of the County government revenue as prescribed by the regulations.

3. Over the medium term, the County government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.

4. Public debt and obligations shall be maintained at a sustainable level as approved by County assembly.

5. Fiscal risks shall be managed prudently.

1.0 INTRODUCTION

The County Fiscal Strategy Paper is a policy document that sets out the broad strategic priorities and policy goals that will guide the Murang'a County Government in preparing its budgets both for the following financial year (FY 2019/2020) and over the medium term. In the document, adherence to the fiscal responsibility principles demonstrates prudent and transparent management of public resources in line with the Constitution and Section 117 of the Public Finance Management (PFM) Act, 2012 that states:

1. The County, Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by 28th February of each year.

2. The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.

The CFSP contains:

a) An assessment of the current state of the economy including macroeconomic forecasts;
b) The financial outlook with respect to County Government revenue, expenditures for the next financial year and over the medium term;
c) The proposed expenditure ceilings for the County Government, and indicative transfers received from the National Governments;
d) The fiscal responsibility principles and financial objectives over the medium-term
e) Statement of Specific Fiscal Risks.

The preparation of the CFSP is a consultative process that involves seeking and taking into account the views of: The Commission on Revenue Allocation; Controller of Budget; Ministries, Departments and Agencies; the public; and any other interested persons or groups

1.1 Overview

The Fiscal Strategy Paper identifies the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for Financial Year 2019/2020 and the Medium Term Plan. This County Fiscal Strategy paper was prepared in consultation with various stakeholders in accordance with Section 117 of the PFM Act 2012. During the consultations, the stakeholders identified the key priority areas, which will inform county government efforts during the FY 2019/2020.

The paper discusses the performance of the budget for the Financial Year 2018/19, which forms the basis for projecting the financial outlook with respect to the County Government revenues and expenditures for financial year 2019/2020 and over the medium term. The County priorities outlined in the paper shall form the basis for formulation of FY 2019/20 budget and the Medium Term. The fiscal framework ensures adherence to principles of public finance and fiscal responsibility principles as set out in the Constitution and the Public Finance Management Act 2012 respectively. Specifically, the ratio of development to recurrent expenditures has been maintained within the required ratios of 30:70. Further the expenditures are fully funded from the allocation from the National Government and county own revenue. In achieving county goals, prudency in use of public resources has been and will be exercised.

The paper covers the following broad areas; review of the fiscal performance of financial year 2018/2019; highlights of the recent economic developments and the economic outlook; broad strategic priorities and policies for the Medium Term and the Medium Term Fiscal Framework. The priorities outlined in the Paper are in line with the priorities set out in the Budget Policy Statement, CIDP, and the Governor's Manifesto these include:

- Increase the access of water for domestic use and irrigation,
- To improve infrastructural networks,
- To enhance the quality of health services,
- Enhance agricultural production to increase food security
- Undertake empowerment initiatives to reduce youth unemployment
- Enhance enrolment, retention, and transition rates from ECDE and polytechnics

The broad key strategic priorities identified for implementation in the medium term are in line with the focus areas of the Medium Term Plan III (*Big Four Agenda*) which are:

i. Supporting value addition and raising the manufacturing sector's share of GDP to 15 percent by 2022. This will accelerate economic growth, create jobs and reduce poverty;
ii. Focusing on initiatives that guarantee food security and improve nutrition to all Kenyans by 2022 through expansion of food production and supply, reduction of food prices to ensure affordability and support value addition in the food processing value chain;
iii. Providing Universal Health Coverage thereby guaranteeing quality and affordable healthcare to all Kenyans; and,
iv. Providing at least five hundred thousand (500,000) affordable new houses to Kenyans by 2022, hence improve living conditions for Kenyans.

In order to achieve the set objectives, the county will employ greater transparency, effectiveness, efficiency and prudence in management of public resources in order to ensure fiscal compliance.

2.0 RECENT NATIONAL AND COUNTY ECONOMIC DEVELOPMENT AND OUTLOOK

2.1 OVERVIEW

The Kenyan economy remains resilient and grew by 5.8 percent, 6.2 percent and 6.0 percent in the first, second and third quarters of 2018 respectively, up from 4.7 percent in similar quarters in 2017. Growth for the first three quarters of 2018 averaged 6.0 percent and is estimated to grow by 6.0 percent in 2018 up from 4.9 percent in 2017, reflecting improved rains, better business sentiments and easing of political uncertainty Growth is projected to improve further to 6.2 percent in 2019 supported by a strong rebound in agricultural output, steadily recovering industrial activity, and robust performance in the services sector.

According to the recent KNBS Gross County Product (GCP) Survey results, Murang'a County contributes 2.3 % to the country Gross Domestic Product (GDP), estimated at 173.018 Billion, which is above the 2.1 % average contribution per county to GDP growth. Further, the World Bank estimates the County's contribution to GDP at 3.6%. Agriculture is the main engine of growth for the county with most of the population engaged in Dairy, Mango, Avocado, Coffee, Tea, Macadamia, Banana, and Pineapple farming among others. The county's Agricultural sector is estimated to contribute 89.003 Billion to the GDP. The service industry and Manufacturing are also significant contributors to the GCP. This trend is expected to continue in the coming financial year.

2.2 NATIONAL ECONOMIC DEVELOPMENTS

2.2.1. Global and Regional Economic Developments

Global growth is projected to slow down to 3.5 percent in 2019 from an estimated 3.7 percent growth in 2018. The slowdown is because of weakening growth rate in both the advanced and emerging market economies mainly due to the negative effects of trade tensions between the United States and China.

In advanced economies, growth is expected to ease to 2.0 percent in 2019 from an estimated 2.3 percent in 2018 mainly due to trade tensions between the U.S. and China, Brexit negotiations, the partial shutdown of the U.S. government, and the pace of normalization of monetary policy in the advanced economies.

Among emerging markets and developing economies, growth is expected to decline from an estimated 4.6 percent in 2018 and to 4.5 percent in 2019 reflecting contractions in Argentina and Turkey, as well as the impact of trade actions on China and other Asian economies. However, India's economy is poised to pick up in 2019, benefiting from lower oil prices and a slower pace of monetary tightening than previously expected, as inflation pressures ease.

Growth prospects for sub-Saharan Africa continue to strengthen. Growth is expected to improve from 2.9 percent in 2018 to 3.5 percent in 2019, supported by higher commodity prices, improved capital market access and contained fiscal imbalances in many countries.

