

COUNTY GOVERNMENT OF NAKURU



COUNTY TREASURY

COUNTY FISCAL STRATEGY PAPER 2021

"Resilient and Sustainable Economic Recovery"

FEBRUARY 2021



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The County Executive Committee Member,

Department of Finance and Economic Planning.

Governor Building (New Town Hall) P. O. Box 2870 - 00100 NAKURU, KENYA

CFSP 2021 will be published on website at: nakuru.go.ke within 7 days after adoption by the County Executive.

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LIST OF ABBREVIATIONS AND ACRONYMS

ACPA	Annual Capacity Performance Assessment
ADP	Annual Development Plan
AGPO	Access to Government Procurement Opportunities
AMS	Agricultural Mechanism Services
ANC	Anti Natal Care
ASALs	Arid and Semi-Arid Lands
ASDSP	Agricultural Sector Development Support Programme
ATC	Agricultural Training Centre
BBI	Building Bridges Initiative
BPS	Budget Policy Statement
CAB	Constitution Amendment Bill
CARA	County Allocation on Revenue Act
CBA	Collective Bargaining Agreement
CBK	Central Bank of Kenya
CBR	Central Bank Rate
CBROP	County Budget Review Outlook Paper
CEKEB	Central Kenya Economic Block
CFSP	County Fiscal Strategy Paper
CGA	County Government Act
CIDP	County Integrated Development Plan
CIMES	County Integrated Monitoring & Evaluation System
CoB	Controller of Budget
CoK	Constitution of Kenya
Covid-19	Corona Virus Disease
CRA	Commission on Revenue Allocation
CRA	County Revenue Allocation
DANIDA	Danish International Development Authority
DORA	Division on Revenue Act

DTI	Dairy Technical Institute
ECDE	Early Childhood Development Education
FY	Financial Year
FIF	Facility Improvement Fund
GDC	Geothermal Development Corporation
GDP	Gross Domestic Product
HE	His Excellency
HIV/AIDS/TB	Human Immuno Virus/Acquired Immunodeficiency Syndrome/ Tuberculosis
HR	Human Resource
IBEC	Intergovernmental Budget and Economic Council
ICT	Information Communication Technology
ICU	Intensive Care Unit
IDePs	Urban Integrated Development Plans
IEC	Institute of Economic Affairs
IFAD	International Fund for Agriculture Development
IFMIS	Integrated Financial Management Information System
IHRIS	Integrated Human Resource Information System
ILO	International Labour Organization
KARLO	Kenya Agricultural Research Organization
KDSP	Kenya Devolution Support Programme
KIPPRA	Kenya Institute of Public Policy Research Analysis
KRAs	Key Result Areas
KSG	Kenya School of Government
KUSP	Kenya Urban Support Programme
LAN	Local Area Networks
LIMS	Lands Information Management System
MT	Metric Tonne
MTEF	Medium Term Expenditure Framework

MTR	Mid Term Review
NACOSSTIP	Nakuru County Sanitation Strategic and Investment Plan
NARIG-P	National Agricultural and Rural Inclusive Growth Project
NCBEF	Nakuru County Budget Economic Forum
NHIF	National Hospital Insurance Fund
NICO	Nakuru International Conference
NMT	Non Motorist Traffic
NT	The National Treasury
OAG	Office of Attorney General
OSR	Own Source Revenue
PFM	Public Finance Management
PGH	Provincial General Hospital
PMTCT	Prevention of Mother to Child Transmission
PPRA	Public Procurement Regulatory Authority
PSV	Public Service Vehicle
PWDs	People with Disabilities
REC	Regional Economic Block
RMLF	Rural Maintenance Levy Fee
SCDP	Smallholder Dairy Commercialization Programme
SEZ	Special Economic Zone
SGR	Standard Gauge Railways
SHEP	Smallholder Horticulture Empowerment and Promotion
SIDA	Sweden International Development Agency
SMEs	Small and Medium Enterprises
SRC	Salaries Remuneration Commission
THS	Transforming Health Systems
TVETA	Technical & Vocational Education Training Authority
UHC	Universal Health Coverage
ULTS	Urban Led Total Sanitation

USD	US Dollar
WANs	Wide Area Networks
WASH	Water and Sanitation Hygiene
WiFi	Wireless Fidelity

FOREWORD

The County Fiscal Strategy Paper (CFSP 2021) is prepared pursuant to Section PFM Act 2012 and the PFM (County Government) Regulations 2015. CFSP 2021 has been prepared against a background of a contracting global economy occasioned by the outbreak and the rapid spread of the COVID-19 Pandemic. The Kenyan economy suffered major shocks from the adverse effect of COVID-19 Pandemic in the year 2020. The containment measures to reduce the spreads of COVID-19 disease as well as the significant interruption of the global supply chain led to loss of livelihoods and collapse of business activities. Owing to this phenomenon, the national economy shrank significantly by 5.7 percent in the second quarter of 2020 compared to 4.9 percent growth in the first Quarter of 2020.

The County has also been adversely affected by the pandemic and major sectors affected include; hospitality, transport, tourism, education and horticulture. Due the pandemic the County experienced a decline in actual own source revenue generated to Kshs. 2.44 billion in FY2019/20 compared to Kshs 2.8 billion generated in fiscal year 2018/19 depicting a decline by 14.75 percent.

The County Government's broad fiscal policy has been aligned to the national development agenda espoused in the BPS 2021. The policies have been outlined as: Promotion of accessible and affordable healthcare for all County residents toward the realisation of UHC; Promotion of agri-business and achieving food nutrition & security; Expansion and operationalization of County social and physical Infrastructure, creating an enabling conducive business environment for growth and Enhancing governance, transparency, accountability and human resource productivity in the delivery of public good and service.

In the FY 2021/2022 budget estimates the total targeted revenue will amount to Kshs 17.453 billion including CRA equitable share, which is an increase by 20 percent from the approved CARA 2020. Equitable share will amount to Kshs 12.256

billion, Conditional grants Kshs.1.742 billion and Facility Improvement Funds (FIF) is projected to remain at Kshs 1.4 billion.

Overall expenditure and net external funding for FY 2021/2022 are projected at Kshs 17.453 billion. These expenditures comprise among others, recurrent of Kshs 11.519 billion (66 percent of total expenditure) and development of Kshs 5.934 billion including 45% of Ward Allocation based on the Nakuru County Revenue Administration Act, 2018.

The ceiling for development expenditures (inclusive of conditional grants to County Governments) amount to Kshs. 5.934 billion in the FY 2021/2022 from Kshs. 4.350 billion in CFSP 2020 depicting a growth of 36 percent. Most of the outlays are expected to support critical infrastructure and Post COVID 19 recovery. The proposed allocation to the 55 wards in FY 2021/2022 has been set at Kshs 1.6 billion which translates to 46.5 percent of the equitable development expenditure.

In arriving at the fiscal framework in the MTEF period 2021/2022 -2023/2024 the County Treasury has been guided by the need to achieve an equitable level of development across the County and maximizing utility in County Government spending and realistic fiscal forecasting. Moving forward, the County Treasury will work closely with other development partners and the private sector through the Resource Mobilization unit.

Dr. Peter Ketyenya

CEC Member – Finance and Economic Planning

NAKURU COUNTY

ACKNOWLEDGEMENT

The CFSP 2021 is prepared in line with the Public Finance Management Act, 2012. It gives a highlight on the macro-fiscal outlook over the medium term and specifies the set strategic priorities and policy goals together that will be undertaken by the County government. It also outlines the spending plans for the FY 2021/2022 and the medium term and provide the indicative ceilings as outlined in the priorities highlighted during the public hearings and sector reports.

The preparation of the 2021 Fiscal strategy paper was an inclusive process. Much of the information in this report was obtained from the line departments through the Sector Working Groups (SWGs). We are grateful for comments from the County Treasury Macro Working group, the sector working groups, the County Budget and Economic Forum (CBEF) and other stakeholder inputs. May I take this opportunity to sincerely thank the general public and all interested groups who participated in the public participation meetings held in January 2021 toward the finalisation of the CFSP 2021. Your valuable contributions helped to shape the County Fiscal framework.

The coordination and harmonization process was made possible by a core team from the County Treasury which spent a significant amount of time putting together the report. We are especially grateful to the County Executive Member for Finance and Economic Planning for his guidance and stewardship in achieving this planning and budget document. Special thanks go to the staff in the Economic Planning Directorate led by Ag. Director Mr. Cyrus M. Kahiga, Ag. Head of Budget Ashinah Wanga, Snr Economists Ms Dorcas Mwangi, Emma Angwenyi, Sam Mwawasi, Dennis Rono, Dennis Onchomba and the entire Secretariat who demonstrated commitment in the preparation, editing and timely finalization of the CFSP 2021.

Hussein Mohammed

Chief Officer – Economic Planning

NAKURU COUNTY

Legal Basis for the Publication of the County Fiscal Strategy Paper

The County fiscal strategy paper is prepared in accordance with Section 117 of the Public Financial Management Act, 2012. The law 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.

Responsibility Principles in the Public Financial Management Law

In line with the Constitution, the new Public Financial Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. The PFM law (Section 107(b)) states that:

- 1) The County Government's recurrent expenditure shall not exceed the county government's total revenue
- 2) Over the medium term, a minimum of 30% of the County budget shall be allocated to development expenditure
- 3) 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.
- 4) 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.
- 5) Public debt and obligations shall be maintained at a sustainable level as
Approved by County Government (CG)
- 6) Fiscal risks shall be managed prudently
- 7) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future

I. RECENT ECONOMIC DEVELOPMENTS AND MEDIUM-TERM OUTLOOK

1.1 Overview

In the year 2020, The Kenyan economy suffered a major setback from the ongoing adverse effect of COVID-19 Pandemic. The disruptive containment measures for Covid-19 and the significant interruption of the global supply chain led to loss of livelihoods and collapse of business activities.

Due to these impediments' the national economy contracted by 5.7 percent in the second quarter of 2020 compared to 4.9 percent growth in the first Quarter of 2020. Generally, the national economy is expected to grow marginally by 0.6 percent in 2020.

Going forward the national Budget Policy Statement (BPS 2021) has projected the national economy to recover and expand by 6.4 percent in 2021 buoyed by the relative macroeconomic stability.

Interest rates remains relatively low, the foreign currency has demonstrated resilience while the inflation rate (at 5.6 percent in December 2020) is within the government target of 5+/-2.5 percent reinforced by stability in prices of food commodities and oil products.

1.2 Recent Economic Developments and Outlook

Global and Regional Economic Developments

The ongoing adverse effects of COVID-19 have impacted heavily on the global economy leading to both exogenous and endogenous shock on the regional and local economy. As a result, the global economy shrank by 4.4 percent in 2020 compared to 2.8 percent in 2019.

Advanced economies are expected to contract by 5.8 percent in 2020 from a growth of 1.7 percent in 2019. Kenya is positioning itself to benefit from the Brexit regime in the United Kingdom although the UK and eurozone area are expected to shrink by 8 to 9 percent in 2020. Emerging economies and developing countries are expected contract by 3.3 percent in 2020.

Regionally the sub-Saharan Africa economies is projected to decline by about 3.0 percent from a growth of 3.2 percent in 2019. Economies dependant on external markets like export-oriented sectors and tourism have especially been hit by shocks of Covid-19. The East African regional economies is further expected to rise marginally approximately 1.0 percent buoyed by the strong resilience and positive improvements in Kenya, Tanzania and Rwanda.

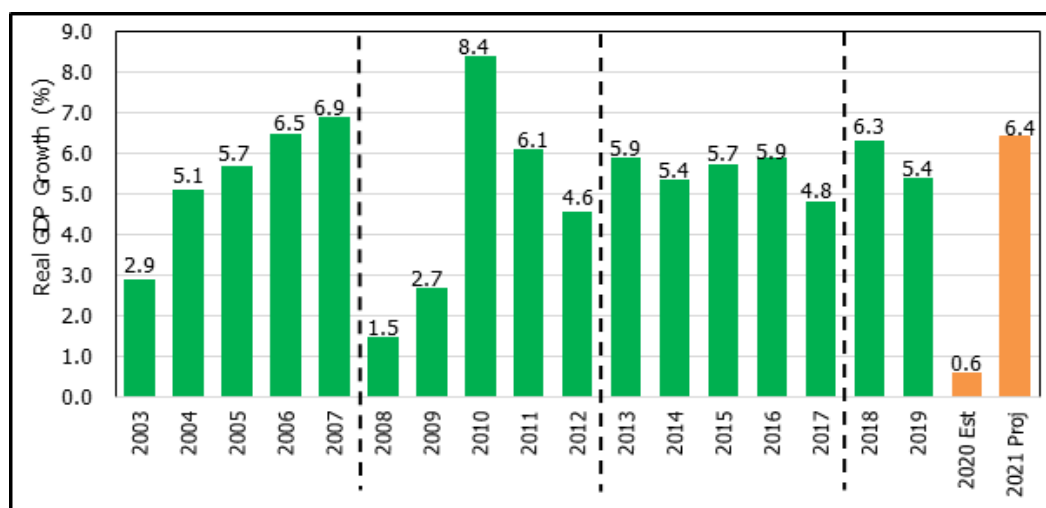
Kenya's Economic Updates and Macro-Economic Indicators

The Kenyan economy suffered a major shock from the adverse effect of Covid-19 Pandemic in the year 2020. The containment measures to reduce the spreads of Covid-19 disease as well as the significant interruption of the global supply chain led to loss of livelihoods and collapse of business activities.

Owing to the above specified phenomenon, the national economy shrank significantly by 5.7 percent in the second quarter of 2020 compared to 4.9 percent growth in the first Quarter of 2020. Generally, the national economy is estimated to grow marginally by 0.6 percent in 2020.

The national economy grew by 4.9 percent in the first Quarter of 2020 compared to a growth of 5.5 percent in similar period in 2019. Measures aimed at containing the spread of Covid-19 contributed to the shrinking of the economy by 5.7 percent in the second Quarter. It is projected that the national economy will recover and expand by 6.4 percent in 2021 (see Figure 1).

Figure 1: Trends in Kenya's Economic Growth Rates, Percent



Source: Kenya National Bureau of Statistics

Figure 2: Sector Real GDP Growth Rates, Percent

Sectors	Sector Growth (%)									
	2018				2019				2020	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Primary Industry	6.6	5.8	6.6	3.7	4.6	3.0	2.5	3.8	5.1	6.5
Agriculture, Forestry and Fishing	6.7	5.9	6.8	3.9	4.7	2.9	2.4	4.0	4.9	6.4
Mining and Quarrying	3.1	3.5	3.2	1.2	1.4	5.0	3.4	0.3	9.5	10.0
Secondary Sector (Industry)	4.6	5.1	6.2	6.7	4.9	5.4	4.7	4.0	4.1	(1.0)
Manufacturing	3.2	3.9	5.1	5.2	3.5	4.0	3.2	2.3	2.9	(3.9)
Electricity and Water supply	6.1	8.3	8.1	9.5	7.8	7.3	6.4	6.4	6.3	(0.6)
Construction	6.7	5.6	7.3	7.7	6.1	7.2	6.6	5.7	5.3	3.9
Tertiary sector (Services)	6.2	6.0	6.6	8.0	6.4	6.8	6.7	6.8	5.4	(11.0)
Wholesale and Retail trade	5.6	6.5	7.3	7.9	6.3	7.8	6.1	6.4	6.4	(6.9)
Accommodation and Restaurant	13.3	15.1	15.5	21.5	11.0	12.1	9.9	9.0	(9.3)	(83.3)
Transport and Storage	6.5	6.6	8.5	11.8	6.4	7.6	7.6	9.2	6.1	(11.6)
Information and Communication	13.2	11.7	9.8	10.6	10.2	7.8	8.1	9.4	9.7	4.3
Financial and Insurance	4.0	3.5	5.1	8.5	6.3	5.2	8.1	6.6	6.2	4.2
Public Administration	5.5	6.1	7.1	8.1	8.9	8.7	8.4	6.2	6.7	5.7
Others	5.1	5.0	4.9	4.8	4.8	5.8	5.6	5.2	4.6	(19.2)
of which Real Estate	5.2	4.5	3.8	3.1	4.8	6.0	5.5	5.1	4.3	2.2
Education	5.3	5.2	5.5	7.0	4.3	6.0	6.0	5.5	5.3	(56.2)
Health	4.1	3.4	5.3	4.5	5.4	6.2	5.5	6.2	5.8	10.3
Taxes less subsidies	6.1	6.0	6.2	4.3	4.7	4.0	4.2	4.5	3.4	(14.2)
Real GDP	6.2	6.0	6.6	6.5	5.5	5.3	5.2	5.5	4.9	(5.7)
of which Non-Agriculture	6.0	6.0	6.6	7.5	5.9	6.4	6.2	6.0	5.2	(8.5)

Source: Kenya National Bureau of Statistics

Locally the County economy has been particularly hit hard by the Covid-19 pandemic and its containment. This is majorly due to dependence on the export market as well as tourism and hospitality which have remained extremely vulnerable as result of national and global lockdowns and travel bans.

Despite the pandemic related challenges, the agriculture sector showed significant progress with an average national growth of 6.4 percent in the second Quarter of 2020 on account of favourable weather condition in the period under review.

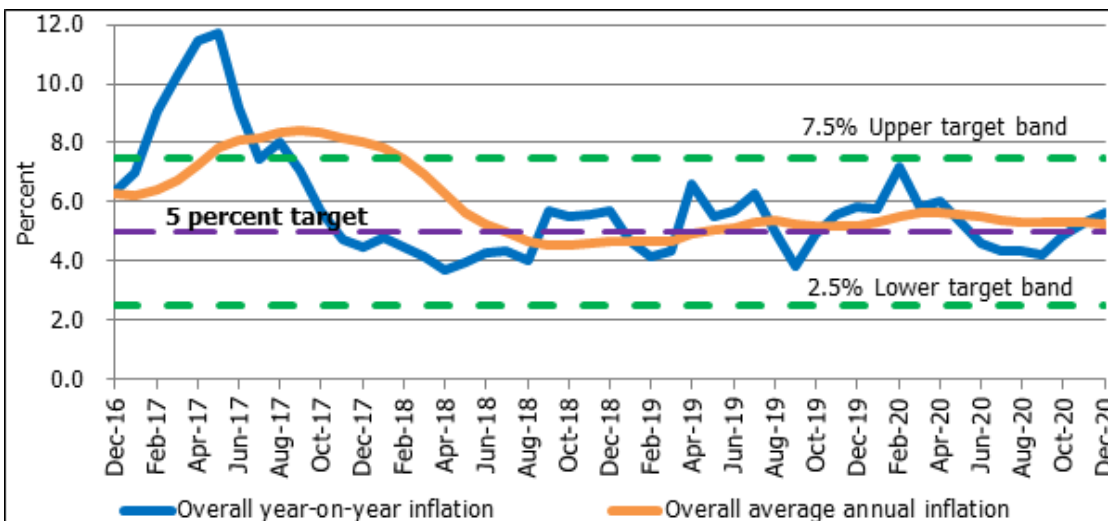
Most service sectors experience negative growth with an average growth national of minus 11 percent in in the second Quarter of 2020 mainly due to significant contraction of accommodation and food services (83.3percent) and education sectors (- 56.2 percent).

Inflation Rate

The average annual inflation remained stable and within medium term target range of 5+/-2.5 indication stability in the overall Central Bank monetary policy. The low inflation rates was further boosted by stability in prices of food commodities resulting from steady agricultural production as well as the low fuel costs arising decline in global demand for crude oil during lockdown periods. Figure 1 below shows the overall annual inflation from December 2019 to December 2020.

The stable inflationary costs impacted positively to the local county economy, food prices and non- food commodity prices remained very stable, despite the significant loss of livelihood and contraction of major drivers of the local economy.

Figure 3: Year-on-Year Inflation Rate



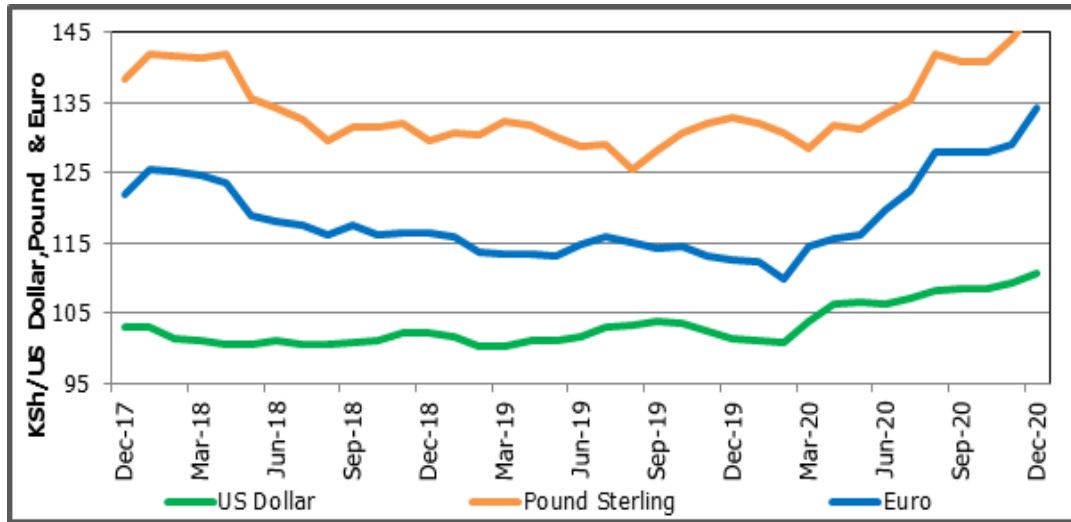
Source: Kenya National Bureau of Statistics.

Kenya Shilling Exchange Rate and Money Supply

The national and County economies remains sensitive to the variability in the foreign exchange market due to strong reliance on the export and import business. The uncertainty surrounding the COVID-19 pandemic and resultant disruptions to the global supply chain led to appreciable strengthening of the US Dollar (USD) in the global market. Due to these external factors therefore, the Kenya shilling marginally lost its value against the USD to trade at Ksh 110.6 in December 2020 compared to 101.5 in December 2019.

A strong USD may favour proceeds from the export-oriented horticulture sector in the County but may further expose the same to strong lower demands due to its competitiveness. strengthening USD is further likely to negatively impact on the national/county fiscal framework due to dollar denominated foreign debts.