Growth in the East African Community (EAC) region is estimated to improve from 5.9 percent in 2018 to 6.3 percent in 2019 supported by a stable macroeconomic environment, rebound in agricultural activities on the backdrop of favourable weather conditions, ongoing infrastructure investments, and strong private consumption.

2.2.2. Inflation Rate

Inflation rate was highly volatile in the period 2008-2012 and averaged 10.6 percent compared to the period 2003-2007 when it averaged 8.5 percent. The sharp increase in inflation rate in the year 2008 to 2010 was occasioned by internal shocks (post-elections disruptions and unfavourable weather conditions) and external shocks (high crude oil prices and global financial crisis). The tightening of monetary policy, together with an easing in global food and fuel prices, saw the levels of inflation stabilize in 2012.

Inflation was low, stable and within the Government target range of 5+/-2.5 percent in the period 2013 to 2018 (averaging 6.4 percent) as a result of prudent monetary and fiscal policies. The inflationary pressure witnessed in 2017 due to drought that affected food prices eased in 2018 supported by improved weather conditions that resulted in lower food prices.

Month-on-month overall inflation declined to 4.7 percent in January 2019 from 5.7 percent in December 2018 and 4.8 percent in January 2018, owing to a decline in food prices particularly maize, sugar, beans and wheat flour following improved weather conditions and a decline in pump prices of petrol and diesel.

2.2.3. Kenya Shilling Exchange Rate

The Kenya Shilling exchange rate remained broadly stable and competitive against major international currencies. Against the dollar, the exchange rate has been relatively less volatile exchanging at Ksh 101.6 in January 2019 from Ksh 102.9 in January 2018. Against the Euro and the Sterling pound, the Shilling also strengthened to Ksh 115.9 and Ksh 130.8 in January 2019 from Ksh 125.4 and Ksh 141.9 in January 2018, respectively

The Kenya Shilling exchange rate has continued to display relatively less volatility, compared to most sub - Saharan currencies. This stability reflects strong inflows from tea and horticulture exports, resilient diaspora remittances and improved receipts from services particularly tourism.

2.2.4. Interest Rates

Interest rates were low and stable for the period 2003 to 2011 due to ample liquidity in the money market. However, interest rates increased in 2012 following tight monetary policy stance in order to ease inflationary pressures. Interest rates remained stable and low in the period 2013-2018 except June – December 2015 when world currencies were under pressure. During the period, the policy rate (Central Bank Rate) was adjusted appropriately to anchor inflation expectations. The Central Bank Rate (CBR) was reduced to 9.0 percent on 30th July 2018 from 9.5 percent in March 2018, as there was room for easing monetary policy stance to support economic activity. The CBR continues to be retained at 9.0 percent, as inflation expectations remained well anchored within the target range.

The interbank rate remained low at 3.5 percent in January 2019, from 6.2 percent in January 2018 due to ample liquidity in the money market. The interest rates for Government securities have been declining indicating that the implementation of Government domestic borrowing program supported market stability. The 91-day Treasury bill rate declined to 7.2 percent in January 2019 compared to 8.0 percent in January 2018 while over the same period, the 182 day and the 364-day Treasury bills declined to 8.9 percent and 9.9 percent from 10.6 percent and 11.2 percent, respectively.

Commercial banks' average interest rates remained stable and compliant with the interest rate capping law that kicked off in September 2016. The CBR was reduced to 9.0 percent from 9.5 percent in March 2018 and as a result the lending rate declined to 12.6 percent in October 2018 compared to 13.7 percent in October 2017. The deposit rate also declined to 7.6 percent from 7.8 percent over the same period. Consequently, the interest spread declined from 5.9 percent in October 2017 to 5.0 percent in October 2018.

2.2.5. Money and Credit

Broad money supply, M3, improved to a growth of 10.1 percent in the year to December 2018 compared to a growth of 8.8 percent in the year to December 2017 This was due to an increase in the net foreign assets (NFA) of the banking sector despite a slowdown in the growth of net domestic assets (NDA) of the banking system. The decline in growth of NDA was largely reflected in the decrease in net domestic credit to Government.

Net Foreign Assets (NFA) of the banking system in the year to December 2018 grew by 38.3 percent, an improvement compared to a growth of 4.6 percent in the year to December 2017. The improvement is attributed to an increase in commercial Banks's NFA largely on account of increased deposit holdings in non-resident banks and lending to non-residents. The net foreign assets of the Central Bank also increased during the period due to a pick-up in foreign exchange reserves.

Meanwhile, the Net Domestic Assets (NDA) slowed down to a growth of 4.4 percent in the year to December 2018 from a growth of 9.7 percent over a similar period in 2017. This largely reflects reduced net credit flows to government on account of increased government deposits due to quarterly tax collections.

Annual growth of credit to the private sector grew by 2.4 percent in the year to December 2018, compared to a growth of 2.5 percent in the year to December 2017. In particular, lending to finance and insurance, consumer durables, business services, private households and manufacturing sectors grew by 17.5 percent, 11.0 percent, 8.3 percent, 6.8 percent and 6.0 percent, respectively. This offset the substantial loan repayments recorded in the mining, transport and communication and agriculture sectors in the year to December 2018. Private sector credit growth is expected to strengthen in 2019 relative to 2018, with the anticipated higher economic activity and easing credit risk.

2.2.6. Nairobi Securities Exchange (NSE)

Activity in the capital market slowed down with equity share prices declining as shown by the NSE 20 Share Index. The NSE 20 Share Index was at 2,958 points by end- January, 2019 compared to 3,737 points by end January, 2018. The depressed share prices resulted in lower market capitalization of Ksh 2,251 billion from Ksh 2,660 billion over the same period. The decline reflects trends in the global equities markets as investors shift to bond markets in expectation for a further hike in the U.S. interest rates on strong jobs and economic data.

2.3 COUNTY ECONOMIC DEVELOPMENTS

Roads and Infrastructure: Under the roads department in the FY 2017/2018 various roads (115 km) across the county were gravelled, 110 km graded and rehabilitated, and 1,700km of access roads maintained. 8,000 sqm^2 of urban spaces were also improved.

Agriculture, livestock and fisheries: 4,800 seedlings were distributed to farmers by the county government and 8,000 farmers strained on husbandry under the avocado upgrading development programme. A total of 500 tonnes of hybrid maize were issued to farmers and 40,000 bags of top-dressing fertiliser also distributed. 250,000 farmers benefitted from 13,000 litres of pesticide for the control of the fall army warm menace.

Education: 9 ECDE classrooms were constructed and renovated and over 40,000 children benefited from the school feeding programme. 2 new vocational training centres were constructed, 15 vocational training centres (VTCs) benefitted from renovation of their workshops while 60 VTCs received modern tools and 300 trainees were supported by capitation distributed. 25,000 youth were trained in short courses under the Ufundi kwa Vijana programme.