Figure 4: Kenya Shilling Exchange Rate

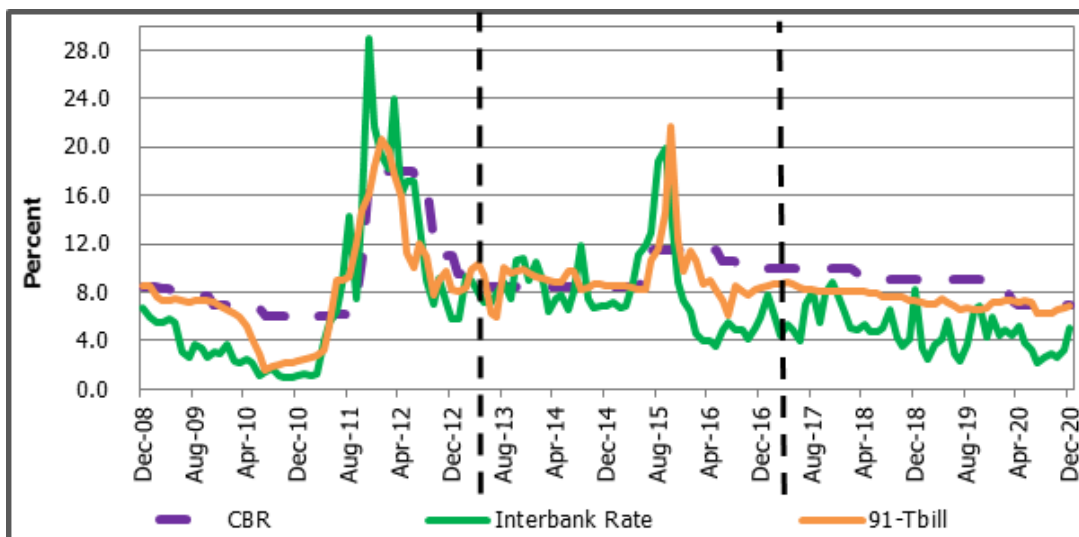


Source: Central Bank of Kenya

Interest Rates

The Central bank of Kenya has retained its CBR rates low (at maximum of 7 percent in November 2020) to further promote the access to loans capital by borrowers. Access to affordable credit will come in handy to support the social economic recovery strategy from the adverse effects of Covid-19.

Figure 5: Short Term Interest Rate, Percent



Source: Central Bank of Kenya

Balance of Payment

The overall national balance of payments demonstrated marginal improvements at 1.2 percent of the GDP in September 2020 from 1.1 percent of the GDP in September 2019 arising from improvements in merchandise account balance. Nakuru county economy continues to contribute to a positive balance of payment through its export-oriented sectors in manufacturing and horticulture industries.

Fiscal Performance

The County Budget implementation for FY 2020/2021 was affected by the late approval of the County Budget estimates. Additionally, further pressure was exerted by an amount of Ksh 5.6 billion balance carried forward from FY 2019/2020 as well as significant revenue shortfall from revenues in the fourth quarter of FY 2019/2020 on account of containment measures for COVID-19 Pandemic.

Delays in the determination of the horizontal allocation of revenues due stalemate at the Senate also affected the fiscal forecast underpinning the MTEF Budget framework 2020/2021-2022/2023.

The government containment measures and cashflow constraints in the first quarter of FY 2020/2021 also affected the general performance of the budget FY 2020/2021.

The County Government embarked on re-orienting its fiscal framework to towards a post COVID-19 recovery strategy and towards a positive growth trajectory of the County economy.

Revenue Performance

During the period July-December 2020, the County revenue performance recorded below per performance in transfers from national Government but improvements in the collection of Own Source Revenues (OSR). Equitable share

of revenues amounted to Ksh 1.7 billion in the first half of FY 2020/2021 against an annual target of Ksh. 10.4 billion compared to Ksh 3.8 billion received in similar period in FY 2019/2020.

County Own Source Revenues for the period July- December 2020 amounted to Ksh 1.1 billion against an annual target of Ksh 3.2 billion. With a growth of 98 percent this compares well with the performance for similar period in FY 2019/2020.

In the period under review The County Government has received Ksh 212 million as part of forecasted Proceeds from Domestic and Foreign Grants (conditional grants) against an annual target of 1.0 billion.

Further during the period under review Ksh 900 million was transferred from Other Government Entities as part of undisbursed projected equitable share of revenue in FY 2019/2020. However, an amount of Ksh 5.6 billion an opening balance carried forward from previous FY help to kickstart budget operations.

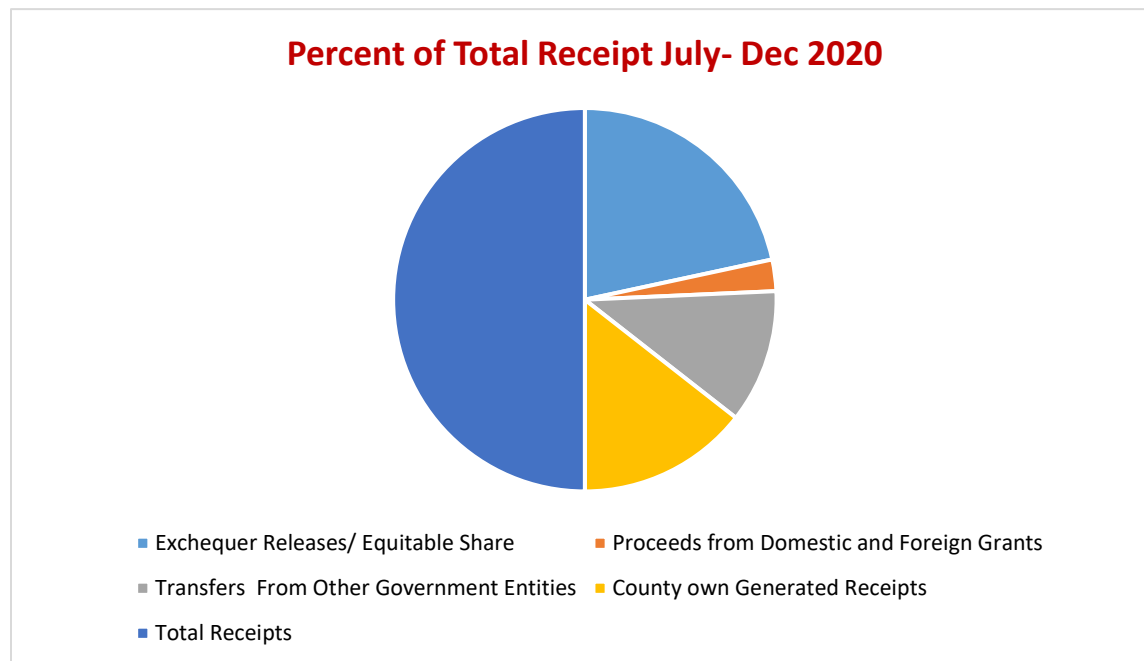
Table 1: First Half Revenue Report 2020/2021.

Source	FIRST QUARTER (July-Sept 2020)	SECOND QUARTER (Oct-Dec 2020)	SUB TOTAL HALF YEAR (2020/2021)	COMPARITIVE PERIOD FY (2019/2021)	ANNUAL TARGET	GROWTH
Exchequer Releases/ Equitable Share		1,728,564,750	1,728,564,750	3,878,121,971	10,476,150,000	-55%
Proceeds from Domestic and Foreign Grants (Conditional Grant)		212,535,514	212,535,514	922,737,822	1,096,913,839	-77%
Transfers From Other Government Entities	900,948,900		900,948,900	499,702,648	900,948,900	80%
County own Generated Receipts	588,498,843	565,793,316	1,154,292,159	582,253,338	3,200,000,000	98%
Total Receipts	1,489,447,743	2,506,893,580	3,996,341,323	5,882,815,779		-32%

Source: Quarterly Financial Statements 2020-2021

Figure 6 below shows the proportion of each revenue stream as a percentage of total County receipt for the period July– December 2020. Equitable share accounted for highest transfers (43 percent) while transfers for grants accounted for the lowest proportion (5 percent).

Figure 6: Percent of Total Receipt July- Dec 2020



Source: Quarterly Financial Statements 2020-2021

Table 2 shows the disaggregation of County OSR for the period July- December 2020. The County mobilised an amount of Ksh 1.1 billion against a target an annual Ksh 3.2 billion. Local revenue accounted for 45.9 percent of the total collections. Further revenue streams from Lands, Physical Planning & Housing continued to provide the highest proportion total collections at 26 percent.

During the period July-December 2020, Facility Improvement Fund (FIF) collected amounted to Ksh 624 million compared to Ksh 563 Million in similar period in FY 2019/2020 reflecting a growth of 11 percent. This growth further demonstrates the improved efficiency in the collections. The FIF collection accounted for more than half the total County OSR for the period under review. This progress is expected to

further improve the service delivery within the County Level-4 and Level-5 health facilities.

Table 2: Own Source Revenue Performance by Sector Classification July-December 2020.

Revenue Source/ Department	JULY- DEC 2019	JULY- DEC 2020 (IN KSH)	ANNUAL TARGET FY 2020.2021	GROWTH PERCENT	ACHIEVEMENT RATE	PERCENT OF TOTAL REVENUES
Education, Culture & Youth	841,800	111,400	5,400,000	-87%	2%	0.0%
Public Service Training and Devolution	492,760	200,100	1,570,000	-59%	13%	0.0%
Finance & Economic Planning	337,569	587,516	0	74%	100%	0.1%
Agriculture, Livestock & Fisheries	20,619,356	14,897,625	82,524,000	-28%	18%	2.8%
Health & Medical Services	27,078,613	21,070,336	100,350,000	-22%	21%	4.0%
Trade & Tourism	94,501,772	100,794,836	502,070,000	7%	20%	19.0%
Environment, Water & Natural Resources	111,821,977	123,692,489	208,080,054	11%	59%	23.4%
Roads, Public Works & Transport	147,914,993	130,602,576	362,559,446	-12%	36%	24.7%
Lands, Physical Planning & Housing	139,101,140	137,388,283	537,446,500	-1%	26%	26.0%
SUB TOTAL (Local Sources)	542,709,980	529,345,161	1,800,000,000	-2%	29%	100.0%
Local Sources	542,709,980	529,345,161	1,800,000,000	-2%	29%	45.9%
Facility Improvement Fund	563,310,989	624,946,998	1,400,000,000	11%	45%	54.1%
TOTALS	1,106,020,969	1,154,292,159	3,200,000,000	4%	36%	100.0%

Source: Quarterly Financial Statements 2020-2021

Local sources performed the highest in July and September 2020 mainly on account of waiver of penalties in the payment of land rates. In the period under review collections from local sources marginally declined by two percent despite the challenges brought about by COVID-19 Pandemic. Collections for FIF were highest in the month of November 2020 with a total amount of Ksh. 137 million.

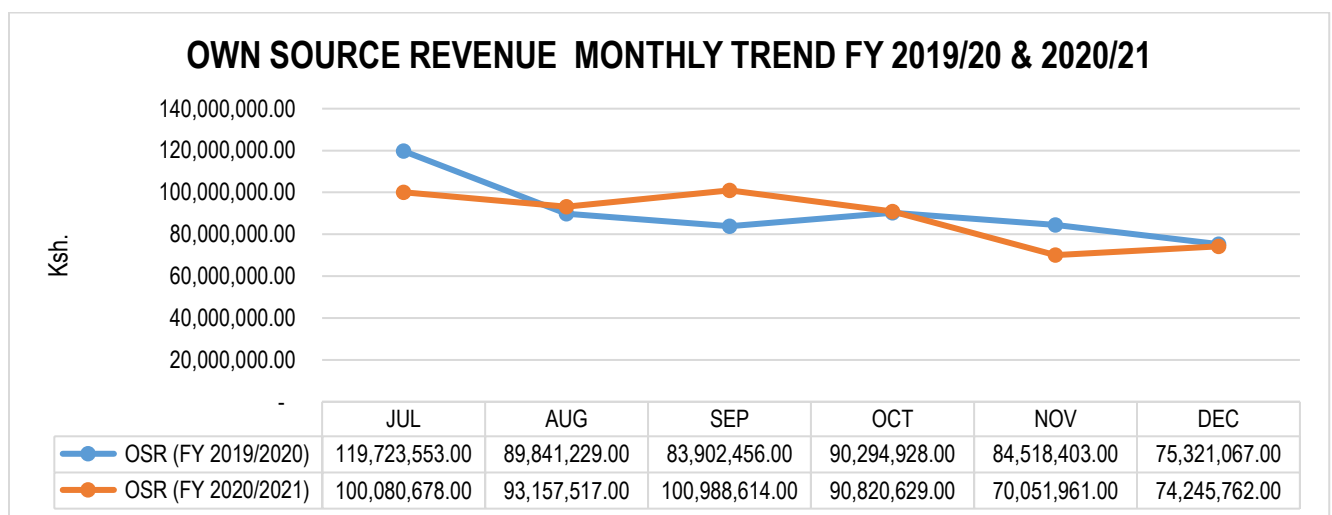
Table 3: Own Source Revenue Performance by Monthly Classification July-December 2020.

MONTH	LOCAL REVENUE			FACILITY IMPROVEMENT FUND		
	FY 2019/2020	FY 2020/2021	GROWTH PERCENT	FY 2019/2021	FY 2021/2022	GROWTH PERCENT
July	119,282,973.00	100,080,678.00	-16%	68,482,032.40	94,228,364.15	38%
August	89,618,340.00	93,157,517.00	4%	88,037,162.00	83,502,484.12	-5%
September	83,705,529.00	100,988,614.00	21%	100,562,431.00	116,541,186.00	16%
October	90,274,668.00	90,820,629.00	1%	90,122,730.00	113,939,734.00	26%
November	84,482,703.00	70,051,961.00	-17%	99,650,455.00	137,853,611.00	38%
December	75,345,767.00	74,245,762.00	-1%	116,456,179.00	78,881,619.00	-32%
Totals	542,709,980.00	529,345,161.00	-2%	563,310,989.40	624,946,998.27	11%

Source: Quarterly Financial Statements 2020-2021.

The trends shown in Figure 7 above reveals general but marginal decline in the County OSR between the period July- December for FY 2019/2020 and FY 2020/2021.

Figure 7: Trends in Own Source Revenue Collection FY 2019/2020 vs FY 2020/2021.



Source: County Treasury Nakuru FY 2020-2021.

During the period July-December 2020, Nakuru East Sub County accounted for the highest contribution (32 percent) to the total local revenues despite recording a lower achievement rate (25 percent) as a percentage of forecasted annual target. On the other hand, Kuresoi South, Kuresoi North and Subukia contributes to one percent each respectively. Further during the period under review Rongai Sub County had the highest achievement rate of 41.5 percent based on the projected annual target.

Table 4: Own Source Revenue Performance by Geographical Classification July-December 2020.

SUB COUNTY CODE	SUB-COUNTY	HALF-YEAR FY 2020/21	ANNUAL TARGET FY 2020/2021	VARIANCE	ACHIEVEMENT RATE	PERCENT OF TOTAL COLLECTION
45600100	MOLO	20,702,823.00	59,812,000.00	(39,109,177.00)	34.6%	4%
45600200	NJORO	25,780,576.00	65,235,000.00	(39,454,424.00)	39.5%	5%
45600300	NAIVASHA	141,296,971.00	392,460,000.00	(251,163,029.00)	36.0%	27%
45600400	GILGIL	34,993,773.00	110,959,095.00	(75,965,322.00)	31.5%	7%
45600500	KURESOSI SOUTH	6,140,664.00	17,067,000.00	(10,926,336.00)	36.0%	1%
45600600	KURESOSI NORTH	4,725,307.00	16,135,000.00	(11,409,693.00)	29.3%	1%
45600700	SUBUKIA	4,834,994.00	5,027,905.00	(10,192,911.00)	32.2%	1%
45600800	RONGAI	29,753,476.00	71,680,500.00	(41,927,024.00)	41.5%	6%
45600800	BAHATI	33,700,131.00	110,966,000.00	(77,265,869.00)	30.4%	6%
45601000	NAKURU WEST	56,458,663.00	256,194,000.00	(199,735,337.00)	22.0%	11%
45601100	NAKURU EAST	170,957,783.00	684,463,500.00	(513,505,717.00)	25.0%	32%
	SUB TOTAL (Local Source)	529,345,161.00	1,800,000,000.00	1,270,654,839.00	29.4%	100%
	FIF	624,946,998.27	1,400,000,000.00	(775,053,001.73)	44.6%	
	GRAND TOTAL	1,154,292,159.27	3,200,000,000.00	(2,045,707,840.73)	36.1%	

Source: Quarterly Financial Statements 2020-2021.

Table 5 represent the disaggregation of County OSR based on selected revenue streams. Royalties, vehicle park fees and property taxes contributed the highest proportion of the County local sources. On the other hand, County Park fees, House Rent and Slaughter house fees recorded the least achievement rates based on the forecasted annual target. Overall, the County OSR has a 36 percent achievement rate based in forecasted revenues FY 2020/2021.

**Table 5: Own Source Revenue Performance by Revenue Stream Classification
July- December 2020.**

	REVENUE STREAM	HALF-YEAR FY 2020/21	ANNUAL BUDGET TARGET FY 2020/21	VARIANCE	ACHIEVEMENT RATE	PERCENT OF TOTAL COLLECTION
1	County Park Fees	-	750,000.00	(750,000.0)	0.0%	0%
2	Slaughter House Fees	4,351,357.00	25,000,000.00	(20,648,643.0)	17.4%	1%
3	House rent	6,845,610.00	50,000,000.00	(43,154,390.0)	13.7%	1%
4	Cess Revenue	10,231,754.00	50,000,000.00	(39,768,246.0)	20.5%	2%
5	Liquor Licence	18,410,640.00	72,150,000.00	(53,739,360.0)	25.5%	3%
6	Health Fees	21,070,336.00	100,350,000.00	(79,279,664.0)	21.0%	4%
7	Markets Fees	22,742,270.00	87,220,000.00	(64,477,730.0)	26.1%	4%
8	Advertisements	25,607,562.00	100,000,000.00	(74,392,438.0)	25.6%	5%
9	Approval for Building Plans	31,481,516.00	90,000,000.00	(58,518,484.0)	35.0%	6%
10	Miscellaneous Income	38,749,941.00	120,680,000.00	(81,930,059.0)	32.1%	7%
11	Trade Licences	57,776,780.00	330,000,000.00	(272,223,220.0)	17.5%	11%
12	Property tax (Plot and Land rates)	70,539,831.00	289,390,000.00	(218,850,169.0)	24.4%	13%
13	Vehicle Parking Fees	108,404,596.00	300,000,000.00	(191,595,404.0)	36.1%	20%
14	Royalties	113,132,968.00	184,460,000.00	(71,327,032.0)	61.3%	21%
	SUB TOTAL (Local Sources)	529,345,161.00	1,800,000,000.00	(1,270,654,839.0)	29.41%	100%
	FIF (Facility Improvement Fund)	624,946,998.27	1,400,000,000.00	(775,053,001.73)	44.64%	
	GRAND TOTAL	1,154,292,159.27	3,200,000,000.00	(2,045,707,840.73)	36.07%	

Source: Quarterly Financial Statements 2020-2021.

Expenditure Performance

County expenditure performance for the period July- December 2020 was affected by late approval of the budget FY 2020/2021, as well huge backlog of balances carried forward from FY 2019/2020. Further delays in approval and uploading of procurement plans also affected the execution of the County Budget.

Prolonged debate at the Senate (between August and September 2020) on horizontal division of revenue delayed the passage of the County Allocation of Revenue Act (CARA 2020) and created uncertainties in national transfer of funds to Counties.

During the period under review the County Government incurred a total

expenditure of Ksh 4.8 billion against an annual budget target of Ksh 20 billion reflecting an overall 24 percent execution rate. This performance compares to Ksh 4.6 billion incurred in FY 2019/2020 a growth of 6 percent. Based on economic classification and approved annual targets; compensation to employees had the highest execution rate of 47 percent while development expenditure had the least execution rate at five percent. **Table 6** summaries the expenditure performance by economic classification for the first six months of the FY 2020/2021.

Table 6: Expenditure Performance by Economic Classification- July December 2020.

ECONOMIC CLASSIFICATION	FIRST QUARTER JULY- SEPT 2020	SECOND QUARTER (OCT- DEC 2020)	FIRST HALF (JULY - DEC 2020)	COMPARISON JULY- DEC 2019	APPROVED ESTIMATES FY 2020/2021	RATE OF BUDGET EXECUTION	PERCENT TO TOTAL EXPND.	GROWTH PERCENT
Compensation to employees	1,539,509,002	1,469,352,601	3,008,861,603	2,702,095,306	6,469,851,735.27	47%	62%	7%
Use of goods and services	232,810,457	576,431,475	809,241,932	946,614,746	3,028,977,719	27%	17%	-3%
Transfers to the Other Government Agencies ¹	85,331,660	341,833,596	427,165,256	371,848,961	1,254,408,526	34%	9%	1%
Other grants and Transfers	-	163,415,607	163,415,607	29,874,000.00			3%	3%
Repayment of Loans/ borrowings	-	-	-	-	-	-	-	-
Acquisition of assets	3,850,000	473,706,520	477,556,520	575,738,546	9,251,243,283	5%	10%	-2%
Totals	1,861,501,119	3,024,739,799	4,886,240,918	4,626,171,559	20,004,481,264	24%	100%	6%

Source: Quarterly Financial Statements 2020-2021.

Overall recurrent budget expenditure amounted to Ksh. 3.7 billion in the period July-December 2020 against an annual target of Ksh. 10.4 billion reflecting 36 percent execution rate.

In the first half of FY 2020/2021, the Department of Health recorded the highest rate of budget execution of 44 percent while Nakuru Municipality and Naivasha Municipality recorded the lowest rate of budget execution of 12 and 16 percent respectively.

¹ Transfers indicate transfer to the County Assembly of Nakuru.

Table 7: Recurrent Expenditure Performance, July- December 2020.