Health: The health sector plays a vital role in ensuring the wellbeing of Murang'a citizens. Kirwara Hospital was upgraded to level IV and construction to improve its physical infrastructure is ongoing. 20 dispensaries were operationalised throughout the county. 35 nurses, 20 clinical officers, and 21 lab technicians were hired.

Cooperatives: 200 Sacco management members from various cooperatives societies were trained on good management practices. 33 new cooperative societies were registered.

2.4 FISCAL PERFORMANCE

Implementation of the FY 2018/19 County budget is on course although performance is lagging behind targets. In the first six months of the year, revenue collection has lagged behind targets due to the under performance of the main revenue tax heads. By the end of December 2018, the total Exchequer revenue received amounted to Kshs3,057,206,000.00. The total amount received for conditional allocation amounted to Kshs 40,591,435.00 while the local revenue collected amounted to Kshs 249,280,768 against a target of Kshs 250,000,000.00 which is on target.

2.5 LOCAL REVENUE PERFORMANCE

Table 1: Revenue analysis by department July 2018 – Dec 31 2018

Revenue Streams	Actual Revenue	Target Revenue up to 31st Dec	Actual revenue as at 31st Dec	Variance (Target Vs Actual)
	2017/18	2018/2019	2018/19	
Licences	105,095,924	27,866,034	16,443,935	11,422,099
Licences Penalties	1,523,049	642,101	460,775	181,326
Plot/Land Rates	40,600,098	16,266,466	16,039,100	227,366
Land Rates Penalties		-	271,033	-271,033
Market Fees	27,204,081	17,388,273	23,301,280	-5,913,007
Building Materials& Other Cess	45,758,290	30,166,699	38,107,050	-7,940,351
Bus Park Fees	16,185,040	15,654,684	13,314,415	2,340,269
Parking Fee	18,202,620	10,338,933	11,677,040	-1,338,107
Motor Bikes	2,365,460	3,886,205	2,696,168	1,190,037
Liquor Licence	25,642,410	9,336,541	7,352,750	1,983,791
Plan Approval	12,434,670	13,434,336	27,847,012	-14,412,676
Conservancy	11,563,200	4,876,949	1,598,550	3,278,399
Other Cess Revenue	719,900	2,761,027	768,520	1,992,507
Sale Of Forms	6,592,420	2,987,800	1,210,812	1,776,988
Tender Forms	20,340	65,080	10,000	55,080
Advertisements	11,371,043	2,582,063	3,653,491	-1,071,428
Self Help Group	1,705,070	975,279	934,901	40,377
Land Subdivision/Transfer	7,015,130	5,178,677	5,033,921	144,756
House/Stalls Rent/ S Hall	5,976,080	2,746,418	2,691,051	55,367
Other Land Based Revenue	1,669,776	2,541,884	3,340,749	-798,865
Impounding Fees	1,430,490	1,662,507	3,570,294	-1,907,786
Morgue Fees	2,020,870	630,647	1,112,482	-481,835
Slaughter Fees	466,850	745,836	2,630,811	-1,884,975
Education & Polytechnics	144,000	305,819	78,672	227,147
Fire Fighting	287,000	1,310,802	214,848	1,095,954
Others	1,041,430	349,370	271,059	78,311
Sub-Total		174,700,430	184,630,719	9,930,289
B) Other Devolved		-	-	-

Revenue Streams	Actual Revenue	Target Revenue up to 31st Dec	Actual revenue as at 31st Dec	Variance (Target Vs Actual)
	2017/18	2018/2019	2018/19	
Functions				
Hospitals	47,174,546	25,231,010	35,735,663	-10,504,653
NHIF	25,754,000	22,500,000	17,063,181	5,436,819
Public Health	21,562,240	9,505,934	5,957,525	3,548,410
Livestock (A.I)	1,102,360	4,030,790	629,599	3,401,191
Meat Inspection	9,284,060	3,677,392	3,600,117	77,274
Cooperatives	481,890	512,302	75,565	436,737
Land, Housing & Physical Planning	646,990	5,705,097	44,560	5,660,537
Trade -Weight & Measures	601,950	541,851	1,444,078	-902,227
Mariira Farm	472,067	3,408,379	54,315	3,354,064
Water	482,621	186,813	45,441	141,372
Sub-Total		75,299,568	64,650,044	-10,649,524
Total	**454,597,965**	249,999,998	249,280,763	-719,235

The cumulative revenue collection in all departments amounted to Ksh 249.3 million for the half year up to Dec 31st 2018.

2.4.1 County own Source of Revenue

Table 2: Annual local revenue trends

Financial year	Local Revenue	FIF	Sub totals	Growth in percentage
2013/2014	383,226,402	36,702,015	419,928,417	-
2014/2015	481,978,934	80,248,600	562,227,534	33.89
2015/2016	531,764,224	85,933,391	617,697,615	9.87
2016/2017	444,517,876	62,167,855	506,685,731	(17.97)
2017/2018	407,423,419	47,174,546	454,597,965	(10.28)

The county own source of revenue has been on a gradual rise since devolution kicked off except in FY 2016-2017 and FY 2017/18 which was an election year and adverse effects of drought that affected the agricultural sector.

The county treasury has put in measures to enhance local revenue collection including enforcement, revenue automation and mapping which are in the demonstration stage.

Table 3: Exchequer Release and Proceeds from Foreign Grants/ Development Partners

	Q1	Q2	CUMULATIVE
Total Exchequer Release	1,245,112,000	1,812,094,000	3,057,206,000
DANIDA	8,505,145	10,378,125	18,883,270
Health Sector Support Project UHT		3,431,424	3,431,424
World Bank			-
Health Sector Support Project (HSSP)			-
National Urban Transport Improvement Project (NUTRIP)		62,437,600	62,437,600
European Development Fund		-	-
Conditional Allocation from Road Maintenance Fuel Levy Fund		40,591,435	40,591,435
TOTALS	1,253,617,145	1,928,932,584	3,182,549,729