VOTE NO.	DEPARTMENT	COMPENSATION TO EMPLOYEES	OPERATION & MAINTAINANCE	TOTAL RECURRENT EXPND.	APPROVED ESTIMATES	RATE OF BUDGET EXECUTION
4561	Office of the Governor & Deputy Governor	57,408,653.00	62,585,161.00	119,993,814.00	314,905,792.00	38%
4562	Finance & Economic Planning	244,839,522.70	71,546,942.80	316,386,465.50	876,154,314.12	36%
4563	County Public Service Board	10,572,423.09	4,365,237.00	14,937,660.09	68,144,790.40	22%
4565	Health Services	1,813,561,529.44	511,105,325.68	2,324,666,855.12	5,278,845,780.30	44%
4566	Trade, Industry, Marketing and Tourism	26,767,243.10	14,351,884.90	41,119,128.00	137,277,999.00	30%
4567	Infrastructure	52,435,359.65	76,138,703.80	128,574,063.45	365,037,520.00	35%
4569	Agriculture, Livestock & Fisheries	156,766,027.66	62,944,637.00	219,710,664.66	541,119,418.69	41%
4570	Lands, Physical Planning & Housing	43,323,747.85	3,549,469.30	46,873,217.15	135,436,278.00	35%
4572	Environment, Water & Natural Resources	80,826,866.20	27,989,357.35	108,816,223.55	279,458,650.00	39%
4574	Public Service, Training and Devolution	242,263,008.20	51,102,895.25	293,365,903.45	705,203,408.37	42%
4575	Education, ICT & E-Government	94,508,337.60	2,116,583.00	96,624,920.60	504,732,266.00	19%
4576	Youth, Gender, Culture, Sports & Social Services	54,198,811.90	8,763,499.85	62,962,311.75	241,225,041.50	26%
4577	Nakuru Municipality	1,886,232.40	1,530,400.00	3,416,632.40	27,410,689.55	12%
4578	Naivasha Municipality	3,703,107.80		3,703,107.80	23,877,506.40	16%
4573	County Assembly ²	-	-	-	983,219,236.00	-
	TOTALS	2,883,060,870.59	898,090,096.93	3,781,150,967.52	10,482,048,690.33	36%

Source: Quarterly Financial Statements 2020-2021.

On Development Expenditure Vote, overall expenditure execution was further affected by huge balances carried forward from previous FY 2019/2020 as well as delays in processing preliminary documentation of procurement budget including Bills of Quantities (BoQs).

Therefore only seven out of 14 departments recorded positive report on execution of development expenditure leading to six percent achievement rate in the first half of the FY 2020/2021. Nonetheless the Department of Agriculture recorded the highest rate of budget execution at 33 percent.

² Quarterly Financial Statements exclude the data for County Assembly.

Table 8: Development Expenditure Performance, July- December 2020.

VOTE	Department /Entity	DEV. EXPND. (JULY - DECEMBER 2020)	COPMARATIVE PERIOD 2019/2020	APPROVED ESTIMATES 2020/2021	RATE OF BUDGET EXECUTION
4561	Office of the Governor	-	-	98,954,766.15	0%
4562	Finance & Economic Planning	-	38,659,457.40	667,050,485.38	0%
4563	County Public Service Board	-	-	1,810,000.00	0%
4565	Health Services	90,250,595.00	206,089,389.25	1,544,032,440.39	6%
4566	Trade, Industry, Marketing and Tourism	14,194,826.40	29,718,592.33	225,590,748.05	6%
4567	Infrastructure	115,267,794.75	71,048,947.55	2,240,633,128.92	5%
4569	Agriculture, Livestock & Fisheries	153,572,633.00	27,525,411.00	469,395,548.62	33%
4570	Lands, Physical Planning & Housing	-	20,716,266.00	1,162,844,529.80	0%
4572	Environment, Water & Natural Resources	175,710,620.15	92,767,040.80	1,125,325,500.69	16%
4574	Public Service, Training and Devolution	-	-	51,888,289.00	0%
4575	Education, ICT & E-Government	23,019,045.60	65,589,655.98	720,741,236.90	3%
4576	Youth, Gender, Culture, Sports & Social Services	6,399,989.00	23,623,786.40	167,054,596.68	4%
4577	Nakuru Municipality	-	-	529,825,868.00	0%
4578	Naivasha Municipality	-	-	246,096,144.98	0%
4573	County Assembly ³	-	-	271,189,289.95	-
	Totals	578,415,503.90	575,738,546.71	9,522,432,573.51	6%

Source: Quarterly Financial Statements 2020-2021.

Fiscal Policy

The County Fiscal policy will continue to be guided by the aim to achieve maximum efficiency in allocation of County scarce resources to projects and programmes prioritised in the Integrated Development Plan. Further effort will be placed on post pandemic recovery programmes through investments and reliefs targeting the SMEs and other vulnerable sectors.

In the medium-term period, the County envisage to maintain a balance budget with equal expenditure for equal projected receipts, and does not forecast borrowing as a source budget financing.

Prioritisation of projects for funding shall continue to be in line with the national development agenda, the County Integrated Development Plan (CIDP 2018-

³ Quarterly Financial Statements exclude the data for County Assembly

2020) the Annual Development Plan (ADP 2021/2022) as well as the integrated political manifesto by H.E the Governor.

Focus will continue to be placed on taking lessons from the outcome of Mid Term Review (MTR 2020) as County Government enters the final stretch in implementation of the CIDP 2018-2022.

To sustain the County Revenue mobilisation the County Government will focus on the following short term to medium term strategies

- a. Focus on formulation Finance Bill 2021 shall aim to provide relief to the most affected sectors;
- b. Full rollout of the new revenue management system;
- c. Deployment and redeployment of staff to better mobilise critical revenue streams;
- d. Acquisition of hardware and equipment support;
- e. Waiver of penalties and interest on selected revenues streams to encourage prompt payments;
- f. Enhancing checks and controls to reduce revenue leakages;
- g. Instituting enforcement and debt recovery measures;

On expenditure management, the County Government will focus on improving efficiency in the implementation of County budget and further strengthening expenditure control measures to promote prudent public spending and achieve desired value for money in public expenditure spending.

Reducing the number of balances carried forward shall be key in reducing pressure in annual budget targets. Further priority will be placed on reducing amount of pending bills through additional budget allocation as well as fast-tracking payment processes to further promote stimulus injection of capital into the economy as well as ensuring continuous service delivery.

Economic Outlook

Observing the recent economic developments and their impacts National and County fiscal framework, the national outlook has been revised downwards. The national economy is expected to recovery in 2021 by 6.4 percent partly on account of low base rate for 2020. A subdued growth is envisaged going into 2022 on account of planned general elections in 2022.

However, the stability in macroeconomic variables observed in the wake of COVID-19 Pandemic and forecast into the short-term to medium term is expected to provide the foundation for firm economic recovery going into the medium-term period.

Locally the County economy has demonstrated resilience amid huge impacts from the COVID-19 containment measures. Most service sectors including transport, tourism and hospitality have suffered due to measures taken to reduce the spread of COVID-19.

The County fiscal framework operates within the same macro-environment of the national economy and variability and changes at the national scene have corresponding impact to the County forecast. This phenomenon has been evidenced in the slow growth of the equitable revenues transferred to counties.

Risk to the Fiscal Outlook

The knock-on effects COVID-19 still pose major risk to the fiscal outlook. Most companies and business premises have significantly scaled down in an attempt to cut cost and many employees have been laid off or furloughed. This has further eroded gains made in lifting the population from poverty. Some businesses particularly in the service sector and related SMEs may find it difficult to recover. Weak recovery in the global supply chain is further expected to reduce demand for goods and services in the external markets.

The political activities surrounding the proposed referendum of Building Bridge Initiative (BBI) later in 2021 and the resultant general elections in 2022 may stifle

the buoyance surrounding positive fiscal forecast in the current medium-term period.

Rising County wage bill and new pension scheme for devolved staff is expected to increase County Government commitment to non-discretionary expenditure as a share of total annual budget. This may further reduce the ability of the County to meet its obligations for other non-salary recurrent expenditures.

The County Government will continue monitor the occurrence at the national and subnational level with a view to instituting the necessary fiscal strategic changes to adapt to the changing environment. Further, the planned Post Covid-19 Economic Recovery efforts spearheaded by Kenya Institute of Public Policy Research Analysis (KIPPRA) and Council of Governors (COG) are expected to help in providing the necessary relief to the County economy.

II. POLICIES TO ACHIEVE MEDIUM TERM OUTLOOK

Overview

The CFSP 2021 has been prepared against a backdrop of a contracting economy occasioned by the outbreak and the rapid spread of the COVID-19 Pandemic. The Pandemic and the ensuing containment measures have devastated economies both local and global, disrupting businesses and livelihoods. The CFSP 2021 also coincides with the onset of the second half of the CIDP 2018-2022 implementation and the political agenda of both county and national governments' administration.

The COVID -19 pandemic continues to affect the performance of both the public and private sectors, 11 months after its onset. The 2021 CFSP is premised on the need to overcome the immediate socio-economic challenges faced by the residents of Nakuru County. The implementation of the current County Programmes and projects will lead to the realisation of equitable socio-economic development, create an enabling environment for private sector recovery and increase opportunities for private sector development, improved healthy living and livelihoods, promote food security and achieve sustainable development.

In the MTEF period under review, the County Government consolidated gains made in the first five years of the integrated plan period and firmed up the institutional arrangement through approval of necessary policy documents and prioritisation of ongoing programmes/projects. County Performance was affected by below par budget implementation particularly for capital expenditure.

Going forward therefore, the basis for strategic direction shall prioritize increasing efficiency in budget implementation, re-prioritization towards Post COVID-19-recovery initiatives and general performance management.

The County's short-to-medium term fiscal Strategic initiatives are further guided by National economic policy direction espoused in the Budget Policy Statement

(BPS) 2021 whose focus is return the economy to the growth trajectory it was on pre-Corona, by increasing demand for local goods and services, cushioning vulnerable Kenyans, securing household food security for the poor, and creating employment and incomes.

According to the Budget Policy Statement (BPS) 2021, the national pro-growth policy priorities informing the MTEF period 2021/2022-2023/2024 include: Rolling out the Post-Covid-19 Economic Recovery Strategy; Harnessing the implementation of the “Big Four” Agenda for job creation; Fostering a secure and conducive business environment by maintaining macroeconomic stability, enhancing security; improving business regulations; Fast tracking the development of critical infrastructure in the country such as roads, rail, energy and water, among others, so as to reduce the cost of doing business as well as promote competitiveness; Transforming economic sectors for broad based sustainable economic growth; Improving access to education, strengthening health care systems and enhance cash transfers to support the vulnerable members of our society; Support youth, women and persons with disability to enable them actively contribute to the economic recovery agenda; Facilitating the County Governments in strengthening their systems to enhance service delivery; and Implement various structural reforms to enhance the efficiency of public service delivery while at the same time ensuring accountability for better macroeconomic and fiscal stability, sustained credit ratings, improved fiscal discipline and minimized corruption.

The overall County policy framework borrows heavily from the national fiscal policy priorities as espoused in BPS 2021. The CFSP 2021 shall be founded on the following five fiscal strategy initiatives that the County has adopted in the medium-term period;

- i. Promotion of accessible and affordable healthcare for all county residents toward the realisation of UHC;
- ii. Promotion of agri-business and achieving food nutrition & security;

- iii. Expansion and operationalization of County social and physical Infrastructure.
- iv. Creating an enabling conducive business environment for growth
- v. Enhancing governance, transparency, accountability and human resource productivity in the delivery of public good and service;

In order to support participation of the Private sector in the post-corona era and achieve stability in County macroeconomic environment, the County Government will continue to focus on the creating a conducive environment for all-inclusive and sustainable growth, equitable social economic development and reduced inequalities among County residents.

Fiscal Strategy Initiatives:

i. Promotion of accessible and affordable healthcare for all county residents toward the realisation of UHC;

The County Government continues to give focussed prioritization to the health sector, to address access, quality, affordability in line with the Universal Health Care Programme. The continuous strengthening of the sector enabled the County respond promptly and adequately to the COVID-19 Pandemic. This was backed up by allocation of funds by the County Government towards acquisition of commodities, equipping of isolation centres with ventilators, ICU beds and additional recruitment of staffs.

The County Government strategy in healthcare is to build a strong referral system. The county has 14 level-4 health facilities, seven of which were upgrade in the MTEF period 2017/18-2019/20, and has prioritised expansion of infrastructure as well as services offered. The PGH Level-V hospital has been a major beneficiary to modern state-of-the art infrastructure such as the Mother-Baby Wing and the near-complete Outpatient Department Block that will consolidate all professionals offering specialised services at one place. Further, the hospital

introduced new specialised services such as renal and oncology services. Naivasha level-IV is currently constructing an OPD. This is being done in collaboration with KENGEN. The facility offers services to Nakuru County residents and the residents from neighbouring counties. Other Level-IV facilities with planned major infrastructural upgrading include Gilgil, Molo, Olenguruone, Elburgon, Njoro, Maai Mahiu and Githioro Health centres. Level III facilities are also earmarked for infrastructure upgrading and expansion, with an intent to intensify services offered. The County will continue to ensure consistent supply of drugs and non-pharmaceutical commodities on the basis of level of service in each facility in order to ensure uninterrupted service delivery. This will help sustain adequate service provision under curative and primary health programme. In the 2019/20 period, Ksh 768Million worth of health commodities were procured and distributed.

Based on the emerging trends, the County Government has prioritised reversal of burden occasioned by non-communicable diseases through strengthening specialized services such as comprehensive oncology services, imaging, specialized clinics and theatres, renal units among others in selected major hospitals. Dental services are also planned to be operationalised in Subukia, Olenguruone, Njoro, Langalanga and Molo hospitals.

To consolidate the gains realised on health infrastructure development, the County will continue to prioritise equipping of existing facilities with the aim of deepening level of services, or operationalizing them. The sector does not envisage construction of new Level-1 facilities, as research shows the County has already attained the 5-km radius distance from one health facility to another.

A notable improvement in use of health insurance has been recorded as reflected in improved revenue collection in the health sector. The County Government will continue sensitising and mobilising residents to health insurance especially the NHIF as a key strategy in promoting the attainment of UHC aims

and objectives. This will help reduce the hospital expenses by individuals and households.

The County Government will continue to leverage on National Government planned full roll-out of the UHC programmes as envisaged in the BPS 2021. The National government in conjunction with Nakuru County Government has undertaken biometric registration under the UHC scheme, with over 41,000 households targeting the poor and vulnerable being registered in Nakuru County, out of the one million households registered nationally. In addition, the County has allocated some funds towards NHIF coverage at the ward-level, in the current financial year. This is expected to increase in the MTEF plan period, through sensitisation and mobilisation.

In order to further sustain continuous healthcare financing, the County Government has achieved greater efficiency in internal Facility Improvement Fund (FIF). The County Government has been recording annual improvements over the last three years, with an annual collection of 1.085 Billion in FY 2019/20, an achievement rate of 109 percent. Observing these gains, the County Government will continue to promote efficiency in service delivery in Level Four and Level Five Hospitals.

The County Government continues to leverage on strategic partnership with stakeholders in the Health Sector through both on and off-balance sheet to support health care financing. Over the next MTEF period 2021/22-2023/24 the County Government will maximise on Partner coordination and resource mobilization to bridge the budgetary gaps and enhance efficiency and accountability. These partnerships include the World Bank funded Transforming Health Systems (THS) for Universal Care project programme, DANIDA grant in support of primary health care services. Other partners in infrastructural development include the Geothermal Development Company supporting Naivasha Level-IV hospital and World Bank-KDSP Capital Grant supporting Njoro Level-IV hospital.

The County will collaborate with the National Ministry of Health in support of HIV/AIDS/ TB program, children immunizations, Conditional Grants for referral hospital (PGH–Nakuru), Reproductive health commodities and Anti- Malarial commodities. Further the County will continue to partner with other private healthcare providers in realising target health indicators.

To address the disease burden as a result poor sanitation, the sector will place particular emphasis on Water and Sanitation Hygiene (WASH) programmes over the next medium-term period partly through Sanitation Roadmap Campaign, and Urban Led Total Sanitation (ULTS) programmes. Further the County Government will pursue multi-sectoral approach in addressing the sanitation related health concerns through the NACOSTIP (Nakuru Countywide Sanitation Strategic and Investment Plan 2017-2022) which bring together all major sectors in sanitation management including Water and Environment. Promotion of health messages to households will be intensified. Approximately 80 percent of the top ten disease burden are caused from preventable causes, hence the focus of the sector towards preventive and promotive services, as a game changer.

The Mother and Baby Unit (namely the Margaret Kenyatta Wing) with a capacity of 240 beds and eight theatres has helped improve the access of maternal health services in the county. Four other facilities have modern maternity wings under construction namely; Elburgon, Njoro, Molo and Gilgil. The County will continue leveraging on the national *Linda Mama* programme which allow free maternal service in all public facilities, ensure all pregnant mothers attend all four ANC visits and finally deliver with the assistance of skilled birth attendant, while promoting the Prevention of Mother to Child Transmission (PMTCT) towards reduced transmission of HIV/Aids to the new-borns.

To attain the goal of expanding research and development in health, the County will seek strategic partnerships with University medical schools to build the body of knowledge and expertise required.

In regard to improvement of health referral services, the County Government has acquired ambulances with efficient fleet management system that leverages on GPS technology. The County will strengthen this by ensuring a coordinated approach through a central ambulance dispatch centre.

Under human resource, the County recruited 23 medical specialists, 163 health workers on contract; recruited 98 universal health coverage (UHC) staff and 47 interns in the period under review. This was partially to enable specialised response to Covid-19 treatment and care, while further improving the doctor-patient ratio. The County Government will continue to leverage on usage of the adopted County Integrated Human Resources Information System (IHRIS) in order to optimize HR management in light of the limited human resource for health. Further the County Government will continue to institute measures implementing commitments to Collective Bargaining Agreement (CBA) for health workers and addressing the natural employee attrition through an effective and efficient Succession Management system.

ii. Promotion of agri-business and achieving food security;

The Agriculture sector as the biggest employer and contributor the Gross County Product, is very important in addressing both food and general poverty in the County. Approximately 19 percent of the population in Nakuru County are classified as food poor. It plays a significant role in contributing to economic and social development through enhancing food security, income generation, employment and wealth creation, foreign exchange earnings as well as security of land tenure and public land management. The national Big-Four agenda recognises the sector as the main pillar towards achieving food nutrition and food security in the country. The County Government will prioritise agricultural sector policies aimed at increasing food production and agriculture sector commercialisation.

The broad-based approach in the sector will focus on programmes aimed at increasing crop, livestock and fish productivity to ultimately address food shortage and assure increasing productivity. The County will strengthen the provision of extension services through recruitment of additional staffs and facilitating the extension programmes to improve timely and adequate interactions with the farmer.

To improve agriculture commercialisation, the County Government will sustain efforts aimed at addressing constraints that impede efficiency along the agriculture value chain. These among others will include working with farmers cooperatives to streamline the market infrastructure, construction and operationalisation of milk cooler plants. Implementation of the 50-kgs Irish potato-packaging 2019 regulations is being enforced by the County Government. The main goal will be to focus on food production and animal husbandry and thereby ensuring food nutrition and security. The County will continue focussing on pyrethrum revival, as a commercial crop. Further the Sector will focus on improving the farm incomes through on-farm small holder commercialisation initiatives, and ensuring non-exploitation of farmers by the middlemen.

Crop sub sector will target to enhance knowledge and skill transfer services, improved agricultural productivity, food security, and farm incomes. Significance emphasis will be placed on crop pest and disease control, sustainable use of land resources as a basis for agricultural enterprises, promotional of uptake of modern farming methods, leveraging on the national fertiliser cost reduction programme. During the next MTEF period under consideration, the County Government will continue to reach out to farmers, through extension services across all sub-counties with the aim of equipping farmers with the right skills on proper farming methods. The County Government shall further continue to address unique farmer needs through the established a farmers' call centre at the ATC to ensure an effective real time information response mechanism.

Providing interface between Agricultural research outcomes and farmer is critical to addressing important farming challenges. The County Government will continue to leverage on the existing county Research organisations based in Nakuru County namely KARLO, RVIST, Egerton University, DTI among other to lead in Research, training, and capacity development of farmers to implementation of sub sector programmes.

The County Government will continue to leverage on support from development partners in order to reduce the notable budgetary gaps in the agriculture. The main donor programs on the sector include National Agricultural Rural Inclusive Growth- Project (NARIG-P) and the Agricultural Sector Development Support Programme (ASDSP II). Under the NARIG-P Project, the County focus on increased agricultural productivity and profitability of targeted rural communities. The ASDSP II aims to enhance coordinated sector support towards resilient value chain development. IFAD and SIDA are also supporting other projects including such as SCDP, SHEP PLUS and VIJABIZ and ASDSP.

To improve sustainability of sector programmes the County Government will continue to maximise on Own Source Revenues (OSR) in agriculture streams namely Agriculture Mechanisation Services (AMS), and the Agriculture Training Centre (ATC).

The County Government has mainstreamed climate change as one of cross cutting issue. To further address the climate change effect in the sector, the County will prioritise promotion of climate smart agriculture through increasing the number of farmers under crop insurance, crop diversification to other non-traditional crops including macadamia nuts, avocado. Partnerships from development partners on this component will also be mobilised.

The County Government continues to make significant progress in the livestock subsector by focussing on improved breeds for chicken, goats, beef and sheep. Vaccinations against common notifiable livestock diseases were done such as Foot and Mouth Disease, Lumpy Skin Disease, Anthrax, Sheep and Goat pox,

Contagious Caprine pleuropneumonia, Pestes des Petit Ruminants, Rabies and other emerging pests/disease. Licensing of slaughter houses and slabs, hides and skins traders will continue for quality control. This will continue being in the MTEF period 2021/22-2023/24.

To consolidate the gain realised thus far in the subsector, the County Government will prioritise the following; animal health and boost livestock productivity, animal disease control, food safety and quality control in trading of animals and animal products, control of livestock movement to reduce spread of diseases and promotion of value addition on hides and skins. Additionally, there is a plan construct an exports slaughterhouse and feedlot facility at Naivasha.

Under the fisheries subsector, the County will prioritise growth in capture Fisheries resource management and fish safety through restocking of Lake Naivasha and Lake Solai, and public dams, regulation of Lake Naivasha, value addition and marketing through construction of the Naivasha fish Market and revival of fish farming across all Sub Counties through supply of fingerlings and pond liners. In the period under review approximately 1.75 MT of fish valued at Ksh. 200M were captured and marketed in the County. The operationalisation of the fish processing and cold storage facility in Naivasha combined with the proposed Smart Food Market (Fish Market) along the Naivasha Nakuru Highway, will further help increase the incomes from the fishing industry in Naivasha. Further the County continues to monitor and make surveillance visit in Lake Naivasha in order to regulate and sustainable manage the fish resource.

Going forward the Fisheries Subsector will seek the right solutions on the ongoing fishing activity in Lake Nakuru, in collaboration with other relevant bodies.

iii. Expansion and operationalization of County physical and Social Infrastructure.

Kenya's Vision 2030 recognises physical infrastructure that is efficient and reliable as a significant enabler to achieving goals and objectives all other sectors of the

Economy. Efficient infrastructure also significantly contributes towards reduction of costs of doing business. In the MTEF period 2021/22-2023/24, the overriding priority will be to undertake completion and operationalisation of all ongoing projects. This will help the County achieve value for money in the management of public finances.

Results from the 2019 National Census revealed a significant growth in the urban population in Nakuru County. A rising urban population has continued to cause stress on the limited urban infrastructures. There is also increasing demand to improve the infrastructure in rural areas.