2.5 EXPENDITURE PERFORMANCE

Table 4: Analysis of County Expenditures as at December 2018

		RECURRENT BUDGET			
	Department	**Approved Budget 2018-2019**	**Budget Allocation July-Dec 2018**	**Actual Expenditures July-Dec 2018**	**Absorption %**
1.	Assembly	786,381,818.00	393,190,909.00	267,000,000.00	68%
2.	Coordination	357,979,004.00	178,989,502.00	120,831,655.45	68%
3.	Finance	215,297,205.00	107,648,602.50	94,159,763.50	87%
4.	Agriculture	206,089,011.00	103,044,505.50	95,239,233.25	92%
5.	Transport	98,240,606.00	49,120,303.00	50,622,743.55	103%
6.	Trade	24,048,954.00	12,024,477.00	7,349,384.00	61%
7.	Education	292,752,458.00	146,376,229.00	158,042,008.45	108%
8.	Health	2,134,277,697.00	1,067,138,848.50	1,423,812,868.05	133%
9.	Lands	60,259,806.00	30,129,903.00	2,713,574.00	9%
10.	PSB	32,948,376.00	16,474,188.00	20,676,843.55	126%
11.	Youth	102,335,948.00	51,167,974.00	53,153,586.45	104%
12.	Environment	17,500,000.00	8,750,000.00	5,577,687.00	64%
13.	PSA	934,085,775.00	467,042,887.50	325,703,878.75	70%
	RECURRENT TOTALS	5,262,196,658.00	2,631,098,329.00	2,624,883,226.00	100%
DEVELOPMENT					
	Department	**Approved Budget 2018-2019**	**Budget Allocation July-Dec 2018**	**Actual Expenditures July-Dec 2018**	**Absorption %**
1.	Assembly	50,000,000.00	25,000,000.00		0%
2.	Coordination		-		
3.	Finance	49,164,332.00	24,582,166.00	4,648,855.00	19%
4.	Agriculture	665,302,018.00	332,651,009.00	113,310,015.00	34%
5.	Transport	1,124,061,524.00	562,030,762.00	261,552,274.00	47%
6.	Trade	159,910,766.00	79,955,383.00	20,440,256.00	26%
7.	Education	393,776,341.00	196,888,170.50	45,207,665.00	23%

8.	Health	930,580,595.00	465,290,297.50	485,125,333.00	104%
9.	Lands	112,937,600.00	56,468,800.00	302,430.00	1%
10.	PSB		-		
11.	Youth	90,350,000.00	45,175,000.00	43,839,363.00	97%
12.	Environment	12,500,000.00	6,250,000.00	872,000.00	14%
13.	PSA	-	-		
DEVELOPMENT TOTALS		**3,588,583,176.00**	**1,794,291,588.00**	**975,298,191.00**	**54%**
GRAND TOTAL		**8,850,779,834.00**	**4,425,389,917.00**	**3,600,181,417.00**	

The table above shows the total approved budget for the FY 2018-2019 totalling Kshs. 8,850,779,834 against the actual expenditure for period July 2018 to 31 Dec 2018 totalling Ksh 3,600,181,417

Table 5: Expenditure trends by Economic classification

	Expense Item	**2015/16 (Actuals)**	**2016/17 Actuals**	**2017/18 (Actual)**	**2018/19 (July to Dec 18)**
1.	Compensation of employees	2,487,028,547	2,881,669,319.00	3,326,870,489	1,702,372,015.00
2.	Use of good and services	1,680,200,081	1,896,272,501.00	1,597,445,503	646,832,728.00
3.	Subsidies	-	42,620,649.00	7,769,519	7,831,326.00
4.	Transfers to Other Government Units	-	-	501,971,452.00	276,266,060.00
5.	Other grants and transfers	133,320,120	296,540,771.00	203,630,631	60,889,215.00
6.	Social security benefits	-	4,084,515.00	2,080,184	12,841,110.00
7.	Acquisition of assets	1,387,038,873	1,333,508,912.00	839,596,195	151,352,550.00
8.	Finance costs, including loan interest	174,222,264	-	33,461,978	
9.	Other payments	-	122,486,073.00	94,699,089	741,796,430
	TOTAL	5,861,809,885	6,577,182,740.00	6,607,525,039.15	3,600,181,417

Compensation to employees and use of goods expenditure has been on the rise since FY 2015/2016.

2.6 FISCAL POLICY

2.6.1. Revenue Mobilization

To attain the planned budget, the county will continue to be employ new and available strategies to raise the revenue. These strategies include;

New Sources of Revenue mapping: The County Government continues to pursue strong revenue collection and identification of new sources of revenues from the devolved functions e.g. Liquor Licensing, adjustments of business permit fee and land rates, identifying new parking lots and among others.

Enforcement of the Finance Acts and Regulations: The County Government will ensure that fees and charges are collected according to the Finance Act 2018.

Regular monitoring of revenue collection points to enhance accountability and seal corruption loopholes.

Full automation of revenue collection: The County is in the process of automating main revenue streams which will be used to enhance financial accountability and reporting.

2.7 RISKS TO THE ECONOMIC OUTLOOK

Kenya Economic Performance: The country's economic performance may affect the implementation of 2018/19 financial year budget. Poor economic performance due to unpredictable external and internal shocks will have a negative impact on the county performance in terms of the funds that will be allocated to the County from the National Government.

Shortfall in Local Revenue: The main fiscal risk that is likely to be faced by the county government is the shortfall in local revenue flows. Own Sources Revenue generation has continued to face challenges that must be progressively mitigated in order to achieve county development goals.

Huge wage bill: High wage bill as a result of new CBA's may significantly reduce funds allocated for development.

Contingency Liabilities: The county government has been facing various litigations on different matters. This has had a big impact on the budget as the legal fees keep on increasing as a result of the court cases. Depending the outcomes of the court cases in some instances the county has been ordered to pay the litigants thus hugely affecting the budget.

Late or non-remittance of statutory deductions to KRA attracting interest and penalties. These penalties have an impact on the budgetary allocation of the county.

The County Government will monitor the above risks and take appropriate measures to respond and mitigate against them.

3.0 BUDGET FOR FY 2019/20 AND THE MEDIUM TERM
3.1 FISCAL FRAMEWORK SUMMARY
The fiscal framework shows expenditures and how they will be financed. The first section shows the expected revenues and the rest of the section explains on expenditure.

3.2 REVENUE PROJECTIONS

The revenues for the year 2019/20 are shown in the table below:

Table 6: Revenue Projections

	Actual Revenue	**Budgeted Revenue**	**Budgeted**	**Projections**	
Revenue Streams	**2017/18**	**2018/2019**	**2019/20**	**2020/21**	**2021/22**
Equitable Allocation	6,192,118,512	6,068,743,800	6,169,000,000	6,169,000,000	6,200,000,000
Conditional Grant	440,156,590	546,640,634	914,827,190	914,827,190	914,827,190
Local Revenue	454,597,965	1,000,000,000	875,000,000	1,000,000,000	1,100,000,000
Total	**7,086,873,067**	**7,615,384,434**	**7,958,827,190**	**8,083,827,190**	**8,214,827,190**

As shown in the table the revenues have been on the increase. However, equitable allocation for the year 2018/19 was slashed from KShs. 6,248,743,800 to KShs. 6,068,743,800 due to overall reduction in allocation to County Governments by the National Treasury.

3.3 EXPENDITURE PROJECTIONS

3.3.1Overall deficit and financing
The budget is balanced without any deficit. Financing of the budget shall be through equitable allocation, conditional grants and locally collected revenues. It is expected that the efforts the County has made in the current financial year of diversifying its revenue base, reviewing its fees and charges and enhanced enforcement will yield the targeted local revenue.

3.4 BUDGETARY ALLOCATIONS FOR THE FY 2019/20 AND THE MEDIUM TERM

Budgetary allocation ceilings for FY 2019/20 are based on revenue growth, historical departmental ceilings, and priorities outlined in key planning documents.

Table 7: Summary of Budget Allocations for the FY 2019/20 - 2021/22

Department	**2019/2020 departmental % Ceiling**	**Proposed budget 2019/20**	**Projection 2020/2021**	**Projection 2021/2022**
Administration and Co-ordination	3.3	261,816,297.27	287,997,927	316,797,720
Finance and Planning	6	501,029,631.40	523,632,595	575,995,854
Livestock and fisheries	4	317,353,087.60	349,088,396	383,997,236
Water, Irrigation, Food security and crop development, Trade and Cooperatives	11.7	928,257,781.23	1,021,083,559	1,123,191,915
Transport and Infrastructure	5	396,691,359.50	436,360,495	479,996,545
Education	5	396,691,359.50	436,360,495	479,996,545
Health and Sanitation	37	2,935,516,060.30	3,229,067,666	3,551,974,433
Physical Planning	1	79,338,271.90	87,272,099	95,999,309
Public Service Board	0.5	39,669,135.95	43,636,050	47,999,654
Youth Culture and Social services	3	238,014,815.70	261,816,297	287,997,927
Lands Environment and Climate change	2	158,676,543.80	174,544,198	191,998,618
Public Service	12.5	991,728,398.75	1,090,901,239	1,199,991,362
County Assembly	9	714,044,447.10	785,448,892	863,993,781
Total	**100**	**7,958,827,190**	**8,727,209,909**	**9,599,930,900**

3.5 RESOURCE ALLOCATION FRAMEWORK

In the allocation of resources, emphasis will be made on ensuring that:

- All ongoing projects are completed and the relevant expenditure necessary for their full operation adequately provided for.
- The rationale for any expenditure shall be geared towards service provision to the citizenry.
- Expenditure should be mainly for development purposes.

3.5.1. Risks to the 2019/20 Budget framework

In the year 2019/20 the budget framework could suffer impediments due to the following:

i. The county depends majorly on agriculture, and so extreme weather conditions may affect agricultural production negatively.
ii. High inflation rate that may render some cost estimates unrealistic.
iii. Disharmony between critical stakeholders leading to incomplete projects.
iv. Late disbursement of funds by National Treasury leading to low absorption rate.

3.6 COMPLIANCE WITH FISCAL RESPONSIBILITY PRINCIPLES

3.6.1. Compliance with the requirement for development spending allocations

Pursuant to the PFM Act 2012, development expenditure shall be set at a minimum of 30%. The expenditure for the fiscal year 2019/20 stands at recurrent 63% of total budget and 37% for development expenditure as shown below:

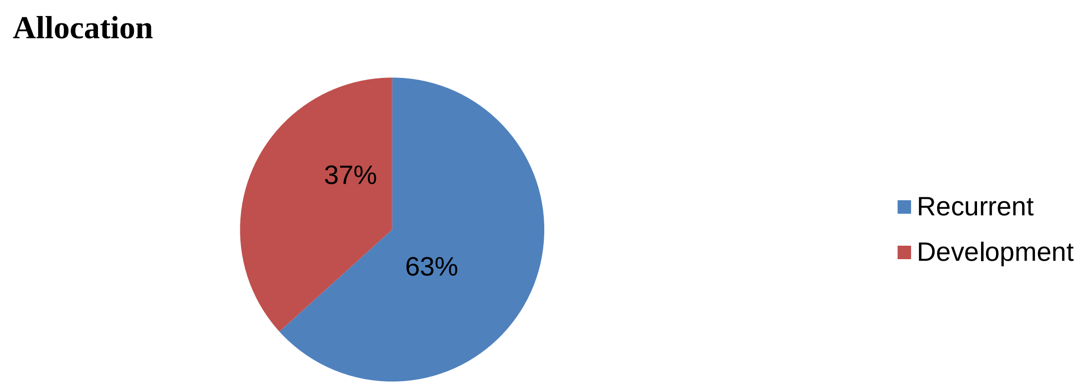

Figure 1: Recurrent and Development Allocation

3.6.2. Compliance with the requirement for expenditure on wages

The set limit for wages is maximum 35% of the County Government's total revenue. The estimate of total wages for the County Government stands at Kshs. 3,659,782,481 comprising of Kshs. 3,391,606,432 for the County Executive and Kshs. 268,176,049 for the County Assembly. As a percentage of the total budget, wages stand at 45% of the County Government's revenue.

This has been occasioned by the higher salaries accruing to the health sector employees (nurses and doctors). The County Treasury hopes that with the high number of employees leaving the County Government due to natural attrition this ratio shall be attained in the medium term.

3.6.3. Prudent Management of Fiscal Risks

The County Government still remains exposed to revenue shortfalls experienced by the National Government. These shortfalls are likely to lead to slow and unpredictable exchequer releases and also has the potential to lead to cuts in equitable allocation as experienced in the fiscal year 2018/19.

The Country's economy which is directly linked to the County's economy is mainly an agricultural based which is mainly rain fed. Any drought experienced has the potential to affect implementation of intended programmes. Further, it also has the potential to affect the revenues collected locally.

Overall, the macro-economic factors affecting the Country such as an erratic inflation rate, fluctuation in exchange rates and interest rates and international shocks also pose risks to the county economy. These risks have the effect of reducing realisable local revenue and even the purchasing power of the citizenry thus hampering effective implementation of the budget.

3.7. RESOURCE SHARING GUIDELINES

As can be seen in the table below, all the departments have adhered to the minimum 30% allocation to development. The departments that don't meet the threshold mainly serve to facilitate other departments.