The County Government continues to place high priority in development and expansion of both physical and social infrastructure to facilitate ease of transportation and service delivery access.

The County continued to strengthen the 'Boresha Barabara Programme' by procuring and leasing additional equipment. During the MTEF period under review, the Infrastructure Subsector procured a grader, 3 Excavators, a dozer, 8 tippers, 4 rollers, 1 low bed and 3 pick-up trucks towards the programme. The programme aims at using own machinery to address the rising cost of road construction and maintenance in the County. 3462 Kms of road were graded, 1282Kms gravelled, 7kms tarmacked and several new roads opened up. 7 bridges were also constructed, and Gilgil and Naivasha bus parks rehabilitated.

In the MTEF period 2021/22-2023/24, the Subsector plans to hire additional equipment to increase the scope and frequency of works under the programme. This will enable grading of 6300Km and gravelling over 1400Km of roads. Further, the County will continue to maximise the conditional allocation on Road Maintenance Levy Fund work plan based on the following guidelines; i) Artery roads that connect more than one ward; ii) Roads that are commonly utilised by the Public Service Vehicles (PSV); iii) Roads that has industrial importance; iv) County bus parks and terminals.

The County will prioritise design and construction of approximately of 47no. motorable & foot bridges & rehabilitate and maintain 3 Bus parks.

The County Government is implementing the Kenya Urban Support Programme (KUSP) in Nakuru and Naivasha Municipalities through support from the World Bank. Ongoing major projects include storm water drainage works in Nakuru East, road works, Fire station in Nakuru CBD, Naivasha market and upgrading of Afraha Stadium.

During the next MTEF period 2021/22-2023/24 the County Government will target finalisation of the prioritised KUSP projects with the aim of operationalizing the same to further address the growing need of urban infrastructure renewal and expansion. In addition, the Municipalities will focus on tarmacking of roads, Non-Motorized Traffic (NMT) and streetlight facilities.

Towards addressing urban infrastructure needs and in preparation towards City Status, the County in collaboration with State Department of Urban Development has initiated the construction of a mixed-use modern multi-storey market consisting of a wholesale market, retail market for fresh produce, and a variety of commercial activities such as eateries, baby care centre and other businesses. This is part of the wider development initiatives towards City regeneration plan. The market shall be adjoined to a major bus park, to ensure adequate traffic of people towards businesses.

Further, the County Government through the leadership of H.E Governor Lee Kinyanjui has pursued the National Government to upgrade the Lanet Barracks airstrip to a Nakuru commercial airport. The first phase of upgrading has already been awarded to a contractor at cost of Ksh 400 Million by Kenya Airports Authority. The airport will further firm up the case of Nakuru town acquiring the City Status, as one of the requirements envisaged in the Urban Areas and Cities Act 2011.

The County will also benefit from the proposed dualling of the Rironi-Mau-Summit road that upon completion will ease traffic jam along the route thus reducing time taken to transport goods and services on the route.

The County Government has prioritised expansion of street lighting as a strategy on increasing business hours towards the 24-hour economy and enhance security. To this end the County targets to install 100 new security lights and rehabilitate approximately 2,700 number of street lights. The County however has been struggling to maintain operating costs of street lighting programme. To promote sustainability of the street lighting programme and address the high maintenance cost, the County will adopt more energy efficient strategies including solar lighting and the low maintenance LED lights. The department of Infrastructure undertook an energy audit in 2020, whose findings and recommendations haven't been finalised for adoption.

The County Governments has prioritised Disaster management, observing frequent disaster occurrences in the recent past. Major gains in the reporting period includes establishment of County Disaster management unit, ongoing construction of a new fire station in the CBD near Old Town Hall, and acquisition of additional ambulances. Going forward the County Government will undertake the completion of the fire station, acquisition of new fire engines, training of fire marshals and emergency health officers among others, implement the planned coordinated approach of a common dispatch centre for ambulances, continuously map-out all disaster-prone areas in the County and finally develop a response and recovery strategy.

In regard mainstreaming of climate change, a draft bill on climate change that will facilitate mitigation, response and adaptation is currently being deliberated on, by the County Assembly. It creates a room for funding by the County Government and also a big room for the non-state actors and development partners.

During the reporting period the County Government set up various ICT infrastructural projects including installation of Local Area Networks (LAN) in several sites, partial establishment of data centre and internet connectivity at the county headquarters and various departments, operationalized five digital centres in Subukia, Kuresoi South, Shabab, Menengai East and Rongai polytechnic; establishment of Wide Area Network (WAN), and installation of free Wi-Fi at Naivasha bus park, Molo market, Gilgil town and Kabazi market.

Going forward into the next MTEF 2021/22-2023/24, the ICT subsector will undertake more expansion of LANs, WANs and WIFI spots in various County offices and sites, and complete the County data centre. The County Government will leverage on the expanded ICT infrastructure to promote digitalization and digitisation of County services. The National government also plans to install CCTV cameras in Nakuru Town, in the MTEF period under consideration. This will aid security surveillance, in the soon to be City.

The construction of SGR phase 2A to Maai Mahiu terminus, and the inland container depot, and a customs office were completed and operationalised in 2020 by the National Government. These fall under a designated Special Economic Zone (SEZ) comprising 1000 acres of land, a master plan for which has been finalised. This will also include an industrial park that is yet to be constructed. The connection of the Maai Mahiu SGR line to the Meter Gauge Railway at Longonot is near complete.

The County Government has positioned itself to maximise on the expected multiplier effect through creating of the necessary supportive infrastructure and policy framework within the basis of County functions. Towards this goal, the County gained an allocation of 50 acres to develop complementary services that support the operations of the economic zone. These include commercial services, banking and finance, shopping mall, recreational services, residential housing, workshops and garages etc. The County has already floated an invitation request to developers, for investment proposals on the same. Further, the County stands

to gain after the planned rehabilitation of Naivasha-Malaba and Nakuru-Kisumu Meter gauge Rail, with increased economic activities in the railway stations.

The County is also targeting to facilitate construction of 2400 affordable houses through private sector investments within Naivasha Town. The County will seek to create job opportunities for the abundant available County labour force and generally shore up the County economic growth.

The County has prioritised the expansion of other social infrastructure in order to reduce social inequality and realise effective and efficient service delivery. During the reporting period the County made significant gains in construction of ECDs, Social Halls, and Health Sector infrastructure. The County will continue to build on the gains realised in the period under review and focus mainly of operationalisation of completed infrastructure as well as equipping of the same. The County Government has gained substantial achievements in furnishing the ECDEs across the county.

The increasing access to clean water and sanitation facilities significantly helps achieve the indicator for water while significantly reducing the County disease burden resulting from poor sanitation. To increase water and sanitation coverage over the next MTEF period 2021/22-2023/24 the County will prioritise completion of all ongoing water projects, solarisation of 10 boreholes, rehabilitate 30 water projects, identify and drill additional boreholes where necessary, construct 5 no. water dams/pans, desilt 7 no water pans/dams and construct Public toilets in strategic areas.

The County will upscale on infrastructure development for vocational training, through construction of new workshops/classrooms, curriculum development and equipping of existing polytechnic in order to improve on education quality and also maximise on the national capitation for village polytechnics. The County is also focussed on nurturing sporting talents through the expansion of Afraha Stadium, and construction of Keringet Sports Centre. Other smaller sports facilities such as Gilgil Stadium, Bahati Stadium and St. Teresa Primary field are undergoing

infrastructure improvements. A grassroots approach in identifying sports talent has been adopted by the Sports Subsector. Training of Coaches and supply of equipment and training kits has been an ongoing programme.

To increase access and retention for ECD education the County will continue to prioritise on the operationalization and expansion of ECD classrooms within the already established centres as well as equipping of existing classrooms.

Finally, the County will identify new core areas for infrastructure development in the 3rd Generation CIDP 2023-2027, whose preparation will commence within the MTEF period 2021/22-2023-24.

iv. Creating an enabling conducive business environment for growth and private sector participation.

The County Government continues to pursue policies aimed at promoting the participation of the private sector through deliberate multi-sectoral initiatives that focus on the ease of doing business.

The Institute of Economic Affairs, in 2020 ranked Nakuru first among the Kenya's five populous counties, in ease of starting business due to reduced tax burden. Towards the end of year 2020, H.E Governor Lee Kinyanjui was named as Africa's Business Friendly Governor of the year. This depicts the extent to which the County Government leadership is receptive to creating an enabling environment for investments and business growth.

During the period under review, the County Government held a Nakuru International Conference (NICO) in November 2018 under the theme "*Using geothermal Energy as a Competitive Advantage*" to further enhance investment promotion and Foreign Direct Investment (FDI).

A number of bankable projects were identified in which Investment commitments worth more than Ksh 8 billion have been made. So far, the *Simba Cement Factory* (worth Ksh 6 billion of private sector investment) has been operational and is a clear indicator of the Nakuru County business climate. The company has brought

changes to the prices of cement and created job opportunities directly and indirectly. Other feasible project initiatives pipelined for implementation through private sector investment include the Egerton Agri-city project, Oserian two Lakes Industrial Park. Through the Department of Trade, the County Government will continue to work towards eliminating unnecessary bureaucratic bottlenecks that limit the turnaround time for business start-ups.

Through pursuit of partnerships with the national Government, a number of high impact projects have materialised, which will further improve the business environment. Some of these include the proposed Nakuru Airport at Lanet, the modern multi-storey market at Old Fire station, the allocation of 50- acre to Nakuru County Government at Maai Mahiu for complementary investments by Nakuru County residents to the Special Economic Zone, and the planned PPP Housing project at Naivasha targeting 2400 units. All these developments present chances for business investments, job opportunities and wealth creation to the populace. The County Government has initiated relevant policy legislation including Land Use zoning and enhancing collaborations with relevant State Departments & Agencies to promote County investments and fast-track regulatory frameworks necessary for business start-ups and growth. Among such initiatives include formation of Alternative Land dispute Resolutions, Spearheading of the National Titling Programme, preparation of new valuation roll, Finalisation of the Nakuru and Naivasha Strategic urban Development Plans.

To promote agribusiness and spur local economy, the County will provide linkages between the local farmers and the export market and through focus on improving efficiency in the value-chains as well as expansion of market infrastructure.

Over the next MTEF period 2021/22-2023/24, the County will continue pursuing an investor focused policy guided by the unique outcomes of the Investment Conference. The County is pursuing modalities of collaborating with commercial banks, with an intent of increasing access to subsidised finances to SMES for

business recovery and expansion, as one of the Post-COVID-19 recovery initiatives.

The County Finance Bill has continued to be a significant fiscal policy tool in Own Source Revenue Tax Administration. To address concern on payment of fees and charges, the County will continue to pursue a business oriented fiscal policy, automation of revenue services, pursue a harmonised tax regime in business licensing and continuously engage all rate payers through the public participation in the formulation and implementation of the County Finance Bills.

To enhance efficiency and effectiveness in County infrastructure and further ease the cost of transport for business and general public, the County Government will prioritise expansion, rehabilitation and maintenance of county roads. This initiative will be mainly realised through *Boresha Barabara* Programme discussed above, RMLF Conditional grant and the KUSP programme aimed at expanding urban infrastructure. Further to considerably increase business hours for traders/merchants towards achieving the 24-hour economy, the ongoing County Street lighting program under the banner *Inua Biashara* will continue.

To enhance service delivery through digital platforms, the County targets to reduce the turnaround time in services through investment in ICT infrastructure for both hardware and software platforms. The County has already acquired a new revenue management system which is still in early stages of implementation. The Counties continues to implement all modules of the IFMIS system such as Budget and Expenditure, E-Procurement etc. Finalisation of the Lands Information Management System (LIMS) will be pursued. The government will provide necessary operational & maintenance support to facilitate continuous and consistent performance of ICT systems.

During the reporting period, the County Government established the Naivasha and Nakuru Municipal Boards, in line with the Urban Areas and cities Act 2011, to address unique needs of the urban dwellers. The County Government aims to finalise the preparation and begin the implementation of the Urban Integrated

Development Plans (IDeP) for both municipalities. The County Government further, has begun to implement projects under the broader urban renewal programme in readiness for ongoing pursuit for elevation of Nakuru Town into a City. These initiatives are expected to further propel the County as a desirable investment destination.

To cushion the disadvantaged/ vulnerable groups in the society and promote social equity, the County Government will continue to pursue a fiscal policy aimed at directly addressing social economic inequalities. This will among other entail implementation of the Disability Fund, Sports Fund, AGPO, Ward based funds as defined under the Nakuru County Revenue Allocation Act, 2018. The County is also at final stages of enacting the Enterprise Fund Act, 2020 and Cooperative Development Revolving Fund Act, 2020 that create an enabling framework for increased financial access to County SMEs and cooperatives, through subsidised loans. This is also a post-COVID-19 recovery initiative for businesses. Continuous capacity building of SMEs and cooperatives by the Trade Department is being undertaken, to improve their productivity and governance.

v. Enhancing governance, transparency, accountability and human resource productivity in the delivery of public good and service;

Prudence in management of County resources both financial and otherwise are the hall marks of achieving the stated fiscal goals. The focus in achieving good governance, transparency and accountability envisaged in the Constitution of the Kenya 2010 shall entail the following employee performance management; training and development; recruitment, induction and deployment; strengthening of internal control systems.

During the reporting period, the County Government operationalised the performance management system through the Performance Contracting process as envisaged in Section 27 of the County Government Act 2012. The outcome of the 2018/19 external evaluation done by the Kenya School of

Government (KSG) revealed important lessons on the general performance of the County Government Departments which include a positive correlation between Departmental performance and rate of their budget execution. However, Performance contracting wasn't fully implemented in the 2019/20 due to COVID-19 disruptions.

Going forward the County Government has prioritised taking the necessary strategies aimed at significantly improving the Departmental performance contract commitments which includes commitments for financial utilisation, in order to transform the human resource and achieve a result-oriented workforce. The comprehensive Human Resource Audit report released in the reporting period November 2018 identified significant human resource constraints and gaps ranging from mismatch in available skills sets, and an ageing workforce.

Observing the expanded mandate of devolved governments, in the next MTEF period 2021/22-2023/24 the County Government will prioritise a phased implementation of the recommendations of the human resource audit reports taking cognisance of the constraints of the personnel budget. This will among other entail formation of an advisory committee on Succession Management with linkages to budget making processes. The County Public Service Board should also prioritise the critical areas that require immediate staffing, against the allocated budgets. In undertaking the recruitment mandate, the Public Service Board shall adhere to the tenets envisaged in the 2010 Constitution and the County Government Act, 2012.

To promote access to information as envisaged in the Access to Government Information Law, the County has taken deliberate steps to continuously publish all the statutory documents including key budget documents and plans through the County Website (<https://nakuru.go.ke>). The website is planned for redesigning to make it more user friendly.

To further promote employee performance and efficiency the County Government will continue to commit resources for training and employee development and align training to the needs of individual scheme services.

To achieve the fiscal responsibility principles envisaged in Section 107 of the PFM Act 2012 and the PFM (County Governments) Regulations 2015, the County Government shall through County Treasury, utilise the available PFM tools to enforce fiscal responsibilities and move towards prudence in PFM.

In further compliance with the requirement of the PFM Laws, in the FY 2019/2020 the County Government established the Nakuru County Audit Committee and the Nakuru County Budget and Economic Forum. Going forward into the next MTEF period, these organs are expected to instil more transparency and accountability in the budget formulation and expenditure management. In line with the Urban Areas and Cities Act 2011, the existing Nakuru and Naivasha Municipal boards will ensure adherence to conducting of urban citizen fora as required by law.

To further meet the County Government financial obligations and in line with the National Treasury guidance on prioritisation of pending bills clearance, the County Government will continue settling the pending bills cleared by the Pending Bills Committee, by ensuring significant budgetary allocations. The County will continuously institute measures aimed at faster and prompt settlement of claims from its suppliers and contractors.

To achieve sound human resource conduct and discipline the County Government will continue to enforce the Public officer ethics Act, 2006 and values and principle for public service in accordance with Article 232 of The Constitution of Kenya 2010.

In order to reduce the administrative costs of running County Government functions, eliminate duplication, transfer critical resources to core expenditure and achieve economy in utilisation of financial resources, the County

Government continue to institute necessary public finance management reforms and controls measures envisaged in the PFM laws.

During the reporting period (FY 2019/2020) the County Government recorded a drop in revenue collection amounting to 13 percent in County Own Source Revenues (OSR), compared to FY 2018/19. This is majorly attributable to adverse effects of COVID -19 pandemic containment measures, weak revenue systems and inadequate staffing among others. Indicative revenue reports for the first half of FY 2020/2021 reveal a performance rate of 36 percent, against the annual targets. Going forward, the County Government will stabilise the usage of the newly acquired revenue management system to optimise on local sources. Revenue mapping, improved forecasting, completion of the valuation roll and use of LIMS will help improve the revenue collection base.

On the expenditure front, the County will initiate training of staff on all IFMIS modules and further (through the County Treasury) provide guidance in prudent accounting procedures for improved expenditure management and financial reporting.

Other major priorities aimed at realising social equity, transparency and accountability in the next MTEF period 2021/22-2023/24 will include the following; implementation of the County Revenue Allocation Act 2018, implementation of the County Access to Government Procurement Opportunities (AGPO) , public participation in the formulation of County Statutory documents, up-scaling of the County complaints handling mechanisms and providing feedback to the external stakeholders and further use such information to make improvements. The County will also keep pace with the political happenings on the proposed Constitutional Amendment Bill, 2020 to ensure all proposals affecting the public are implemented, should the Constitutional Amendment be undertaken.

The County Government has continued to conduct tracking of the implementing of the CIDP 2018-2022 within the framework of the cascaded County Integrated Monitoring and Evaluation System (CIMES). The County Government is currently

finalising the preparation of the Mid-Term Review Report to assess the implementation status thus far and further recommend the implementation strategy for the second half of the plan period.

The County Government continues to strengthen the processes under the devolved mandate within the prioritised Key Result Areas (KRAs) under the Kenya Devolution Support Programme, which include: Public Finance Management; ii) Planning, Monitoring and Evaluation iii) Human Resource Management; iv) Civic Education and Public Participation; v) Environmental Safeguards. The recent Annual Capacity Performance Assessment (ACPA 2020) has identified significant gains and improvements across all KRAs in the next MTEF period the County will continue to consolidate the gains made thus far to continuously strengthen the targeted subnational institutions.

III. INTERGOVERNMENTAL FISCAL RELATIONS AND DIVISION OF REVENUE

Introduction

The Nakuru County Government will continually seek both horizontal and vertical fiscal relations with a view of promoting harmony in County social economic development. The section presents the intergovernmental fiscal relations and the division of revenue of the county.

Intergovernmental Relations

a) PFM Institutions

The Nakuru County Government has continued to receive capacity development of officers on PFM related functions such as accounting, budgeting, revenue management and intergovernmental fiscal relations courtesy of the support from the National Treasury. The National Treasury has continuously played a key role in budgetary implementation, through the management of the IFMIS modules as well providing advisory on the budget making process. Other PFM institutions such as the Controller of Budget (CoB), Commission on Revenue Allocation (CRA), Public Procurement Regulatory Authority (PPRA), Salaries and Remuneration Commission (SRC), Central Bank Kenya (CBK) and Office of the Auditor General (OAG) have had close working interactions with the Nakuru County Government. The Intergovernmental Budget and Economic Council (IBEC), Chaired by the Deputy President has also been playing a key role in deliberating and providing direction to economic and budget issues, affecting Counties and the National Government. The County will continue working with these institutions to achieve improved budget outturns and strengthen financial processes.

b) Other Institutions

The Ministry of Devolution and ASALs continues to oversight the implementation of the World Bank funded Kenya Devolution Support Programme (KDSP), a performance for results grants whose objective is to improve capacities in PFM Systems, Planning Monitoring and Evaluation, Human Resource Management, Civic Education and Public Participation and Environmental and Social Safeguards.

The County Government has continued to implement projects under the 4-year Kenya Urban Support Programme (KUSP) grant by the World Bank whose goal is to support the establishment and strengthening of urban institutions & systems to deliver improved infrastructure and services in participating counties, hosted by the Ministry of Transport Infrastructure, Housing and Urban Development. The grant has seen the establishment of the two municipal boards i.e. Nakuru and Naivasha municipal boards and the implementation of the identified projects is on course. The County is also working closely with the State Department for Urban Development on the construction of a 600-Million Modern multi-storey market under the Trade Department. The market is located at the Old Nakuru fire station grounds.

The County is also working closely with Technical and Vocational Education and Training Authority (TVETA) on Curriculum development to implement the Akira-ILO (International Labour Organization) Project, which seeks to train youth on identified skills to enable them meet requirements of the job market and increase employability. The project, known as the “Inclusive Growth through Decent Work in the Great Rift Valley” targets both Nakuru and Narok Counties and it focuses on skills required for the Energy Sector (Geothermal Development). The 4-year project is implementable under a Public Private Development Approach, where Counties will be responsible for equipping, employing and training the personnel for the targeted polytechnics.

The County still continues to benefit from the capitation programme accorded to the Vocational Training Centres.

Inter-County Relations

In order to consolidate devolution aspirations, County Governments have been joining forces to form Regional Economic Blocs. This will enable them leverage on economies of scale in investments, trading and infrastructural activities. Nakuru County has subscribed to the Central Kenya Economic Bloc (CEKEB) whose membership consists of 10 Counties, Namely: Embu, Kiambu, Kirinyaga, Laikipia, Nakuru, Nyandarua, Nyeri, Meru, Murang'a and Tharaka Nithi. CEKEB envisions a region where people can realize their full potential to attain high-quality life. To achieve this, CEKEB will promote sustainable regional socio-economic development for the welfare of citizens. Some of the realised developments include the revival of the Nairobi-Nanyuki Rail-line. The CEKEB seeks to ensure revival of the Gilgil-Nyahururu rail-line in the second phase. Once this is achieved, there is going to be increased economic activities in the Gilgil railway station that is going to benefit Nakuru residents.

Cash Disbursement and Expenditure in FY 2019/2020 by Nakuru County Government

The County received a total of Kshs. 17.44 Billion in the FY 2019/2020 as exchequer releases compared to 15.68 billion in the FY 2018/2019(CBRP 2020). The exchequer releases comprised of Kshs 9.575B Equitable share, Kshs 2.109B conditional grant, 5.667 fiscal balance and 80.5M as allowances for health workers.