Table 8: Proposed departmental budget allocation for 2019/20 (Kshs Million)

Department	Proposed budget 2019/20	Dev	Rec	Dev %	Rec %
Administration and Co-ordination	261,816,297.27	-	261,816,297.27	-	100.00
Finance and Planning	501,029,631.40	93,143,174.69	407,886,456.71	18.59	81.41
Agriculture Livestock and fisheries	317,353,087.60	242,297,249.54	75,055,838.06	76.35	23.65
Transport and Infrastructure	928,257,781.23	853,650,526.02	74,607,255.21	91.96	8.04
Trade Industry and Investments	396,691,359.50	344,832,114.13	51,859,245.37	86.93	13.07
Education	396,691,359.50	227,532,584.62	169,158,774.88	57.36	42.64
Health and Sanitation	2,935,516,060.30	891,308,511.44	2,044,207,548.86	30.36	69.64
Lands Housing and Physical Planning	79,338,271.90	51,734,458.52	27,603,813.38	65.21	34.79
Public Service Board	39,669,135.95	-	39,669,135.95	-	100.00
Youth Culture and Social services	238,014,815.70	111,604,602.32	126,410,213.38	46.89	53.11
Environment and Natural Resources	158,676,543.80	66,115,226.58	92,561,317.22	41.67	58.33
Public Service	991,728,398.75	-	991,728,398.75	-	100.00
County Assembly	714,044,447.10	42,686,511.81	671,357,935.29	5.98	94.02
Total	**7,958,827,190.00**	**2,924,904,959.68**	**5,033,922,230.32**		

Source: Murang'a County Treasury

4.0 DEPARTMENTAL/ SUB SECTOR PRIORITIES

This section highlights County development priorities identified in the sectors from the Sector Working Groups and during stakeholder consultations. The priorities are linked to the development priorities in the CIDP 2018-2022, ADP 2019-2020, County Transformative Agenda, as well as the Governor's manifesto. The priorities are also linked to the development priorities outlined in the Sustainable Development Goals (SDGs), Kenya Vision 2030, MTP III and the National Government 'Big Four' Agenda. The sectoral priorities envisage a green economy that shall be achieved through mainstreaming of cross-cutting issues such as gender, youth and PWDs, disaster risk management, HIV/AIDs as well as climate change and environment conservation.

4.1 Public Service Management and Administration

The department is charged with public service management and supervision of the operations of the County Government departments. The key objective of the department is to ensure coordinated approach to sector-wide development for maximum synergy. The sub-sectoral priorities during the period will include:

4.1.1 Public Service Administration (HR)

i. Develop and operationalize the Strategic Human Resource plan.
ii. Develop a transformative organizational culture.
iii. Carry out a workload analysis
iv. Develop and review county organizational structures
v. To develop and implement the recruitment and maintenance policies.
vi. Develop and implement Training and Development policy.
vii. Leadership development and team building.
viii. Develop and implement performance management system.
ix. Develop a reward and sanction framework.
x. Establish Monitoring and evaluation policy.
xi. Training on performance management.
xii. Develop and implement an employee welfare policy
xiii. Establish a liaison office.
xiv. Establish an industrial dispute resolution committee.
xv. Acquire adequate and secure filing system.
xvi. Digitize all manual Human Resource Records.
xvii. Training on records management

4.1.2 Administration and Coordination (Governorship)

i. Improve efficiency in coordination
ii. Optimized communication channels
iii. Implement the M & E Policy
iv. Support in terms of resource allocation.
v. Public Awareness creation and enforcement of existing laws.
vi. Recruitment and training of enforcement personnel
vii. Operationalize legal department
viii. Support through adequate resource allocation

4.2 Finance, IT and Economic Planning

This sector is charged with revenue collection, prudent resource allocation, policy direction, supervision, and economic affairs. During the period, the following will be the sub-sectoral priorities:

4.2.1. Finance

i. Capacity building of staff
ii. Expansion of County Treasury (Establishing Sub County offices)
iii. Enhance public participation in the entire PEM framework
iv. Enhance internal control systems (Audit Committee and Team Mate Audit System)
v. Expand IFMIS to sub counties
vi. Enhance record keeping system and efficient stores
vii. Automation of revenue collection
viii. Mapping of county revenue streams
ix. Preparation of county revenue policy

4.2.2. IT

i. Capacity building of staff
ii. Enhance office connectivity and communication infrastructure
iii. Provide IT equipment and accessories
iv. Establish Information Resource Centres (Ujumbe)
v. Establish E-Government system across the county
vi. Procurement of media production equipment and editing software

4.2.3. Economic Planning

i. Timely preparation of quality requisite County policy documents
ii. Review implementation of CIDP 2018-2022
iii. Review implementation of ADP 2018-2019
iv. Monitoring, Evaluation and reporting of county programmes and projects.
v. Conducting statistical surveys and establishment of county statistical database.

4.3 Education, Youth, Sports, Culture and Social Services

This sector seeks to provide quality and accessible basic education through improvement of ECDE centers and SNV facilities for young pupils with disabilities. It also aims to strengthen various Youth Polytechnics besides sports, culture, and social services. The priorities for the period include:

4.3.1. Youth Polytechnics

i. Improvement of infrastructure and building new ones.
ii. Purchasing and improving of tools and equipment's.
iii. Capacity building of instructors.
iv. Employment of more qualified instructors.

4.3.2. Sports

i. Talent identification
ii. Infrastructure Development
iii. Talent Academy
iv. Sports equipment and tools

4.3.3. Social Services

i. Rehabilitation of social halls
ii. To mobilize and sensitize community in order to participate actively in all project activities;
iii. To enhance the capacity of community members to initiate, plan, and implement and monitor activities, which promotes their own livelihood

iv. To promote, register and build the capacity of community groups in order to accelerate their participation in project activities

4.3.4. Culture

i. Development of Mukurwe wa Nyagathanga
ii. Rehabilitation of cultural sites in the county
iii. Establishment of a cultural studio
iv. Nurturing and development of talents e.g. in music, dance and drama
v. Freedom fighters
vi. Construction of county theatre

4.3.5. ECDE

i. Make ECDE education in the county more accessible, inclusive, relevant and competitive.
ii. Improve ECDE infrastructure across the County
iii. Capacity building of ECDE teachers
iv. Establish Special Needs Education (SNE) which caters for ECD's