The growth in exchequer releases is majorly attributable to increase in the fiscal balance by Ksh 1.832 compared to the previous financial year. There was only a slight growth in receipted equitable share compared to the FY 2018/19 by Ksh 100M. However, an additional amount of Ksh 900 Million that had been reduced

during national government budget cuts was later received in August 2020. Other revenue sources during the year included the local revenue sources at Ksh 1.354 Billion and Facility Improvement Fund at Ksh 1.085 Billion. The County Own source revenues had a cumulative performance of 78 percent against the annual target. The County total expenditure stood at Kshs 14.59B against a target of Kshs 21.95B. This represents an under spending of Kshs. 7.31B. The underspending was attributed to the slowed activities during the containment measures after the outbreak of the COVID-19, delayed disbursement of funds to the County Government from the National Treasury among others.

Revenue Allocation to the County Government for the Year 2021/2022

As envisioned in Article 216 and 217 of the Constitution, the CRA developed and recommended the third basis for horizontal division of revenue among the county governments the revenue sharing formula was approved by the parliament in September 2020, on condition that its implementation shall be preceded by a Ksh 53.5B increase in the Counties equitable revenue, depicting a 16.9 percent growth compared to allocations in 2020/21 fiscal year.

The Division of Revenue Bill (DoRB), 2021 proposes to allocate to County Governments Ksh. 370 billion as their equitable revenue share, equivalent to a growth of Ksh 53.5 billion (or 16.9 percent) against FY 2020/21. This growth in County Governments' equitable revenue share is arrived at by: 1) Adjusting the Counties' FY 2020/21 allocation (i.e., Ksh. 316.5 billion) by Ksh 36.1 billion or 11.4 percent. This growth is derived from anticipated improvement in revenues raised nationally in FY 2021/22 when the effects of Covid-19 pandemic are expected to ease. The increase as determined in the FY 2021/22 fiscal framework, will facilitate Post Covid-19 economic recovery at the Counties as well as ensure sustained service delivery by the devolved governments; and,

2) The National Government further proposes that four existing conditional allocations funded by the National government’s revenue share (Ksh 17.4B) be converted to unconditional allocations to form part of Counties equitable revenue share. They include; the road maintenance levy fund (RMLF); the grant to level-5 hospitals; the compensation for user fee foregone and rehabilitation of village polytechnics grants.

The approved Third Basis formula is informed by the Fourth Schedule of the Constitution that distributes government functions between the two levels of government, and complies with the requirements of Article 203(1) of the Constitution. The formula takes into account weighted parameters for health, road, agriculture and population among others, as outlined below;

Table 9: Parameter for Revenue Allocation

Objective	Parameter	Indicator of Expenditure Need	Assigned weight
To enhance Service delivery	Health	Health Index	17%
	Agriculture	Agricultural Index	10%
	Population	Population Index	18%
	Urban	Urban Index	5%
	Basic Share	Basic Share Index	20%
	Land Area	Land Area Index	8%
	Rural Access	Road Index	8%
	Poverty	Poverty Index	14%
	TOTAL		100%

Source: CRA 2020

In accordance with the approved third basis formula, Nakuru County ranks second after Nairobi, on equitable share allocation (BPS 2021). Accordingly, the Counties will share an estimated Kshs 409.88 billion compared with Kshs 369.87 billion in the previous year. The projected transfer to each County in FY 2021/22 is shown in Table 3.2 below.

These allocations will be firmed up in the Division of Revenue Act and County Allocation Revenue Act (CARA), upon approval by parliament.

The Kshs 409.88B allocation to County Governments constitutes of Kshs 370B equitable share which is inclusive of Ksh 17.4B of the four proposed unconditional grants, Conditional grants amounting to 32.3B, and Supplement for construction of county Headquarters amounting to 332M. Out of the 409.88B allocation, Nakuru County Government's allocation stands at Ksh 13.998 Billion.

Each conditional allocation is distributed according to its objectives, criteria for selecting beneficiary counties and distribution formula. In the FY 2020/21 allocations to Counties stood at Kshs 316.5B compared to 1.53T to the National Government as equitable share.

i. Allocation on Equitable Share

Nakuru County will receive an equitable share of Kshs 13.026B, comprising of Ksh 12.2B net equitable share, and an amount of Ksh 769.4M for the four unconditional grants. The equitable share of Ksh 12.2B compared to Ksh 10.476B in the current FY 2020/21, represents a Ksh 1.724M increment translating to a 16.5% percent increase. The four grants highlighted above include: the road maintenance levy fund (RMLF); the grant to PGH level-5 hospital; the compensation for user fees foregone and rehabilitation of village polytechnics grants.

ii. Allocation for Leasing of Medical Equipment of Kshs. 153,297,872

The grant was intended to facilitate the leasing of modern specialized medical equipment in at least two health facilities in each County over the medium term. The objective is to facilitate easy access to specialized health care services and significantly reduce the distance that Citizens travel in search of such services. This grant is managed by the National Government on behalf of the County Governments. The FY 2021/22 allocation depicts a 16% increase from the previous year allocation.

iii. **Loans and Grants amounting to Kshs. 819,285,259**

The County will receive the aforementioned amount representing proceeds from external loans and grants, for various programmes under health, urban development and the Agriculture sector. They include NARIG, ASDSP, DANINDA, and THS. Final allocation details for these grants will be directed by the County Allocation Revenue Act 2021.

✦ **The National Agricultural and Rural Inclusive Growth project (NARIG-P)**

The Project Development objective for the NARIG-P is to increase agricultural productivity and profitability of targeted rural communities in selected counties, and in the event of an eligible crisis or emergency, to provide immediate and effective response. The project has four components: Supporting Community Driven Development; Strengthening Producer Organizations and Value Chain Development; Supporting County Community-Led Development; Project Coordination and Management.

✦ **Agriculture Sector Development Support Programme (ASDSP)**

The project objective is to support actors along prioritised value chains, strengthening capacity for commercialisation, sustainability, climate change resilience, and inclusion of vulnerable people, especially women and youth. The programme has three components which include: Development of a transparent system for improved agricultural sector coordination and harmonisation and an enabling policy and institutional environment for the realisation of the ASDS; Strengthening of environmental resilience and social inclusion of value chains; and Promotion of viable and equitable commercialisation of the agricultural sector through value chain development.

✦ **Others- World Bank's (KUSP) and KDSP**

Kenya Urban Support Programme -The County signed a participation agreement to opt-in the KUSP programme funded by World Bank. The objective of the KUSP was to support the establishment and strengthening of urban institutions and systems to deliver improved infrastructure and services in participating counties. The implementation period for this programme lapses in the current financial year. The World Bank is currently undertaking an end-term review of the programme to inform future recommendations.

Kenya Devolution Support Programme – the implementation period for the programme is also in its final year, in both the recurrent and capital grants. An end-term was undertaken, to inform future actions by the financiers.

IV. 2021/2022 BUDGET FRAMEWORK AND THE MEDIUM TERM

FISCAL FRAMEWORK SUMMARY

The 2021/2022-2023/2024 medium term expenditure framework will continue with fiscal consolidation strategy which is aimed at harnessing resources to the most productive areas and enhancing growth to areas majorly affected by COVID 19 pandemic. The fiscal framework will be based on the priorities as outlined in Medium Term Plan (III), the Big Four Agenda, the CIDP 2018-2022 and programmes geared towards Economic recovery from the COVID 19 pandemic. The County will continue to create more strategies to improve on Own Source Revenue for sustainability of development programmes/projects. The County will further engage the development partners through the External Resource Mobilization Directorate within the County Treasury to raise additional funding to bridge the gap in financing.

The fiscal framework for FY 2021/2022 budget is based on the policy priorities outlined in chapter II. The County Government will promote budget transparency, accountability and effective financial management of resources based on clearly set priorities to ensure that budgets are directly linked to plans

Revenue Projections

The revenue projection for the FY 2021/2022 including own source revenue is approximately Kshs 17.453 billion which is an increment of 20 percent compared to the approved CFSP 2020 revenue forecast of Kshs 14.502 billion. The revenue comprises of equitable share projected at Kshs 12.256 billion in the Budget Policy Statement 2021 compared to Kshs 10.476 billion from the approved CARA 2020. This is a projected increase by 1.780 billion depicting a 17 percent rise. Loans and grant are projected to increase to Kshs. 1.742 billion from the current allocation of Kshs 1.228 billion depicting 42 percent increase.

Own source revenue including FIF is projected to rise by 5.6 percent to 3.380 billion owing to the economic recovery strategies put in place by the County

Government. Summary of the own source revenue forecast and national transfers over the medium term are presented in **Annex I** and **Annex II** of this document.

The County Government will adopt measures geared towards improvement of revenue collection of own source revenues. This includes implementation of the Revenue Enhancement Strategy, adopt fully automated revenue system to seal revenue leakages, enactment of relevant laws that support revenue collection, external resource mobilization, review of the Finance Act, 2020 and recruitment of staff in Revenue Directorate to replace the aging staff.

The allocation for the Kenya Urban Support Programme (KUSP) and Kenya Devolution Support Programme has not been confirmed in the BPS. However, continued decline in the infrastructural allocation to Nakuru Municipality and Naivasha Municipality will hamper progress of these entities since they are still in the formation stage.

The allocation to the Counties through the equitable share and conditional grants will be firmed up in the County Allocation Revenue Act (CARA) 2021.

Expenditure Projections

The County Government will continue to pursue a balanced budget in the medium term thus the overall expenditure will equal the forecasted County receipts for the FY 2021/22. The total expenditure for the FY 2021/2022 will amount to Kshs 17.453 billion.

Recurrent Expenditure

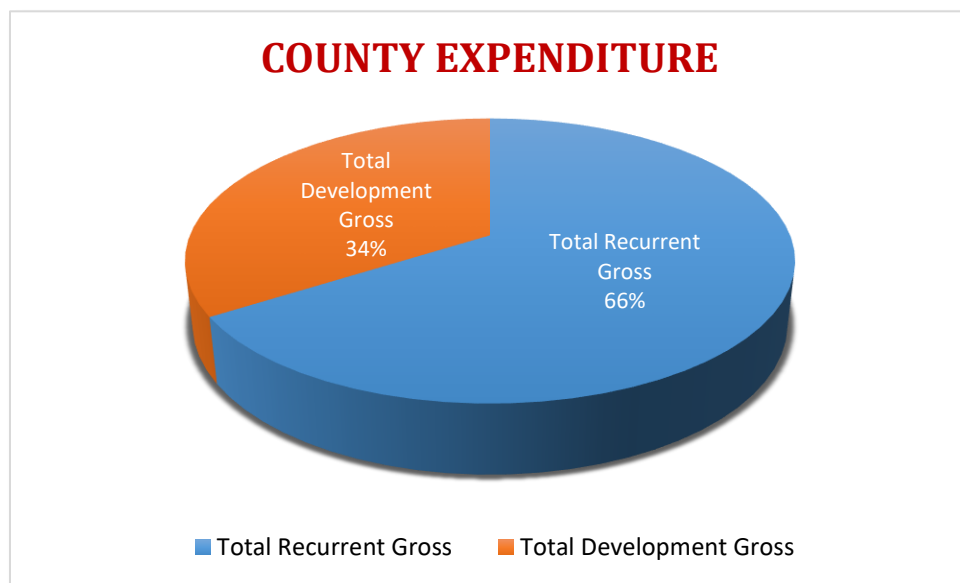
In the FY2021/22 the total recurrent expenditure is estimated to be Kshs. 11.519 billion. This is an increase from the baseline approved budget for FY 2020/21 which is at Kshs. 10.482 billion. Personnel emoluments will account for 39.6 percent of the total budget which is approximately Kshs. 6.905 billion. This is above the recommended percentage of 35 percent of the total revenues as per section 25 of the PFM Regulations 2015. The increase in personnel emoluments is due to the

annual increment, implementation of Phase IV of recommendations of Salaries and Remuneration Commission (SRC) recruitment of Health personnel to combat the COVID-19 pandemic. The operations and maintenance allocation will amount to Kshs. 4.613 billion representing 26.4 percent.

Development Expenditure

The County Government will endeavour to ensure that at least 30% of the total budget is allocated towards development as guided by the PFM Act 2012 and as outlined in this strategy paper. The County development expenditure for financial year 2021/22 projected to be at Kshs. 5.934 billion from Kshs. 4.350 billion in the CFSP FY2020/21. This accounts for 34 percent of the total budget. The Nakuru County Revenue Allocation Act, 2018, provides for an allocation not less than 45 percent excluding conditional grants towards Wards. The proposed allocation to the 55 Wards amounts to Kshs. 1.6 billion translating to 46.5 percent of the equitable share of development. The expenditure allocation are detailed in **Annex III and V**.

Figure 8: Summary of County Expenditure



Deficit Financing

Section 140 of the PFM, Act 2012 authorizes a County Executive Committee Member for the finance to borrow on behalf of the County Government. However, the Commission on Revenue Allocation in collaboration with World Bank initiated the County Creditworthiness Initiative (CCI). This initiative has only done the assessment for three Counties however this will be rolled out to other Counties. The report from this assessment will assist the County to access credit in accordance to Article 212 of the Constitution and Section 58 and 142 of the PFM Act, 2012 among other conditions. In the medium-term framework, the County will ensure its expenditure and commitments are based on the expected actual receipts. In the medium term, the County will embark on Public Private Partnership (PPP) and external resource mobilization to compliment the County Government efforts in implementation of critical programmes that will accelerate socio-economic development thus providing budget support. In line with the PFM Act 2012 borrowing can only be made to undertake development projects in line with the framework developed between the National and County Governments. In this regard the projected expenditure will be funded through own source revenues, transfers from National Government and approved conditional grants.

Fiscal and Structural Reforms

The County Government remains committed to improving efficiency and quality of its services. The County Government remains committed to improving efficiency and quality of its services. Public expenditure will be scrutinized including capital projects emanating from the 55 Wards in compliance with the provision of the Nakuru County Revenue Allocation Act of 2018 and to ensure value for money. The County will continue instituting strong internal controls to enhance expenditure tracking for corrective action thereon which will ensure effective and efficient execution of the budget. The County Treasury has launched a new revenue system that is at its early stages of implementation which

has embraced full automation. Tax administration will be further strengthened to improve collection efficiency by recruitment of additional officer and operationalization of the new valuation roll. The County government will also identify and plug revenue leakages, improve compliance through tax code and broaden the tax base through mapping of revenue.

The County Government will implement priority programmes/policies as outlined in the CIDP 2018-2022 to for economic growth and prosperity. During the plan period the County will give priority to programmes that are geared toward economic recovery for the sectors adversely affected by COVID 19 pandemic.

The County reorganized its functions that saw the establishment of the Nakuru and Naivasha Municipalities. The two entities have been established as per the Urban and Cities Act, 2011 Amended 2019. The development funding for the two municipalities has been from the KUSP. Going forward the County government will need to review the Nakuru County Revenue Allocation Act, 2018. The Directorate of Disaster Management and Humanitarian Assistance has been created with a mandate of coordinating emergencies across the County. The reorganization will require extra funding to coordinate their mandates.

The county will continue to implement the County Integrated Monitoring and Evaluation System (CIMES) through operationalization of the Integrated Monitoring and Evaluation system, continuous field work for all the development projects across the County to ascertain implementation status.

The County will put in to consideration the recommendations of the Medium Term Review report once finalized. The County will undertake the preparation of the County Statistical Abstract that will provide baseline indicators in all sector for proper planning and decision making. This exercise will be undertaken in collaboration with the Kenya National Bureau of Statistics (KNBS).

Overall Budget Financing

The National Economy is still reeling on the effects of COVID-19 pandemic and the ensuing containment measures that have impacted negatively on the various sectors. In this case the National Government has adopted a cautious approach in revenue forecasting for the FY 2021/22 and in the medium term. The Fiscal policy over the medium-term aims at enhancing revenue mobilization and continuous fiscal consolidation plan to reduce budget deficit. The County government will replicate this approach aimed at improving on forecasting the Own Source Revenue.

Budgetary allocation for FY 2021/22 and the Medium Term

The budgetary allocation between the County Executive and the County Assembly is summarized in Table 4.1 below:

Table 11: Summary of Budget Allocations

Details	Approved Estimates 2020/2021	CFSP 2021/2022	PROJECTION 2022/2023	PROJECTION 2023/2024
County Executive and County Public Service Board	17,922,862,529	16,149,961,336	17,764,957,470	19,541,453,217
Nakuru & Naivasha Municipalities	827,210,209	203,081,235	223,389,359	245,728,294
County Assembly	1,254,408,526	1,100,000,000	1,210,000,000	1,331,000,000
Total	20,004,481,264	17,453,042,571	19,198,346,828	21,118,181,511

Source: *County Treasury*

FY 2021/22 and Medium-Term Budget Priorities

The paper aims at refocusing the medium-term development to achieve a prosperous and sustainable development. In order to achieve this, financial discipline will be adhered to. Going forward, and in view of limited resources, MTEF budgeting will entail adjusting non-priority expenditures to cater for the priority sectors. The approved County Integrated Development Plan (2018-2022), the Annual Development Plan (ADP) 2019/20 and the CIDP mid-term Review Report will guide development programmes. In the meantime, resource allocation will

be based on strategic objectives outlined in this CFSP and programmes adopted by sector working groups.

Overall, the medium-term budget framework will focus its spending on key priority sectors like Agriculture, Infrastructure & ICT, Education and Health, which will continue to receive adequate resources. By investing in these sectors, the County Government is working to reduce infrastructure gaps, improve food security, enhance access to universal health care and attain job creation as envisioned in the National Government's Big Four Agenda. This will foster economic growth within the country.

Both sectors (Roads and Health) are already receiving a significant share of resources in the budget and are required to utilize the allocated resources more efficiently to generate fiscal space to accommodate other strategic interventions in other sectors.

In respect to the development agenda and economic interventions, resource allocation will be aligned to the County Government's special focus areas including:

- I. **Health:** provision of universal health care is one the governments "Big Four Agenda". The County has a responsibility to ensure its Citizens access quality and affordable health services. The County will roll out the UHC programme across the County and ensure that it is sustainable and the most vulnerable get access to health service.
- II. **Infrastructure** with the County Government's commitment towards improving infrastructure countywide through the BORESHA BARABARA initiative. More resources will be allocated to this sector for the lease of equipment. This will go a long way to improve the physical infrastructure and road network therefore improving mobility.
- III. **Agriculture, Livestock and Fisheries** will receive an increasing share of resources to ensure sustainable development, combat the effects to climate change, boost agricultural productivity with a view to, promoting

value addition and overcoming the threat to food security to compliment the Big Four Agenda being championed by the National Government.

- IV. **Public Service and Good Governance**-deepen good governance practices including public financial management reforms to guarantee transparency, accountability and efficiency in public spending. Have a good working relation with the non-state actor and ensure performance contracting/appraisal is implemented fully.
- V. **Enhancing investment opportunities within the County**- through robust investment campaign and measures including taxation and legislative and marketing Nakuru as a tourism destination of choice.

Criteria for Resource Allocation

According to Articles 201, 202 and 203 of the Constitution, revenue raised nationally is shared equitably among the two levels of governments and among county governments to enable them provide services and perform the functions assigned to them under the Fourth Schedule of the Constitution. The equitable division of revenue between the two levels of government takes into account the criteria specified in Article 203 of the Constitution. It is a requirement that, not less than 15 percent of all revenue collected by the national government be allocated to the county governments as sharable revenue. The County Governments' equitable revenue share allocation for FY 2021/22 is based on the 3rd formula which was approved by Senate. The parameters of the third formula include uses 8 parameters namely; Health, Agriculture, population, Urban Services, Basic share, Land area, rural access and poverty head count).

The equitable share as per the BPS 2021 is Kshs. 12.256 billion, Conditional grants of Kshs. 922.7 million and loans and grants of Kshs 819 million. The own source revenue is projected at Kshs. 1.980 billion and FIF of Kshs. 1.4 billion. The total resources available to the County amounts to Kshs. 13.997 billion.

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

- i. Programmes that geared towards revamping of the economy specially sectors affected with the containment measures for COVID 19.
- ii. Linkage of the programmes with the objectives of the CIDP 2018-2022 Annual Development Plan 2021/2022 and Integrated Development Plans for Urban areas 2019-2023.
- iii. The programmes that addresses the core mandates of the respective County entities and geared towards achievement of the Governor's Manifesto.
- iv. Ward project allocations in compliance with Section 4 NCRAA 2018 to support community-initiated projects for equitable development.
- v. Emphasis will be given to the on-going and multi-year projects to ensure completion and operationalization.
- vi. Priority will be given to paying outstanding pending bills/debts and maintain them at a sustainable level.

Details of Sector Priorities

This section provides the sector ceilings for the MTEF period 2021/2022-2023/24 ensuring continuity in resource allocation from the last financial year consistent with the MTEF budgeting approach. The ceilings include the strategic interventions, details of sector ceilings that will continue to be informed by programmes defined in the CIDP 2018-2022 and expected outputs.

Table 4.2 below provides the projected baseline ceilings for the FY 2021/22 and the medium term per sector.

Table 12: Medium Term Sector Ceilings 2021/22 - 2023/24

	SECTOR		APPROVED ESTIMATES FY 2020/2021	CFSP TOTAL CEILINGS	PROJECTIONS		% of Total Expenditure		
				2021/2022	2022/2023	2023/2024	2021/2022	2022/2023	2023/2024
1	Agriculture Rural and Urban Development	Sub Total	2,308,795,775	1,030,648,148	1,133,712,963	1,247,084,259	5.9%	5.9%	5.9%
		Recurrent Gross	676,555,697	703,007,282	773,308,010	850,638,811	6.1%	6.1%	6.1%
		Development Gross	1,632,240,078	327,640,866	360,404,952	396,445,448	5.5%	5.5%	5.5%
2	Education	Sub Total	1,155,445,718	736,083,970	809,692,367	890,661,603	4.2%	4.2%	4.2%
		Recurrent Gross	466,163,766	590,486,695	649,535,364	714,488,901	3.4%	3.4%	3.4%
		Development Gross	689,281,952	145,597,275	160,157,002	176,172,702	0.8%	0.8%	0.8%
3	Social Protection, Culture and Recreations	Sub Total	408,279,638	374,582,442	412,040,686	453,244,755	2.1%	2.1%	2.1%
		Recurrent Gross	241,225,042	259,941,705	285,935,875	314,529,463	1.5%	1.5%	1.5%
		Development Gross	167,054,597	114,640,737	126,104,811	138,715,292	0.7%	0.7%	0.7%
4	Energy, Infrastructure and ICT	Sub Total	2,675,698,434	945,808,634	1,040,389,497	1,144,428,447	5.4%	5.4%	5.4%
		Recurrent Gross	403,606,020	391,337,936	430,471,730	473,518,903	2.2%	2.2%	2.2%
		Development Gross	2,272,092,414	554,470,697	609,917,767	670,909,544	3.2%	3.2%	3.2%
5	Environment Protection, Water and Natural Resources	Sub Total	1,404,784,151	476,657,542	524,323,296	576,755,625	2.7%	2.7%	2.7%
		Recurrent Gross	279,458,650	326,258,908	358,884,799	394,773,279	1.9%	1.9%	1.9%
		Development Gross	1,125,325,501	150,398,633	165,438,497	181,982,346	0.9%	0.9%	0.9%
6	General Economics and Commercial Affairs	Sub Total	362,868,747	346,698,272	381,368,099	419,504,909	2.0%	2.0%	2.0%
		Recurrent Gross	137,277,999	228,173,140	250,990,454	276,089,500	1.3%	1.3%	1.3%
		Development Gross	225,590,748	118,525,132	130,377,645	143,415,410	0.7%	0.7%	0.7%
7	Health	Sub Total	6,822,878,221	6,699,927,086	7,369,919,794	8,106,911,774	38.4%	38.4%	38.4%
		Recurrent Gross	5,278,845,780	5,903,669,785	6,494,036,764	7,143,440,440	33.8%	33.8%	33.8%
		Development Gross	1,544,032,440	796,257,301	875,883,031	963,471,334	4.6%	4.6%	4.6%
8	Public Administration and National/ Inter County Relations	Sub Total	4,865,730,580	6,842,636,479	7,526,900,127	8,279,590,139	39.2%	39.2%	39.2%
		Recurrent Gross	2,998,915,737	3,116,132,645	3,427,745,910	3,770,520,501	17.9%	17.9%	17.9%
		Development Gross	1,866,814,843	3,726,503,834	4,099,154,217	4,509,069,639	21.4%	21.4%	21.4%
	TOTAL	Total Recurrent Gross	10,482,048,690	11,519,008,097	12,670,908,907	13,937,999,797	66.0%	66.0%	66.0%
		Total Development Gross	9,522,432,574	5,934,034,474	6,527,437,922	7,180,181,714	34.0%	34.0%	34.0%
		GRAND TOTAL	20,004,481,264	17,453,042,571	19,198,346,828	21,118,181,511	100.0%	100.0%	100.0%

Agriculture, Rural and Urban Development Sector

The Agriculture, Rural and Urban Development (ARUD) Sector has two Sub Sectors namely; Agriculture, Livestock and Fisheries, and Land, Housing and Physical Planning. The Sector is among the drivers of the socioeconomic development growth of the Country. The Sector plays vital role in the development agenda through food and nutrition security enhancement, income generation and wealth creation, land management and tenure security by implementation of land policies, undertaking physical planning, land surveys and mapping.

Agriculture, Livestock and Fisheries Sub Sector

The Agriculture, Livestock and Fisheries Sub Sector is comprised of Agriculture, Livestock, Veterinary Services and Fisheries Directorates. The Subsectors' vision is a food secure, industrialized and wealthy County. Its mission is to offer client-oriented extension services, promote commercialized and sustainable Agriculture, Livestock and Fisheries industry for food security and wealth creation. The sub sector contributes indirectly to economic growth through cross linkages with other sectors. During the 2016/17-2018/19 Medium Term period, the sub sector implemented programmes and sub programs as outlined in the County Integrated Development Plan (CIDP) that include; Administration, Planning and Support Services; Livestock Resources Management and Development; Fisheries Management and Development and Crop Development and Management. The key achievement in the Subsector for the said period include;

A total of 13,020,900 Pyrethrum seedlings worth over Ksh. 41M supplied to over 2,360 farmers covering 590 acres of land. Distributed to over 18,500 farmers, 376,875 Avocado seedlings covering over 4500 acres across the county and 14,000 macadamia seedlings to 700 farmers in Njoro, Bahati, Molo, Kuresoi North, Subukia, Gilgil and Rongai sub counties covering about 170 acres. Distributed about 65,000 coffee seedlings valued at Ksh. 4.9 million to farmers. The Sub Sector procured and installed five greenhouses, initiated construction/completion of Tea

Buying centers in the Tea growing sub-counties. Established 35 plant clinics to aid in plant protection services. Procured 300 PPEs, a vehicle mounted sprayer, 7 motorized sprayers, 20 GPS devices to enhance early warning and preparedness in crop protection. Annually the sub sector organized and participated in nine exhibitions, one World Food Day, and 37 field days in collaboration with other stakeholders and partners. Over 300,000 farmers were reached through various extension approaches. 28 crop inspectors were appointed to enforce the new crop (Irish potato) regulations 2019. Over 2400 soil samples were analyzed for farmers and provided with recommendations on soil fertility improvement across the county. The Subsector purchased and distributed 11 milk coolers, 4 incubators, grass cutting equipment and a solar milk cooler to support dairy farming. Vaccinations were carried out in all sub counties against common notifiable diseases of cattle, sheep, goats, dogs and cats. Total of 1,057,093 vaccinations were done. 21 AI kits were distributed to active Dairy Cooperatives. 93 beehives and other bee equipment have also been distributed. 100 beef breeding stock and 130 breeding stock for sheep procured and distributed to groups. 10000 fertilized eggs for incubation and 54 incubators, 90 breeding dairy goats procured and distributed. Procured and installed 30 fish pond liners, stocking of 191,666 fish fingerlings, restocking of public dams with 150,000 tilapia and 3,343 catfish fingerlings. The Subsector is also implementing NARIGP and ASDSP II projects that support Potato, Dairy, Apiculture, Poultry, Pyrethrum and Fish value chains. Through NARIGP, 583 micro-projects in 20 project implementing wards have been approved and supported while through ASDSP the department has prepared strategic integrated value chain action plan (SIVCAP) for fish, cow milk and pyrethrum value chains, extended and innovation concepts have been developed.

In the MTEF period 2021/22-2023/24 the sub sector has prioritized programmes and sub- programmes projects as outlined in the MTP II, Kenya Vision 2030, the Big four Agenda, CIDP 2018-2022 and also the Governor's Manifesto flagship

projects/interventions in order to facilitate attainment of food security, sustainable management and utilization of land and development of fisheries in the county. The Sub sector will strive to increase its efforts including mobilizing of resources and looking for more partnership in order to achieve its goal of food security being part of the big four agenda that aims at ensuring the country is a food secure nation. These efforts will be championed through reaching more farmers in terms of extension services. The Sub Sector will also ensure the new crop (Irish potato) regulations 2019 will be enforced to enable farmers get maximum benefit derived from the crop.

The County will also double the focus on large scale production enhancement as well as trying as much as possible to reducing the cost of production of farm products. High quality seeds availability to farmers will ensure high yield hence increased food production. The sub sector will continue increasing field and grain store surveillance, establishing more cold stores like potato cold stores and creation of awareness on various modern technological ways of food storages for either processed or raw to ensure minimal or no post-harvest losses.

Fisheries development has experience tremendous growth which can be attributed to sub sectors commitment and efforts done through stocking fish fingerlings, restocking of public dams and installation of fish pond liners across the county. To ensure more growth and improved fish productivity from fish farming, the Sub Sector will continue scaling up the establishment of fish markets, fish processing facilities and fish safety assurance.

Livestock production is a major economic activity practice largely within the county, the sub sector will strive at improving breeding services, provide efficient animal health services with regard to prevention, control and eradication of animal diseases, enhance a county-wide livestock vaccination against the common diseases both livestock and poultry keeping as well as increasing the number of AI kits in the County to improve on productivity. Increased establishment of cooling plants, distribution of pasteurizers, development of

marketing networks, will ensure proper facilitation of means of creating wealth through livestock products. The Sub Sector will increase focus on value addition by conducting training.

In order to implement the prioritized programs, the sub sector has been allocated Kshs. 769,233,695 million, Kshs 846,157,065 million, and Kshs 930,772,771 million, for the FY 2021/22, FY 2022/23, FY2023/24 respectively.

Land Housing and Physical Planning

The Land, Housing and Physical planning Sub Sector has the following two Directorates, Land and Physical Planning; and Housing. Its vision is a secure and diversified human settlements. Its mission facilitates participatory planning, affordable housing and sustainable development of rural and urban areas. Some of the major achievements by the sub sector in the last MTEF period include Finalization of Nakuru Municipality elevation to city status report, Municipal Charters prepared and approved by the County Assembly, Municipal board members for Both Naivasha and Nakuru were successfully appointed and the boards are operational, and training of 25 surveyors and planners Officers. Valuation roll for the County was completed and is awaiting approval by the assembly, Preparation of Nakuru County Spatial Plan is at 95% completion, Preparation of Land Information Management System at 90% completion. Planning and Development of Trading Centers which is at 20% completion. Successful resolution of Land dispute through the Alternative Dispute Resolution (ADR). Secured 27 titles for public utilities and facilitated the issuance of 65,000 titles in collaboration with the National Government. Successful completion of physical development plans and surveys for Kongasis, Crater lake, Keringet, Kasarani, Eastleigh and Tarambete. The Sub Sector completed a feasibility study for Naivasha affordable housing project which was approved by the cabinet with a potential of providing 2,400 housing units, managed to renovate various estates namely; Flamingo, Naivasha, Kimathi, Paul Machanga, Moi, Baharini, Nakuru Press

and Kaloleni. Upgrading of sewer lines and rehabilitation of toilets was achieved under housing infrastructure sub-programme.

The Sub Sector in collaboration with World Bank under Kenya Urban Support Programme undertook four major projects which are currently at various stages of implementation. These are: Improvement of roads to bitumen standards and storm drainage works within Naivasha Municipality (Viwandani ward, Industrial Area, Site & Service and Kabati), Construction of 3.6 km storm water drainage within Nakuru Municipality, Construction of Nakuru CBD Fire Station in Nakuru Town in Biashara Ward of Nakuru East Sub County and Partial Construction of Naivasha Market in Viwandani Ward.

For the 2021/22-2023/24 MTEF period, the sub sector will prioritize its programs in order to ensure optimal utilization of resources as well as adequate spatial planning of the County in a sustainable manner and ensure development of housing in the most affordable and sustainable methods. The sub sector expects, finalization and approval of the County Spatial Plan, finalize on Land Information System, regular maintenance of approximately 300 County estates annually, and prepare an Integrated Strategic Urban Development Plans for Molo, Keringet, Njoro and Gilgil to ensure proper management of the towns. With the approval of affordable housing feasibility study, the sub sectors aims at undertaking the construction through public private partnership and support of donors as it advocate for developing alternative building technology centers within the County.

To achieve these priorities, the sub sector has been allocated Kshs 261,414,453 million, Kshs 287,555,898 million, and Kshs 316,311,488 million, for the FY 2021/22, FY 2022/23, FY 2023/24 respectively. In the FY 2020/21 Kshs 147,576,704 million has been allocated for recurrent and Kshs 113,837,748 has been allocated for development expenditure.

Environment Protection, Water and Natural Resources

The sector is comprised of the Department of Water, Environment, Energy and Natural Resources. The vision of the sector is to have a self-reliant, secure and quality life. The mission is to conserve environment, provide potable water and sustainable energy. The sector's mandate includes greening and beautification, natural resource management, pollution control and sewerage services policy. The sector also undertakes promotion of alternative green energy solutions and climate change mitigation and adaptation. Through sustainable exploitation, utilization and management of its natural resources, the sector ensures sustainable development in the County. The sector plays a significant role in the attainment of the targeted annual GDP growth rate of 10% in the Kenya Vision 2030.

The key achievement during the 2017/18-2019/20 MTEF period, include the adoption of the Integrated Solid Waste Management Approach Model, guided by the four strategy goals namely: Protection of public health, Reduction of poverty, Reduction of waste management cost and Protection of the environment. The procured 5 Waste skips and 2 skip loader trucks has enhanced waste collection and disposal thus improved aesthetics status of our urban areas, and reduction of waste going to our disposal sites. Capacity building of county government staff and engagement of casual workers, enhanced enforcement and compliance monitoring, Continuous disposal sites management and finally rigorous Environmental Education and awareness. The sector through policy formulation established County Clean Energy Action Plan, Waste management Bill and Policy 2018, County Climate Change Action Plan 2018-2022 and Climate Change policy which is awaiting enactment.

The sector managed to plant more than 357,000 trees of various species under climate change mitigation and rehabilitated County parks i.e., Nyayo garden, Naivasha Municipal Park as well as beautifying our urban areas roundabouts, open spaces, road medians, and open spaces especially in Nakuru and Naivasha

in collaboration with various partners. The sector executed her mandate with regard to noise and excessive vibrations pollution control and the sector also ensured compliance and continuous monitoring. Several compliance achievements were realised including statutory notices issued and complied with and court cases prosecuted.

In an effort to increase access to water, the sector managed to drilled 32 borehole, rehabilitated 157 existing water supply systems, desilted 4 dams/water pans and developed 3 springs.

For the next 2021/22-2023/24 MTEF period, the sector will continue executing her mandates and has prioritized on solarization of water boreholes, desilting of dams, completion of Nyayo gardens and Naivasha Municipal Park rehabilitation, enhance climate change mitigation and adaptation, purchase of skip loader trucks and 6 skips, purchase of greening and beautification equipment and machineries, and construction of access road, eco toilet and office at Naivasha dumpsite, solid waste management in all markets within the County. Through the established Enforcement and compliance unit at the Environment headquarters, the sector will also ensuring water, air, land and other nuisances monitoring. The sector will continue providing good policy and legal frameworks to ensure proper conservation and management of the environment hence facilitate prudent management of the natural resources within the county in a conducive environment.

The sector has been allocated Kshs 476,657,542 million, Kshs 524,323,296 million, and Kshs 576,755,625 million, for the FY 2021/22, FY 2022/23, and FY2023/24 respectively, in ordered to implement its priorities in the said MTEF period.

Energy, Infrastructure and Information, Communication and Technology Sector

The Energy Infrastructure and Information, Communication and Technology Sector, is comprised of two subsectors namely; Roads, Public Works and Transport sub sector and ICT & E-Government sub sector. The sector is among the key driver of sustainable economic growth majorly through establishing of accessible road networks for ease mobility of goods and with the coming up of new inventions and technology, the sector strives to ensure that the county is not left behind as many things go digital. The ICT sub-sector's mandate is to promote e-Government services, provide ICT services to other county departments, enhance ICT training and standards, promote public communication and dissemination of public information as well as provide public relations services. Roads, Public Works and Transport sub sector aims to ensure proper infrastructure development and maintenance, storm water management, effective management of county non-residential buildings, street lighting management and firefighting disaster management

During the 2017/18-2019/20 MTEF period the sector managed to improve transport infrastructure by grading and graveling of existing roads and opening up new roads using county machinery.

The subsector developed a number of policies geared towards improving its service delivery and facilitating its operations. Some of the policies developed include; LED Lighting policy, Solar Lighting (Green energy) policy, Firefighting & disaster management policy and Nakuru Town road safety policy.

The Roads, Public Works and Transport sub sector ensured grading of 3465 Km and gravelling of 863Km and tarmacking of 7.0 Km through KUSP and KRB. The Sub Sector also constructed 28 motorcycle sheds, 2 Bus parks and rehabilitated selected transport terminals, constructed 40 motorable bridges, rehabilitated 2889 streetlights and installed 100 new ones. The directorate of disaster management was able to respond and attended to over 700 emergency calls, trained 40 personnel on fire response and disaster management, constructed two

fire station which are due for completion and managed to inspect over 500 premises as well as issue compliance certificate.

The key achievements of the ICT and E-Government sub-sector in the period under review include the setting up of various infrastructural projects such as establishment of Local Area Networks in several sites, internet connectivity at the county headquarters and various departments, establishment of five (5) digital centres at Subukia, Kuresoi south, Shabab, Menengai and Rongai, establishment of data centre (Phase I), establishment of Wide Area Network and installation of free Wi-Fi at Naivasha bus park, Molo market, Gilgil town and Kabazi market.

The County recognizes Energy, Infrastructure and ICT sector as a key enabler for sustained development and poverty reduction. The sector, during the 2021/22-2023/24 MTEF period, aims at sustaining and expanding physical infrastructure to support a rapidly growing economy in Nakuru County. Roads and Transport sub sector intends to Grade 6200 Km, Gravel 1370Kms of roads access, install 390 streetlights as well as rehabilitate 1900, construct 4 fire-stations and 47 motorable foot bridges, a high-capacity underground storage tank and acquire two fire engines for disaster management. The department will lease equipment that will be used in the sub-counties for improvement and expansion of road network. Public works department will ensure that county government buildings under construction adhere to stipulated government regulations, standards and set specifications. The disaster management department will ensure that staff are trained on management of disasters and possible mitigation before they happen and concurrently carry out inspections and issue out compliance certificates. The equipping and modernization of the Fire and Disaster sections will be undertaken during this period. ICT and E-government sub sector will also undertake Infrastructural development, public digital empowerment through establishment of digital centers and enhancement of e-Government services as its main area of focus. Further the department in collaboration with the National Department of ICT will spearhead the training on "Ajira Programme" for the youth.

The sector has been allocated Kshs 945,808,634 million, Kshs 1,040,389,497 billion, and Kshs 1,144,428,447 billion, for the FY 2021/22, FY 2022/23, and FY2023/24 respectively, in order to implement its priorities.

Education Sector

The Sector is committed to the provision of quality education, vocational training, research and skills development for the youth, in order to contribute to meaningful engagement of the youth and entrepreneurial orientation for self-employment. The Sector is comprised of two Sub Sectors namely Early Childhood Education and Vocational Training.

During the 2017/18 – 2019/20 MTEF period, the Sector made several achievements including facilitating the rolling out of bursaries worth Ksh. 424,502,513 benefiting 86,948 needy students both in secondary and tertiary institutions across all the 55 wards. It also constructed 384 ECDE classrooms increasing facilities towards enhancing early childhood learning within the county. Language activity books were procured and distributed to all public ECDE centres while environmental activity and mathematics books were procured awaiting for distribution to schools which were closed as a result of COVID-19 pandemic. It also procured age-appropriate furniture worth Ksh 30 million to benefit 450 ECDE centres and 10 800 learners. The Sector through the directorate of Vocational Training recruited 110 instructors, construction of 5 Vocational Training Centres spread across the county, construction of 2 Administration Blocks in Chemare and Molo VTC's, put up a boys hostel at Dundori VTC at the same period the directorate procured tools and equipment worth Ksh 20 million benefiting 26 VTCs spread across the county. The gross transition rate for the period under review was 87%. The directorate provided 600 attachment places and supervision to trainees. It was also able to hold four (4) sensitization sessions across the County to popularize the Vocational training and the programmes offered. The Sector disbursed Kshs.91,033,250 to 3319 trainees as subsidized Vocational Training Centres support

grant to 26 qualifying Vocational Training Centres. The transition rate for the period under review was 45.8%

In the MTEF period FY2021/22 – 2023/24, the Sector has prioritized several programmes for implementation including equipping of 495 ECD classrooms, rehabilitation of 60 classrooms, equip 75 ECDs with outdoor equipment, increase the number of ECDs participating in co-curricular activities to 2817, conduct 132 workshops for capacity building, employ 1050 ECD teachers, increase number of schools benefiting from instructional materials to 3,042, induct 10,400 teachers on new curriculum, equip 275 ECD schools with ICT facilities, increase number of ECD Centres under school feeding programmes to 3,042, support needy students to a tune of Ksh 360m under bursaries programme, equip 106 VTCs, support 4965 trainees and attaches on exit programmes, recruit 180 trainers for quality service delivery, ensure at least 106 VTCs participate in co-curricular activities. The Sector is in the process of procuring ECDE teacher handbook to all public ECDE centers and will also construct 6 County Vocational Centres of Excellence and 2 County model Polytechnics.

In order to implement the prioritized programmes, the Sector has been allocated Kshs 736,083,970 million, Kshs 809,692,367 million and Kshs 890,661,603 million for the FY 2021/2022, FY 2022/2023 and FY 2023/2024, respectively.

General Economic and Commerce Affairs Sector

The General Economic and Commerce Affairs Sector is mandated to promote, co-ordinate and implement integrated socio-economic policies and programmes for a rapidly industrializing economy. The Sector is made up of Trade, Industrialization, Tourism and Cooperatives Department.

During the 2017/18 - 2019/20 MTEF, the sector undertook 5 trade exhibitions, rehabilitated 10 markets, trained 314 SME's on business skills and issued compliance certificates to 720 traders for their weighing and measuring equipment. Cooperative directorate carried out 179 Trainings were done for

Cooperative leaders, managers and members and did 127 cooperative certification audits. The tourism directorate carried out activation of three (3) Tourism sites and held two (2) major tourism promotion events. The Alcoholic Drinks Control directorate carried out two (2) sub county Alcohol Drinks committees training and held sensitization forum in the 11 sub counties.

In the MTEF period FY 2021/21-2023/24 the directorate of trade will work towards rehabilitation of fifteen (15) markets and construction six (6) new market, carry out MSMEs training, hold four (4) Trade Exhibition annually and undertake consumer Protection through Verification of Weighing of Measuring instruments. The Cooperative Directorate will rehabilitate two (2) Cooperative Coffee Factory, Support Dairy Cooperatives with Value Addition Equipment, capacity build Cooperatives, carry out spot checks and audits. The Tourism directorate will promote tourism by holding two (2) annual events and activating nine (9) tourist sites. The Alcohol Drinks Control Directorate will construct three (3) rehabilitation centres annually, hold sensitization Forums for Liquor Stakeholders and the various Liquor Committees in sub counties while the County Bus terminus directorate will construct six (6) bus termini and rehabilitate twenty three (23) bus termini.

In order to implement the prioritized programmes, the Sector has been allocated Kshs 346,698,272 million, Kshs 381,368,099 million and Kshs 419,504,909 million in the FY 2021/22, FY 2022/23 and FY 2023/24 respectively.

Health Sector

The Department of Health is the largest devolved unit in Nakuru County with a budgetary allocation of 38.4% of the entire county budget for FY2020/21 with functions including; Health facilities and pharmacies, Ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to public, cemeteries, funeral parlours and crematorium.

The sector comprises of two divisions namely; Medical Services (Curative and Rehabilitative services) and Public Health and Sanitation (Promotive and

Preventive services), with a vision of A Healthy County and a mission to provide integrated quality health services for all. The positioned of the county requires proper planning for health service provision to serve the ever-increasing population in the county. In order to address health needs of its population, the sector developed and launched a Health strategic plan and is implementing the second County Health Strategic and Investment Plan 2018-2022 which addresses unique needs of all cohorts. This is in line with the Governor's manifesto, the national Big Four Agenda, Kenya Health Policy Framework 2013-2030, Vision 2030 and international obligations such as Sustainable Development Goals.