4.4 Health

i. Murang'a Level V facilities-(infrastructure)
ii. Dispensaries, Health Centers and all level IVs
iii. Strengthen preventive and promote health services through; malaria control; expanded programs on immunization; integrated management of childhood illness; control and prevention of environment tally related communicable diseases and encouraging improved nutrition.
iv. Strengthen curative health services through provision of health personnel, drugs and equipment.
v. Enhance managerial skills of CHMT and SCHMTs
vi. Improve school health programs
vii. Improve cross-sectoral cooperation for health promotion and public health, in the areas of water and sanitation, reproductive health, gender, HIV/AIDS, nutrition, school health, road safety and tobacco control
viii. Provide better access to health care to the poor by dropping charges for treatment of certain diseases.
ix. Improve maintenance of health facilities and equipment.
x. Construct and equip new health facilities
xi. Prevent and manage HIV /AIDS and STIs through promoting safe sex, preventing mother to child transmission, safe use of medical instruments and strengthen county capacity to respond to AIDS epidemic through improved funding, training, sensitization and awareness campaigns. `
xii. Provide adequate ambulance services.
xiii. Enrolment of community in NHIF

4.5 Trade, Tourism, Investment, Agri-Business, and Cooperatives

Trade, Tourism, Investment, Agri-Business, and Cooperatives sector seeks to improve community incomes and livelihoods through business innovation and incubation. It also seeks to create employment opportunities through trade and tourism development. During the plan period 2019/2020, the sub-sector priorities will include:

4.5.1. Trade Development and Promotion

i. Market development
ii. Construction of sanitation blocks
iii. Enhance market accessibility and connectivity

iv. Avail piped, clean and safe water in the market centres
v. Street/Market lighting
vi. Enhance marketing and market information
vii. Facilitate affordable and accessible credit facilities to traders

4.5.2. Tourism

Development of tourism attraction sites

i. Marketing of tourist attraction sites
ii. Capacity building
iii. Tourism product development

4.5.3. Industrial Development and Investment

i. Agro-processing and manufacturing of farm produce (Value addition)
ii. Enhance market information and access (milk, macadamia, coffee, tea, avocadoes, French beans, mangoes, bananas)
iii. Enhance market linkage (local and international)
iv. Development of agribusiness portal
v. Transform agricultural enterprises from subsistence to agribusiness.
vi. Capacity building

4.5.4. Cooperative Development

i. Capacity building
ii. Enhance market linkage
iii. Enhance/streamline management of cooperative societies

4.5.5. Agri-Business

i. Promote e-marketing for agriculture based produce and products
ii. Capacity building of farmers

4.6. Environment and Climate Change

The sector's major role is to ensure sector-wide mainstreaming of climate change initiatives and environment conservation. In order to achieve this, the priorities during the period are:

i. Proper waste management mechanisms
ii. Prevention of noise and air pollution
iii. Increase farm forest cover
iv. Rehabilitate degraded sites
v. Promotion of clean energy
vi. Integrate climate change measures into county policies strategies and planning
vii. Capacity building on environmental issues

4.7 Lands, Housing and Urban Development

The main role of the department is to ensure prudent and sustainable land use for maximum gain. It also ensures development of adequate and affordable housing units within the county. In order to achieve the objectives, the priorities during the plan year include:

4.7.1. Lands

i. Prepare Integrated plans of all urban centers and towns
ii. Urban research and data management
iii. Enhance revenue streams in collaboration with department of finance
iv. Zoning of parks, open spaces and play fields establish urban parks
v. Succession programs
vi. Planning, survey and mapping of all urban plots
vii. Establish Alternative Dispute Resolution (ADR) mechanisms

viii. Land information management for public and private land
ix. Repossessing and securing public land

4.7.2. Housing

i. Enhance revenue streams in collaboration with department of finance
ii. Beautification of open spaces
iii. Rural Housing program
iv. Provision of land for housing and industrial development

4.7.3. Urban Development

i. Sustainable solid and liquid waste disposal mechanism
ii. Storm water drainage in major towns and market centers
iii. Prepare Integrated plans of all urban centers and towns
iv. Urban research and data management
v. Set up urban management system as provided in Urban Areas and Cities Act
vi. Implement National Urban Development Policy (NUDP) for sustainable development.
vii. Enhance revenue streams in collaboration with department of finance
viii. Establish urban parks
ix. Beautification of open spaces
x. Urban renewal and redevelopment program
xi. Establish Alternative Dispute Resolution (ADR)

4.8. Roads, Transport, Energy, and Public Works

This sector is a development enabler and will embark on improving existing road networks and opening new access roads to facilitate efficient road connectivity. It will also assist in opening up areas for tourism activity and enhance both intra and inter-County trade. The priorities will include:

i. Upgrading of impassable roads
ii. Rehabilitation of existing and installation of new security lights
iii. Enhance road connectivity.
iv. Improve drainage
v. Enhance road safety

4.9. Agriculture, Livestock and Fisheries

The sector envisions a food secure and wealthy County. It seeks to develop and exploit agricultural resources; provide quality agricultural extension services and facilitate adoption of appropriate technologies sustainably. The sub-sectoral priorities in the short term include:

4.9.1. Crop Production

i. Irrigation infrastructure
ii. Capacity building
iii. Water harvesting
iv. Crops insurance
v. Soil fertility and acidity management
vi. Group marketing
vii. Contract farming
viii. Seeds, fertilizers and pesticides
ix. Youth involvement
x. Land use policy
xi. Emerging crop pests and diseases
xii. Extension support

4.9.2. Livestock Production

i. Capacity building
ii. Livestock insurance
iii. Group marketing
iv. Contract farming
v. Livestock feeds and equipment
vi. Optimal extension staff to farmer ratio.
vii. Enhanced adoption of new technologies
viii. Enhanced information Access
ix. Youth involvement
x. Emerging and existing zoonotic diseases of anthrax, rabies and rift valley fever

4.9.3. Veterinary Services

i. Veterinary drugs
ii. Optimal extension staff to farmer ratio.
iii. Enhanced adoption of new technologies
iv. Enhanced information Access
v. Youth involvement
vi. Emerging and existing zoonotic diseases of anthrax, rabies and rift valley fever

4.9.4. Fisheries

i. Capacity building
ii. Group marketing
iii. Contract farming
iv. Market infrastructure
v. Fish feeds and equipment
vi. Optimal extension staff to farmer ratio.
vii. Enhanced adoption of new technologies
viii. Enhanced information Access
ix. Youth involvement
x. Affordable fish equipment

4.10 Water and Irrigation

In order to satisfy water and sanitation needs, the sub-sectoral priorities during the plan period 2019/2020 will entail:

4.10.1. Irrigation

i. Development of water harvesting and storage infrastructure for irrigation.
ii. Rehabilitating, upgrading and management of existing under-utilized irrigation systems.
iii. Enhancing farmer education and awareness, and improving communication and information flow.
iv. Mitigating effects of climate change by harnessing agricultural water resources and storage infrastructure to reduce flood and drought disasters, and environmental damage arising from climatic variations.
v. Facilitate establishment of Irrigation Water Users' Associations (IWUAs)
vi. Improving irrigation technology such as the use of solar energy and other renewable energy in pumping.
vii. Enhancing Public-Private Partnerships by encouraging private sector players to invest and participate in irrigation.
viii. Strengthening stakeholder participation in all irrigation projects and initiatives.
ix. Enhancing compliance with environmental, statutory and legal requirements
x. Gender equity and involvement of youth in irrigation development and management.