During the period under review 2017/18-2019/20, 12 health workers were promoted, adopted the Integrated Human Resources Information System (IHRIS) in order to optimize HR management. The sector also conducted an ICT survey and has already received the ICT EHR equipment for PGH& Molo. The county introduced a rewarding system for best performing workers, in the county as part of motivational strategy. The sector is mandated to collect facility improvement fund (FIF), where it collected a significant increase of Ksh 597,511,764. Ksh 957,022,225 and Ksh 1,085,902,883.65 respectively. The sector employed 23 doctors and consultants, 324 health workers on contract, recruited 98 universal health coverage (UHC) staff and 68 interns. Latrine coverage increased to 90% and ODF villages to 441. The department also developed the Nakuru County Sanitation Strategic and Investment Plan 2017- 2022, aimed at addressing the big burden of sanitation related diseases. The PMTCT Business Plan was also finalized aimed at sustaining the gains made in addressing the HIV scourge while HIV pregnant mother received ARVs.

Through partner support, the department started programs to address the rising burden of Non-Communicable Diseases. Preventive/Promotive - 43% of the households were reached with health messages in order to reverse the downward trend of health indicators, 85% of children below one year were fully immunized in the last year financial year. The sector also created 135 new community units

in order to enhance community health services. A diabetes Centre of Excellence was established at the County Referral Hospital with over 9781 patients accessing specialized services in the period under review. The County managed to procure drugs and health commodities which were distributed to various public health facilities. The sector managed to expand key service areas including expansion of oncology services with upcoming radiotherapy unit at the County referral Hospital and also benefited from the Managed Equipment Service (MES) Project in three Hospitals- Nakuru, Naivasha, and Molo which greatly improved access to quality diagnostic and curative services. Increase of cervical cancer screening and operationalizing of Oncology and diabetic centers was done. In addition, the sector developed a laboratory strategic plan 2018/2022 to guide quality in laboratory diagnosis as a result of which two have achieved laboratory accreditation (Naivasha and Bahati SCHs). There is also major construction of outpatient block in PGH Nakuru and Naivasha, Maternity wings in Elburgon, Njoro, Molo and Gilgil. X-ray department have also benefit from a picture archiving and communication system, which supports digital archiving, swift retrieval of medical images and online transmission of images. This machine has been installed in PGH Nakuru. 21 Health care workers have been trained and assessment done on the imagine equipment to prevent future breakdowns.

Going forward to the 2021/22-2023/24 MTEF period, the sector will ensure that accessible and affordable healthcare is provided to the County residents. Automation of health Medical /Records, HMIS and use of IT innovations will be an enabler of quality health service provision. A central ambulance dispatch center and fleet management system will also be strengthened to improve evacuations and pre hospital care. The ambulances will be strategically placed for ease of patients' referral to major hospitals for further management.

Proper planning with standard drawings, plans and facility master plans will be developed to guide development projects. The department will continue adopting the WHO standards of a health facility within 5 km radius to improve

access towards Universal Health Coverage. A major infrastructural upgrading program targeting county referral hospital (PGH), Naivasha, Gilgil, Molo, Olenguruone, Elburgon, Njoro and Bahati hospitals are among these facilities. Preventive and Promotive health services will be a priority to address the over 80% of the sanitation related disease burden. To address the rising burden of NCDs, specialized services such as comprehensive oncology services, imaging and specialized clinics and theatres, renal units among others will be established and strengthened in major hospitals.

These will include Oncology, Renal, Imaging and specialized theatres. Partner coordination and resource mobilization will also be enhanced to bridge the budgetary gaps and enhance efficiency and accountability. Strategic partnerships with University Medical Schools and other training institutions will be sort to develop and attract skills needed to this end. In order to strengthen dental services in the county, the department will operationalize dental services in 5 level 4 facilities that is; Subukia, Olenguruone, Njoro, Langalanga and Molo hospitals.

Further the County has recruited approximately 46000 households to the Universal Health Care coverage in collaboration with the National Hospital Insurance Cover. This programme will continue to be implemented in the medium term.

To achieve these priorities and ensure a healthy county the Sector has been allocated Kshs 6,699,927,086 billion, Kshs 7,369,919,794 billion, and Kshs 8,106,911,774 billion, for the FY 2021/22, FY 2022/23, FY 2023/24 respectively. In the FY 2020/21 Kshs 5,903,669,785 billion has been allocated for recurrent and Kshs 796,257,301 million has been allocated for development expenditure.

Social Protection, Culture and Recreation Sector

The Sector is mandated to promote sustainable employment, best labour practices, sports, gender equity, empowerment of communities and vulnerable groups, diverse cultures, heritage and arts.

During the FY2017/18 – 2019/20 MTEF period, the key achievements in the Sector included: Culture Directorate was able to organize cultural festivals at both national and regional levels, train adjudicators and facilitators, Formed/launched Bahati and Njoro GBV clusters – totalling to 9 GBV clusters, involvement. The establishment and signing MoU with Kenya Museum, Gender policy formulation on progress and is being undertaken by the Sector in partnership with the Centre for Enhancement of Democracy and Good Governance, Women empowerment programmes conducted in four (4) sub counties.

Capacity building conducted for the performing of visual arts, marking of national and international days, cultural festive and sports competitions. Projects completed included the levelling of sports grounds in Subukia Sub County, revamping of Kimathi grounds changing rooms as well as rehabilitation of Kamukunji stadium in Nakuru East. Purchase of land at Keringet for establishment of a Sports centre was finally completed, implementation Ward Sports through funding of sports teams and equipping of youths throughout Nakuru County with assorted items was also achieved in the period under review, the sector was also able to support PWDs during sports tournaments. Under social services several social halls including Bondeni Social hall, Gilgil, Shabab and Kayole social hall Naivasha were equipped with assorted items last financial year.

Implementation of ward disability fund was achieved by signing of MOU with National Council of persons with Disabilities to facilitate expenditure of 27.5m, sensitization meetings on disability mainstreaming and procuring and distribution of mobility and assistive devices for distribution of needy PWDs throughout the county, Sensitization of over 200 families on HIV & AIDS which was achieved with public and private partnership, recruitment, registration of over 500 street boys & girls for the purpose of rehabilitation. Operationalization of youth directorate was a major plus for the department during F/Y 2019/20.

In the 2021/22 – 2023/24 MTEF period, the Sector will implement various initiatives including: training at least 662 of Visual Artists, organize community cultural

festivals and exhibitions, identification and mapping of new of heritage sites. The gender unit will strive to increase participation of women in leadership through sensitization and empowerment programmes, improve prevention and response to sexual and gender-based violence and continue with formation of GBV sub-county clusters. The sub sector will also carry out sensitization of the public on gambling and gaming activities, continue sensitizing PLWDs on AGPO, issue at least 6900 assistive / mobility devices, conduct capacity building sessions on care and support for the elderly. The sector will step up improvement of public amenities with construction and rehabilitation sports infrastructure including Afraha stadia to international standards Social Halls and rehabilitation programme centres. This will enhance participation in various sporting discipline, social and cultural activities. Mainstreaming and linkage opportunities will also be offered to the youth and encourage them to enrol to Vijabiz programme as well as engage in Agribusiness, environment and community service.

In order to implement the prioritized programmes, the Sector has been allocated Kshs. 374,582,442 million, Kshs 412,040,686 million and Kshs 453,244,755 million for the FY 2021/2022, FY 2022/2023 and FY 2023/2024, respectively.

Public Administration and National/International Relations Sector

Public Administration and National/International Relations Sector is the largest sector in the county comprising of seven sub sectors namely; Office of the Governor & Deputy, Finance & Economic Planning, Public Service, Training and Devolution, County Public Service Board, Nakuru Municipality, Naivasha Municipality and County Assembly of Nakuru. The Sector plays an important role in the development and implementation of County policies and regulations, County's governance and development.

The Office of the Governor & Deputy Governor Sub Sector provides overall leadership and policy direction and resource mobilization, organization and accountability in a bid to enhance the provision of quality service delivery. The sub-sector ensures there is a conducive working environment and promotes positive mutual working relationships between the County Government and its internal and external stakeholders as well as promote peace and order within the County, promote democracy, good governance, unity and cohesion within the County. During the period under review, the sub sector realized most of planned programmes. There was a transition from the previous Executive to the newly elected County Executive. Also, appointment of the Cabinet, setting up of a second customer care desk, drawing up of a New Executive Order, holding of more than 10 Cabinet meetings with over 60 agendas being discussed.

In the medium Term the sub sector will undertake the construction of Milimani Annex ensure that all the statutory documents are approved within the expected timelines. Coordinate peace and cohesion meeting within the County, hold at least 12 cabinet meetings and hold "meet the people tour" across all the sub-counties.

The County Treasury as a subsector in compliance with the PFM Act 2012, the Subsector is expected to monitor, evaluate and oversee the management of public finances and economic affairs of the County Government. It coordinates the preparation of the annual budgets; guides and controls implementation of the same. Other obligations include; management of County public debt; mobilization of County financial resources for budget needs both locally and externally; preparation of financial statements as well as being the custodian of government assets; developing and implementing financial & economic policies in the County; providing leadership in the County in the acquisition and disposal of public assets.

It also carried out capacity building of a number of officers in PFM including budget preparation, financial reporting, Planning, Promotional courses i.e Senior Management Course, Strategic Leadership Management Programme, Supervisory among others, recommended staff for promotion to enhance service delivery. The subsector also provided information through issuing nine treasury circulars and public notices on public participation in compliance with the Constitution of Kenya 2010. Collection of own source revenue including FIF was Kshs 2.28 billion, Ksh. 2.810 billion and Ksh.2.44 billion respectively. The revenue collection for the last financial year was greatly affected by the containment measures put in place to reduce the spread of COVID 19. The Directorate of Internal Audit undertook and prepared risk based and value for money audit reports which are credited for strengthening internal control systems, operationalized the Audit Committee that strengthen the internal audit functions. The Directorate of Finance prepared annual financial statements in compliance with the PFM Act 2010, during the period. Annual budget estimates through hyperion module were prepared and submitted to County Assembly within the stipulated time. Other budget documents prepared and submitted included the CBROP & CFSP 2018, 2019 and 2020. The sub-sector uploaded various statutory documents on the County's official website. It was also during this period under review that the 2nd generation CIDP that will guide the County's development process for the next 5 years was prepared and published and is in the process of MID Term Review of the CIDP 2018-2022.

During the MTEF period 2021/22-2023/2024 the County treasury as a subsector will undertake the Construction of the County Treasury, carry out training for staff on the new revenue management system as well as other course, carry out 4 value for money audits, submit all the statutory documents with the timelines, carry out monitoring and evaluation of projects across the County, prepare the County statistical abstract, roll out County Project Integrated management System, carry out CIDP end term review and start the preparation of the CIDP 2023-2027.

The Public Service Training and Devolution sub-sector trained 376 members of staff on various courses, concluded 256 court cases drafted 37 bills and forwarded to the County Assembly, where 31 bills have been passed into law. HRM policies and procedures manual 2016 from PSC was domesticated; additionally draft Training and Development manual and an organizational structure were developed and are awaiting approval from the NCPSC. During the period under review the department engaged PWC to conduct Human Resource Audit and the final report was submitted in August 2018. The department is currently implementing the recommendations of the report. Spearheaded Performance Management in effort to roll out performance contracting and performance appraisal system. Disaster and Humanitarian Assistance Unit responded to locust invasion in 11 sub counties, 3600 floods victims rescued, evacuated, resettled and food and non-food provided. The unit also responded to 140,000 families during the COVID 19 pandemic and 350 victims of fire were provided with consumable and non-consumable items.

During the MTEF period 2021/2022-2023/24 the sub-sector will coordinate training courses for staffs, ensure insurance for all the staffs is paid, prepare and revise scheme of service for common cadre employees and carry out job evaluation of staff.

The Nakuru County Public Service Board sub-sector during the 2017/18-2019/20 MTEF period, the new board was constituted and the Board recruited 637 officers on permanent basis while 774 were recruited on contract. Due to the outbreak of COVID-19 pandemic in the Country, the activities of the Board were temporarily interrupted for example the advertised positions in the Departments of Education and ICT & E- Government, Agriculture and Finance and Economic planning were rescheduled.

In the 2021/22-2023/24 MTEF period, the CPSB Sub-sector's, will continue to work towards enhancing service delivery by providing adequate office space for its members and the secretariat, through the renovation and refurbishment of additional offices and to enhance the security of its documents and assets through the installation of metal grills on office doors and windows, the Board will install bulk filing system for an efficient and effective storage of files and data, the Board in addition shall Develop Human Resource Management system that will enhance speedy receiving of Job applications, long listing, shortlisting of candidates, conducting on line interview. Similarly, the Board will continue to improve Human Resource productivity through staff and Board members trainings. As part of it mandate, the Board will also conduct recruitment as per departmental requests and continue to entrench national values and principles of governance among the county staff. The Board is also expected to develop its five years strategic plan.

The Naivasha Municipal Board was formed as per the Urban and Cities Act, 2011. During the medium term the board managed to perform some of its objectives and this was due to budget constraints and also restrictions due to COVID-19 pandemic. The Sub Sector constructed one market, develop an Integrated Solid Waste Management Plan and also develop and adopted Integrated Development Plan, rehabilitated board offices and tarmacked 3.7Km road in the period under review.

In the 2021/22-2023/24 MTEF period, the board intends to conduct 4 workshops that will ensure 8 members of the board, tarmac 10Kms of road, construct 9 parking lots, as well as rehabilitate 450 County housing estates. The Sub Sector will construct one modern fire station and install 15 fire hydrant and 55 streetlights and also procure and install 10 waste skip.

Nakuru Municipal Board was constituted as per the Urban and Cities Act, 2011. The overall goal of the sub sector is to provide for efficient and accountable management of the affairs of the Municipality. The process of upgrading Nakuru Municipality to a City is before the senate having met the requirements stipulated in the Urban Areas and Cities Act 2011 amendment 2015 on the conditions for upgrade of a Municipality into a City Status.

During the period under review, the Nakuru Municipal Board was constituted and has 9 Board Members and 11 members of staff who were transferred from line Departments to the Board to form its Secretariat under the stewardship of the Municipal Manager. The development undertaken by Nakuru Municipal Board is largely funded by the World Bank supported Kenya Urban Support Programme – Urban Development Grant.

The Boards projects which were domiciled in the Department of Lands are currently being undertaken which include Construction of fire station at Nakuru Old Town Hall, Construction of a new stadium at the existing Afraha Stadium - Phase 1, Construction of new Nakuru CBD Bus Park -Phase 1 and Construction of 3.6km storm water drainage in Kiamurogi Mombasa & Kipkelion roads and purchase of 2 No fire Engines.

In the next medium term 2021/2022-2023/2024, the Sub sector will work to ensure that it achieved the planned targets and effectively carry out its mandate as provided in the Municipal Charter. The board will improve on human resource productivity by recruiting 20 officers and training. It will also improve infrastructure by expanding 11Kms of pedestrian walk ways, tarmac 25Kms of road, complete construction of Afraha stadium and installed 150 litter bins.30000 of assorted trees will be planted in order to improve on greening and beautification. The Sub Sector will also seek partnerships with internal and external partners in order to seek for resources that will enable it achieve its objectives. The Board will continue

to create an enabling environment for investment in the Municipality whilst laying the ground for elevation of Nakuru Town to City status.

County Assembly

County Governments are established under Chapter Eleven of the Constitution of Kenya 2010 and consisting of a County Assembly and a County Executive. The County Assembly of Nakuru is among the forty-seven (47) County Assemblies in Kenya established under Article 176 (1) of the Constitution. As envisaged by Article 177 (1), the Assembly consists of members elected by registered voters of the Wards, each Ward constituting a single member constituency. The Assembly further consists of a number of special seat members necessary to ensure that no more than two-thirds of the membership of the Assembly are of the same gender and the number of members of marginalized groups, including persons with disabilities and the youth all nominated by political parties in proportion to the seats received in that election in that County by each political party. The Speaker is the Head of the County Assembly. Nakuru County has a total of fifty-five (55) civic elective Wards each represented by a Member of County Assembly (MCA) at the Assembly. The Assembly has a total of seventy-eight (78) Members of which twenty-three (23) represent special interest groups. The Sub sector of County Assembly seeks to promote democratic and accountable exercise of power in Nakuru County through progressive legislation, faithful representation and effective public oversight.

During the MTEF period 2017/18 - 2019/20, the Sector made considerable achievement of the set targets for the programmes during the period under review. These includes but not limited to: facilitated the operationalization of key legislation including the legal, policy and regulatory frameworks and conducted oversight on County oversight, enhanced representation of the citizens for improved service delivery. The construction of the Ugatuzi Plaza office block was

completed and officially opened by H.E President Uhuru Kenyatta, phase II Office Block construction started and is ongoing, more than 80 motions debated, equipping and configuration of the chamber is complete, construction of a public gallery completed, refurbishment of the building is complete, construction of speakers House complete only landscaping remaining.

During 2021/22 – 2023/24 MTEF period, the County Assembly intends to process order papers immediately upon receiving, County Assembly Board to recruit sixteen (16) employees and placed as per the existing vacancies, human resource department plans to conduct three (3) training sessions while Hansard Department will document all County Assembly proceeding at plenary and copies of Hansard published and posted online.

In order to achieve its targets in the FY2020/21 – FY2022/23, the PAIR Sector has been allocated Kshs 6,842,636,479 billion, Kshs 7,526,900,127 billion and Kshs 8,279,590,139 billion for FY 2021/22, FY 2022/2023 and FY2023/2024 respectively. This includes allocation for the County Assembly Sub Sector.

Public Participation/Sector Hearings and Involvement of Stakeholders

The Public Finance Management Act 2012, the County Government Act 2012 and Article 201 of the Constitution of Kenya calls for openness, accountability and public participation in financial matters. The budget making process for financial year 2021/2022 started on August 2020 when the County Treasury issued a circular in accordance to Section 128 of the PFM Act, 2012 providing guidelines and procedures for preparing the 2021/22-2023/24 Medium term budget, launch the Sector Working Group on September 2020, finalized on 2020 CBROP in October 2020 and undertook all sectoral activities, meetings and engagement forums fully in the month of November and December 2020.

Pursuant to section 117 of the PFM Act 2012 the County Treasury is obliged to take into account views of among others, the public and interested persons/groups in

preparing the CFSP. The County in the process of preparing the CFSP 2021, organized public hearings on the County Sectoral budget proposals and recommendation for the 2021/2022-2023/2024 MTEF period. The Public participation took four days from 26th to 29th January, 2021 and due to COVID-19, all protocols issued by the Ministry of Health on social distancing, wearing of face masks and sanitizing were strictly enforced and ensured full adherence. The purpose of the hearings was to provide an avenue where members of the public interrogated the County Sectoral performance in the previous 2017/18-2019/20 MTEF period and gave their input for the next financial year's budget and MTEF period. All Sectors and Sub Sectors were well represented and were given an opportunity to make their presentation on their achievement for the previous years and also illustrate their plans for the next financial year. This gave the public a chance to evaluate its performance, give proposals for the next budget and also give recommendations on areas of improvement in all the Sectors.

The County also made its submissions based on the Draft 2021 BPS with regard to strategic priorities, policy goals and proposed County allocations for the financial year 2021/2022 with reference to their impact on County Government of Nakuru planning and formulation, coordination and management of budget.

V. CONCLUSION AND NEXT STEP

The CFSP 2021 has set policies that are aimed at striking a balance on current happenings and the emerging issues. The outlined fiscal policies are in line with the national strategic objectives outlined in the BPS and the CIDP 2018-2022. The policies and sector ceilings annexed will give guidance to the sectors/Departments and County entities during finalization of the budget estimates for FY 2021/2022-2023/2024.

The resources are limited therefore departments are advised to prioritise programmes/projects within the available resources and also aligned to the County Government's priorities. The departments to give priority to the on-going projects to ensure the projects are completed and operationalized.

Budget implementation plays a critical role in ensuring citizens gets the deserved services. In this regard the County will work together with other stakeholders, Civil society organizations, communities and development partners to ensure smooth implementation of the budget.