4.10.2. Water and Sanitation

i. Development of water harvesting and storage infrastructure
ii. Enhance user education on water and sanitation management
iii. Enhancing Public-Private Partnerships to invest and participate in water and sanitation provision.
iv. Strengthening stakeholder participation in all water and sanitation initiatives.
v. Enhancing compliance with environmental, statutory and legal requirements

4.11. County Assembly

Besides legislation duty and approval of County budget and expenditures, the County Assembly oversights the development and management of County infrastructure. In order to effectively discharge their mandate in the plan period 2019/2020, the County Assembly will:

i. Enhance public participation in County development
ii. Enhance oversight
iii. Fast track vetting and approving nominees for appointment to County public offices
iv. Fast track approving the budget and expenditure, Bills, Acts and Development policies of the County government
v. Capacity building

4.12. County Public Service Board

The department is charged with ensuring a lean, adequate, and competent human resource. In order to attain their objective, the department will in the short term:

i. Promote best labor practices in recruitment
ii. Allocate, motivate and effectively utilize human resources for improved public service delivery
iii. Promote public service integrity

To continue implementing the development priorities highlighted, the county will undertake programmes tabulated in the below table.

TABLE 9				
DEPARTMENTAL PROGRAMMES ALLOCATIONS PER PROGRAMME		**ALLOCATIONS**		**TOTAL**
		RECCURENT	**DEVELOPMENT**	
		Kshs	Kshs	Kshs
Administration and Co-ordination	261,816,297			
County coordination		221,816,297		221,816,297
Enforcement and Compliance		15,000,000		15,000,000
Disaster Control		15,000,000		15,000,000
Audit		10,000,000		10,000,000
TOTAL				**261,816,297**
County Assembly				**714,044,447**

	714,044,447			
Finance ICT and Planning	**501,029,631**	**407,886,457**	**93,143,175**	
ICT Development programme		5,000,000	13,143,175	18,143,175
Financial Management programme		10,000,000		10,000,000
Administration and support		392,886,457	80,000,000	472,886,457
				501,029,632
Agriculture Livestock and fisheries	**317,353,088**	**75,055,838**	**242,297,250**	
Cash crop Development		9,000,000	100,000,000	109,000,000
Promotion of food security programme		6,000,000	100,000,000	106,000,000
Livestock and Fisheries Development		15,000,000	40,000,000	55,000,000
Administration and support		45,055,838	2,297,250	47,353,088
				317,353,088
Energy Transport and Infrastructure Development	**928,257,781**	**74,607,255**	**853,650,526**	
Administration and support		42,607,255	4,000,000	46,607,255
Water development		10,000,000	300,000,000	310,000,000
Road Development programme		15,000,000	449,650,526	464,650,526
Market & Urban Development programme		5,000,000	80,000,000	85,000,000
Energy Development programme		2,000,000	20,000,000	22,000,000
				928,257,781
Commerce, Trade, Industry, Tourism and Cooperative Development	**396,691,360**	**51,859,245**	**344,832,114**	
General Administration and support		29,859,245	104,832,114	134,691,360
Trade and Industries Development Program		8,000,000	200,000,000	208,000,000
Programme 3: Consumer Protection		5,000,000	5,000,000	10,000,000
Tourism development and management		3,000,000	5,000,000	8,000,000
Agribusiness and marketing		6,000,000	30,000,000	36,000,000
				396,691,360
Health and Sanitation	**2,935,516,060**	**2,044,207,549**	**891,308,511**	
Curative health Programme		100,000,000	763,308,511	863,308,511
Health administration planning and support programme		1,924,207,549	10,000,000	1,934,207,549
Public health and sanitation services		10,000,000	10,000,000	20,000,000
Infrastructure development		5,000,000	100,000,000	105,000,000
Reproductive Health		5,000,000	8,000,000	13,000,000
				2,935,516,060
Land Housing and Physical		**27,603,813**	**51,734,459**	

Planning	**79,338,272**			
Estate management and Housing programme		2,000,000	10,000,000	12,000,000
Land valuation and administration programme		2,000,000	15,000,000	17,000,000
Land survey and GIS programme		2,000,000	10,000,000	12,000,000
Development control and planning programme		2,000,000	5,000,000	7,000,000
Administration and Support		19,603,813	11,734,459	31,338,272
				79,338,272
Public Service and Administration	**991,728,399**			
General Administration programme		991,728,399		991,728,399
Education and Technical Training	**396,691,360**	**169,158,775**	**227,532,585**	
Education intervention Programmes		70,000,000	100,000,000	170,000,000
Youth Polytechnics & Vocational training		10,000,000	20,000,000	30,000,000
Early childhood Development		10,000,000	100,000,000	110,000,000
Administration and Support		79,158,775	7,532,585	86,691,360
				396,691,360
Youth, Culture Gender, Social Services and Special Programs	**238,014,816**	**126,410,213**	**111,604,602**	
Cooperative Development programme		35,000,000	30,000,000	65,000,000
Sport Development programme		20,000,000	41,604,602	61,604,602
Culture Development programme		6,000,000	5,000,000	11,000,000
Youth Empowerment programme		2,000,000	10,000,000	12,000,000
Gender Empowerment		1,000,000	10,000,000	11,000,000
Social Development		15,000,000	10,000,000	25,000,000
Administration and Support		47,410,213	5,000,000	52,410,213
				238,014,816
Environment and Natural Resource	**158,676,544**	**92,561,317**	**66,115,227**	
Administration and support		32,561,317	12,115,227	44,676,544
Waste Management Programme		10,000,000	24,000,000	34,000,000
Environmental Conservation Programme		50,000,000	30,000,000	80,000,000
				158,676,544
County Public Service Board	**39,669,136**			
General Admn and Support		39,669,136		39,669,136
TOTAL COUNTY BUDGET				**7,958,827,191**