ANNEXURES

Annex I: County Government of Nakuru Operations FY 2021/2022 - 2023/2024

IFMIS CODE	REVENUE SOURCE	REVISED ESTIMATES	CFSP	PROJECTIONS		ANNUAL GROWTH	% GROWTH		
		2020/2021	2021/2022	2022/2023	2023/2024		2021/22	2022/23	2023/24
1520101	Property tax (Plot rent and Land rates	289,390,000	318,329,000	334,245,450	350,957,723	28,939,000	10.0%	5.0%	5.0%
1520201	Trade License	330,000,000	363,000,000	381,150,000	400,207,500	33,000,000	10.0%	5.0%	5.0%
1550101	Market Fees	87,220,000	95,942,000	100,739,100	105,776,055	8,722,000	10.0%	5.0%	5.0%
1590112	Building Approval	90,000,000	99,000,000	103,950,000	109,147,500	9,000,000	10.0%	5.0%	5.0%
1520325	Cess	50,000,000	55,000,000	57,750,000	60,637,500	5,000,000	10.0%	5.0%	5.0%
1530301	Royalties	184,460,000	202,906,000	213,051,300	223,703,865	18,446,000	10.0%	5.0%	5.0%
1580401	Stock/ Slaughter fees	25,000,000	27,500,000	28,875,000	30,318,750	2,500,000	10.0%	5.0%	5.0%
1560101	House Rent	50,000,000	55,000,000	57,750,000	60,637,500	5,000,000	10.0%	5.0%	5.0%
1590132	Advertising	100,000,000	110,000,000	115,500,000	121,275,000	10,000,000	10.0%	5.0%	5.0%
1550221	Parking fees	300,000,000	330,000,000	346,500,000	363,825,000	30,000,000	10.0%	5.0%	5.0%
1420223	Liquor Licensing	72,150,000	79,365,000	83,333,250	87,499,913	7,215,000	10.0%	5.0%	5.0%
1530331	County Park Fees	750,000	825,000	866,250	909,563	75,000	10.0%	5.0%	5.0%
1530331	Water And Sewerage		-	-	-	-			
1580111	Health fees and charges	100,350,000	110,385,000	115,904,250	121,699,463	10,035,000	10.0%	5.0%	5.0%
1540105	Other Fees and Charges	120,680,000	132,748,000	139,385,400	146,354,670	12,068,000	10.0%	5.0%	5.0%
	Sub Total Local Sources	1,800,000,000	1,980,000,000	2,079,000,000	2,182,950,000	180,000,000			
1580211	Facility Improvement Fund	1,400,000,000	1,400,000,000	1,442,000,000	1,485,260,000	-	0.0%	3.0%	3.0%
	SUB TOTAL (AIA & Local Sources)	3,200,000,000	3,380,000,000	3,521,000,000	3,668,210,000	180,000,000	5.6%	4.2%	4.2%
9910201	Balance in County Revenue Fund	5,629,941,240	74,343,117			(5,555,598,123)	-98.7%		
1580211	Balance in Facility Improvement Fund (FIF) Account	197,404,907				(197,404,907)			
1310101	Donor Grants (DANIDA)	29,790,000				(29,790,000)	-100.0%		
1310102	Loans and Grants CRA		819,285,259	901,213,785	991,335,163	819,285,259		0.0%	0.0%
1310101	Symbiocity Programme								
1330203	Kenya Devolution Support Program (KDSP) Level I	45,000,000		-	-	(45,000,000)	-100.0%	0.0%	0.0%
1330203	Kenya Devolution Support Program (KDSP) Level II			-	-	-	0.0%	0.0%	0.0%
1310102	World bank National Agricultural and Rural inclusive growth Projects (NARIGP)	198,441,600		-	-	(198,441,600)		0.0%	0.0%
1310102	Agricultural Sector Development Support Projects (ASDSP II)	14,171,667		-	-	(14,171,667)		0.0%	0.0%
1330104	Grant to Compensate Forgone User Fees	38,723,265	38,723,265	42,595,592	46,855,151	-	0.0%	0.0%	0.0%

IFMIS CODE	REVENUE SOURCE	REVISED ESTIMATES	CFSP	PROJECTIONS		ANNUAL GROWTH	% GROWTH		
		2020/2021	2021/2022	2022/2023	2023/2024		2021/22	2022/23	2023/24
1330302	Conditional Fund -Kenya Urban Support Project (KUSP) - Urban Development Grant			-	-	-		0.0%	0.0%
1330399	Conditional Fund -Kenya Urban Support Project (KUSP) - Urban Institutional Grant			-	-	-		0.0%	0.0%
1330104	Conditional Fund -Leasing of Medical Equipment	132,021,277	153,297,872	168,627,659	185,490,425	21,276,595	16.1%	0.0%	0.0%
1330104	Conditional Fund -Free Maternal Health			-	-	-			
1330102	Grant to Road Maintenance Fuel Levy Fund (RMFLF)	290,544,581	290,544,581	319,599,039	351,558,943	-	0.0%	10.0%	10.0%
1330104	Grant For Level 5 Hospital	373,872,832	373,872,832	411,260,115	452,386,127	-	0.0%	10.0%	10.0%
1310102	World Bank THS-UC Conditional allocation	40,080,000		-	-	(40,080,000)			
9910201	Grant for Rehabilitation of Youth Polytechnics	66,289,894	66,289,894	72,918,883	80,210,772				
9910201	Work Injury Claims Benefits	14,877,704		-	-	(14,877,704)	-100.0%		
9999999	C.R.A Equitable Share	10,476,150,000	12,256,685,751	13,482,354,326	14,830,589,759	1,780,535,751	17.0%	10.0%	10.0%
	SUB TOTAL	17,547,308,968	14,073,042,571	15,398,569,399	16,938,426,339	(3,474,266,397)	-19.8%		
	GRAND TOTAL	20,740,200,739	17,453,042,571	18,919,569,399	20,606,636,339	(3,287,158,168)	-15.8%		
	Allocation For Ward Projects								
	Total Development Budget	9,813,353,660	5,934,034,474	6,527,437,922	7,180,181,714	(3,879,319,186)	-39.5%	10.0%	10.0%
	<i>Less Development Conditional Grant</i>	1,519,339,019	1,935,922,573	2,129,514,830	2,342,466,313	416,583,554	27.4%	10.0%	10.0%
	<i>Debt Resolution</i>	180,000,000	445,714,470	490,285,917	539,314,509	265,714,470	147.6%	10.0%	10.0%
	<i>Ongoing Projects</i>	6,308,328,347		-	-	(6,308,328,347)	-100.0%	0.0%	0.0%
	<i>Nakuru & Naivasha Municipalities</i>		115,000,000	126,500,000	139,150,000	115,000,000	100.0%	10.0%	10.0%
	Equitable Allocation	1,805,686,294	3,437,397,431	3,781,137,174	4,159,250,892	1,631,711,137	90.4%	10.0%	10.0%
	<i>County Assembly HQ Development</i>	148,000,000	100,000,000	110,000,000	121,000,000	(48,000,000)	-32.4%	0.0%	0.0%
	<i>Flagship HQ development</i>	441,686,294	1,837,397,431	1,911,137,174	2,102,250,892	1,295,711,137	0.0%	0.0%	-
	45% of Equitable Allocation for Ward Projects	1,216,000,000	1,600,000,000	1,760,000,000	1,936,000,000	384,000,000	31.6%	10.0%	10.0%
	Expenditure:								
	Current Expenditure:								
	Compensation to Employees	7,032,693,623	6,905,464,152	7,526,955,926	8,204,381,959	(127,229,471)	-1.8%	0.0%	0.0%
	Use Of Goods And Services	3,382,080,066	4,226,738,073	4,607,144,500	5,021,787,505	844,658,008	25.0%	0.0%	0.0%
	Grants And Other Transfers	305,525,715	386,805,871	417,750,341	451,170,368	81,280,156		0.0%	0.0%
	Other Recurrent	213,655,904		-	-	(213,655,904)	0.0%	0.0%	0.0%
	Sub Total:	10,933,955,307	11,519,008,097	12,551,850,767	13,677,339,832	585,052,789	5.4%	0.0%	0.0%
	Capital Expenditure:								
	Acquisition Of Non-Financial Assets	5,565,726,803	1,952,397,431	2,320,839,827	2,801,493,314	(3,613,329,372)	-64.9%	0.0%	0.0%

IFMIS CODE	REVENUE SOURCE	REVISED ESTIMATES	CFSP	PROJECTIONS		ANNUAL GROWTH	% GROWTH		
		2020/2021	2021/2022	2022/2023	2023/2024		2021/22	2022/23	2023/24
	Capital Grants To Governmental Agencies	4,247,626,857	2,381,637,043	2,619,800,747	2,881,780,822	(1,865,989,814)	-43.9%	0.0%	0.0%
	Other Development	-	1,600,000,000	1,760,000,000	1,936,000,000	1,600,000,000	0.0%	0.0%	0.0%
	Sub Total:	9,813,353,660	5,934,034,474	6,700,640,574	7,619,274,136	(3,879,319,186)	-39.5%	0.0%	0.0%
	Grand Total:	20,747,308,968	17,453,042,571	19,252,491,341	21,296,613,969	(3,294,266,397)	-15.9%	0.0%	0.0%
	DEFICIT/ SURPLUS	-	0						
	PERCENT OF TOTAL BUDGET								
	Current Expenditure:	52.7%	66.0%	65.2%	64.2%				
	Capital Expenditure:	47.3%	34.0%	34.8%	35.8%				

Annex II: Trend in Growth of Equitable share of Revenue

Trend in Growth of Equitable share of Revenue FY2013/2014 (Base Year) to FY2021/2022

EXCHEQUER RECEIPTS TRENDS	ALLOCATION	GROWTH	% GROWTH
2013/2014 (Base Year)	5,936,875,619	5,936,875,619	100%
2014/2015	7,082,152,961	1,145,277,342	19%
2015/2016	8,116,330,943	1,034,177,982	15%
2016/2017	8,757,624,645	641,293,702	8%
2017/2018	9,271,400,000	513,775,355	6%
2018/2019	9,451,400,000	180,000,000	2%
2019/2020	10,476,150,000	1,024,750,000	11%
2020/2021	10,476,150,000	-	0%
2021/2022 (BPS 2021)	12,256,685,751	1,780,535,751	17%

Trend in Growth of Own Source Revenue FY2013/2014 (Base Year) to FY2021/2022

OWN SOURCE REVENUE TRENDS	LOCAL REVENUE ACTUAL	FIF ACTUAL	TOTAL	GROWTH	% GROWTH
2013/2014 (Base Year)	1,372,049,460	427,340,768	1,799,390,228		0%
2014/2015	1,600,420,288	500,576,752	2,100,997,040	301,606,812	17%
2015/2016	1,780,782,667	514,680,175	2,295,462,842	194,465,802	9%
2016/2017	1,555,180,152	405,703,607	1,960,883,759	(334,579,084)	-15%
2017/2018	1,682,970,850	597,551,764	2,280,522,614	319,638,855	16%
2018/2019	1,853,568,733	957,002,225	2,810,570,958	530,048,344	27%
2019/2020	1,354,763,813	1,085,902,884	2,440,666,697	(369,904,261)	-19%
2020/2021 (Target)	1,800,000,000	1,400,000,000	3,200,000,000	759,333,303	39%
2021/2022 (Target)	1,980,000,000	1,400,000,000	3,380,000,000	180,000,000	8%

Annex III: Total Expenditure Sector Ceilings for the Period 2021/2022 - 2023/24

	SECTOR	SUB SECTOR	APPROVED BUDGET FY 2020/2021	CFSP CEILINGS 2021/2022	PROJECTIONS	
					2022/2023	2023/2024
1	Agriculture Rural and Urban Development					
1.1		Agriculture, Livestock and Fisheries				
		Compensation to Employees	409,988,511	402,839,496	443,123,446	487,435,790
		Use of Goods & Maintenance	131,130,908	152,591,082	167,850,190	184,635,209
		Development Gross	469,395,549	213,803,118	235,183,429	258,701,772
		Sub Total	1,010,514,967	769,233,695	846,157,065	930,772,771
1.2		Lands, Physical Planning and Housing				
		Compensation to Employees	100,266,520	100,950,379	111,045,416	122,149,958
		Use of Goods & Maintenance	35,169,758	46,626,326	51,288,958	56,417,854
		Development Gross	1,162,844,530	113,837,748	125,221,523	137,743,675
		Sub Total	1,298,280,808	261,414,453	287,555,898	316,311,488
		SUB TOTAL (SECTOR)	2,308,795,775	1,030,648,148	1,133,712,963	1,247,084,259
2		Education				
2.1			Education			
	Compensation to Employees		279,814,072	289,821,692	318,803,861	350,684,247
	Use of Goods & Maintenance		99,437,886	181,959,955	200,155,950	220,171,545
	Development Gross		366,477,896	39,653,690	43,619,059	47,980,965
	Sub Total		745,729,854	511,435,337	562,578,871	618,836,758
2.2	Vocational Training					
	Compensation to Employees				-	-
	Use of Goods & Maintenance		86,911,808	118,705,048	130,575,553	143,633,108
	Development Gross		322,804,056	105,943,584	116,537,943	128,191,737
	Sub Total		409,715,864	224,648,633	247,113,496	271,824,845
	SUB TOTAL (SECTOR)		1,155,445,718	736,083,970	809,692,367	890,661,603
3	Social Protection, Culture and Recreation					
3.1			Youth, Sports, Culture and Social Services.			
		Compensation to Employees	125,826,266	114,726,683	126,199,352	138,819,287
		Use of Goods & Maintenance	115,398,776	145,215,021	159,736,523	175,710,176

	SECTOR	SUB SECTOR	APPROVED BUDGET FY 2020/2021	CFSP CEILINGS 2021/2022	PROJECTIONS	
					2022/2023	2023/2024
		Development Gross	167,054,597	114,640,737	126,104,811	138,715,292
		Sub Total	408,279,638	374,582,442	412,040,686	453,244,755
	SUB TOTAL (SECTOR)		408,279,638	374,582,442	412,040,686	453,244,755
4	Energy, Infrastructure and ICT					
4.1	Infrastructure					
		Compensation to Employees	148,057,021	157,694,761	173,464,237	190,810,661
		Use of Goods & Maintenance	216,980,499	196,234,076	215,857,484	237,443,232
		Development Gross	2,240,633,129	523,366,901	575,703,591	633,273,950
		Sub Total	2,605,670,649	877,295,738	965,025,311	1,061,527,843
4.2	ICT and E-Government					
		Compensation to Employees			-	-
		Use of Goods & Maintenance	38,568,500	37,409,100	41,150,009	45,265,010
		Development Gross	31,459,285	31,103,796	34,214,176	37,635,594
		Sub Total	70,027,785	68,512,896	75,364,186	82,900,604
	SUB TOTAL (SECTOR)		2,675,698,434	945,808,634	1,040,389,497	1,144,428,447
5	Environment Protection, Water and Natural Resources					
5.1	Water, Environment, Energy and Natural Resources					
		Compensation to Employees	233,101,636	248,882,344	273,770,579	301,147,637
		Use of Goods & Maintenance	46,357,014	77,376,564	85,114,220	93,625,642
		Development Gross	1,125,325,501	150,398,633	165,438,497	181,982,346
		Sub Total	1,404,784,151	476,657,542	524,323,296	576,755,625
	SUB TOTAL (SECTOR)		1,404,784,151	476,657,542	524,323,296	576,755,625
6	General Economics and Commercial Affairs					
6.1	Trade, Industry, Marketing and Tourism					
		Compensation to Employees	69,465,834	89,349,693	98,284,662	108,113,129
		Use of Goods & Maintenance	67,812,165	138,823,447	152,705,792	167,976,371
		Development Gross	225,590,748	118,525,132	130,377,645	143,415,410
		Sub Total	362,868,747	346,698,272	381,368,099	419,504,909
	SUB TOTAL (SECTOR)		362,868,747	346,698,272	381,368,099	419,504,909

	SECTOR	SUB SECTOR	APPROVED BUDGET FY 2020/2021	CFSP CEILINGS 2021/2022	PROJECTIONS	
					2022/2023	2023/2024
7	Health					
7.1		Health Services				
		Compensation to Employees	3,954,645,387	4,270,433,349	4,697,476,684	5,167,224,352
		Use of Goods & Maintenance	1,324,200,393	1,633,236,436	1,796,560,080	1,976,216,088
		Development Gross	1,544,032,440	796,257,301	875,883,031	963,471,334
		Sub Total	6,822,878,221	6,699,927,086	7,369,919,794	8,106,911,774
		SUB TOTAL (SECTOR)	6,822,878,221	6,699,927,086	7,369,919,794	8,106,911,774
8	Public Administration and National/Inter County Relations					
8.1		Office of the Governor and Deputy Governor				
		Compensation to Employees	94,514,968	103,077,564	113,385,320	124,723,852
		Use of Goods & Maintenance	220,390,824	233,139,554	256,453,509	282,098,860
		Development Gross	98,954,766	160,511,000	176,562,100	194,218,310
		Sub Total	413,860,558	496,728,117	546,400,929	601,041,022
8.2		County Treasury				
		Compensation to Employees	496,164,176	554,708,280	610,179,108	671,197,018
		Use of Goods & Maintenance	379,990,138	365,857,610	402,443,371	442,687,708
		Development Gross	667,050,485	3,272,251,964	3,599,477,160	3,959,424,876
		Sub Total	1,543,204,800	4,192,817,853	4,612,099,639	5,073,309,603
8.3		Public Service, Training and Devolution				
		Compensation to Employees	519,706,712	516,477,230	568,124,953	624,937,448
		Use of Goods & Maintenance	185,496,696	184,297,056	202,726,762	222,999,438
		Development Gross	51,888,289	70,863,725	77,950,098	85,745,108
		Sub Total	757,091,697	771,638,011	848,801,812	933,681,994
8.4		County Public Service Board				
		Compensation to Employees	33,661,028	32,994,117	36,293,529	39,922,882
		Use of Goods & Maintenance	34,483,762	37,500,000	41,250,000	45,375,000
		Development Gross	1,810,000	7,877,144	8,664,859	9,531,345
	Sub Total	69,954,790	78,371,262	86,208,388	94,829,227	

	SECTOR	SUB SECTOR	APPROVED BUDGET FY 2020/2021	CFSP CEILINGS 2021/2022	PROJECTIONS	
					2022/2023	2023/2024
8.5		County Assembly				
		Compensation to Employees	458,466,236	-	-	-
		Use of Goods & Maintenance	524,753,000	1,000,000,000	1,100,000,000	1,210,000,000
		Development Gross	271,189,290	100,000,000	110,000,000	121,000,000
		Sub Total	1,254,408,526	1,100,000,000	1,210,000,000	1,331,000,000
8.6		Nakuru Municipality				
		Compensation to Employees	2,319,802	15,075,204	16,582,725	18,240,997
		Use of Goods & Maintenance	25,090,888	34,340,145	37,774,160	41,551,575
		Development Gross	529,825,868	65,000,000	71,500,000	78,650,000
		Sub Total	557,236,558	114,415,349	125,856,884	138,442,573
8.7		Naivasha Municipality				
		Compensation to Employees	2,319,802	8,433,360	9,276,696	10,204,366
		Use of Goods & Maintenance	21,557,704	30,232,526	33,255,778	36,581,356
		Development Gross	246,096,145	50,000,000	55,000,000	60,500,000
		Sub Total	269,973,651	88,665,886	97,532,474	107,285,722
	SUB TOTAL (SECTOR)		4,865,730,580	6,842,636,479	7,526,900,127	8,279,590,139
	TOTAL	Total Compensation to Employees	6,928,317,971	6,905,464,152	7,596,010,567	8,355,611,624
		Total Operations & Maintenance	3,553,730,719	4,613,543,945	5,074,898,339	5,582,388,173
		Total Development Gross	9,522,432,574	5,934,034,474	6,527,437,922	7,180,181,714
	GRAND TOTAL		20,004,481,264	17,453,042,571	19,198,346,828	21,118,181,511

Annex IV: Total Recurrent Expenditure Ceilings for the Period 2021/2022 - 2023/2024

VOTE	SOURCE OF FUNDING	APPROVED ESTIMATES 2020/2021	CFSP CEILINGS 2021/2022	PROJECTIONS	
				2022/2023	2023/2024
Office of the Governor and Deputy Governor	Gross Allocation	314,905,792	336,217,117	369,838,829	406,822,712
	Local Revenue	47,235,869	100,865,135	110,951,649	122,046,814
	CRA Equitable Share	267,669,923	235,351,982	258,887,180	284,775,899
County Treasury	Gross Allocation	876,154,314	920,565,890	1,012,622,479	1,113,884,726
	Local Revenue	124,673,147	276,169,767	303,786,744	334,165,418
	Conditional Grant	45,000,000	-	-	-
	CRA Equitable Share	706,481,167	644,396,123	708,835,735	779,719,309
County Public Service Board	Gross Allocation	68,144,790	70,494,117	77,543,529	85,297,882
	Local Revenue	10,221,719	21,148,235	23,263,059	25,589,365
	CRA Equitable Share	57,923,072	49,345,882	54,280,470	59,708,517
Public Service, Training and Devolution	Gross Allocation	705,203,408	700,774,286	770,851,714	847,936,886
	Local Revenue	105,780,511	210,232,286	231,255,514	254,381,066
	CRA Equitable Share	599,422,897	490,542,000	539,596,200	593,555,820
Health Services	Gross Allocation	5,278,845,780	5,903,669,785	6,494,036,764	7,143,440,440
	Local Revenue	577,855,459	1,386,970,661	1,525,667,727	1,678,234,500
	AIA	1,129,483,399	980,000,000	1,078,000,000	1,185,800,000
	Conditional Grant	296,992,657	300,434,247	330,477,672	363,525,439
	CRA Equitable Share	3,274,514,265	3,236,264,876	3,559,891,364	3,915,880,501
Trade, Industry, Marketing and Tourism	Gross Allocation	137,277,999	228,173,140	250,990,454	276,089,500
	Local Revenue	20,591,700	53,451,942	58,797,136	64,676,850
	Fund Allocation		50,000,000	55,000,000	60,500,000
	CRA Equitable Share	116,686,299	124,721,198	137,193,318	150,912,650
Infrastructure	Gross Allocation	365,037,520	353,928,837	389,321,721	428,253,893
	Local Revenue	54,755,628	106,178,651	116,796,516	128,476,168
	CRA Equitable Share	310,281,892	247,750,186	272,525,204	299,777,725
Education, Vocational Training, ICT and E-Government	Gross Allocation	504,732,266	627,895,794	690,685,374	759,753,911
	Local Revenue	54,213,659	132,481,770	145,729,947	160,302,942
	Bursary & Counterpart Funding	143,307,875	186,289,894	204,918,883	225,410,772
	CRA Equitable Share	307,210,732	309,124,130	340,036,543	374,040,198

VOTE	SOURCE OF FUNDING	APPROVED ESTIMATES 2020/2021	CFSP CEILINGS 2021/2022	PROJECTIONS	
				2022/2023	2023/2024
Agriculture, Livestock and Fisheries	Gross Allocation	541,119,419	555,430,578	610,973,635	672,070,999
	Local Revenue	81,167,913	166,629,173	183,292,091	201,621,300
	CRA Equitable Share	459,951,506	388,801,404	427,681,545	470,449,699
Lands, Physical Planning and Housing	Gross Allocation	135,436,278	147,576,704	162,334,375	178,567,812
	Local Revenue	20,315,442	44,273,011	48,700,312	53,570,344
	CRA Equitable Share	115,120,836	103,303,693	113,634,062	124,997,469
Youth, Culture, Sports and Social Services.	Gross Allocation	241,225,042	259,941,705	285,935,875	314,529,463
	Local Revenue	36,183,756	77,982,511	85,780,763	94,358,839
	CRA Equitable Share	205,041,285	181,959,193	200,155,113	220,170,624
Water, Environment, Energy and Natural Resources	Gross Allocation	279,458,650	326,258,908	358,884,799	394,773,279
	Local Revenue	41,918,798	97,877,672	107,665,440	118,431,984
	CRA Equitable Share	237,539,853	228,381,236	251,219,359	276,341,295
County Assembly	Gross Allocation	983,219,236	1,000,000,000	1,100,000,000	1,210,000,000
	Local Revenue	147,482,885	300,000,000	330,000,000	363,000,000
	CRA Equitable Share	835,736,351	700,000,000	770,000,000	847,000,000
Nakuru Municipality	Gross Allocation	27,410,690	49,415,349	54,356,884	59,792,573
	Local Revenue	2,613,000	14,824,605	16,307,065	17,937,772
	Conditional Grant	9,990,690	-	-	-
	CRA Equitable Share	14,807,000	34,590,745	38,049,819	41,854,801
Naivasha Municipality	Gross Allocation	23,877,506	38,665,886	42,532,474	46,785,722
	Local Revenue	1,922,970	11,599,766	12,759,742	14,035,716
	Conditional Grant	11,057,704	-	-	-
	CRA Equitable Share	10,896,832	27,066,120	29,772,732	32,750,005
SUB TOTAL		10,482,048,690	11,519,008,097	12,670,908,907	13,937,999,797

Annex V: Total Development Expenditure Ceilings for the Period 2021/2022 - 2023/2024

VOTE	SOURCE OF FUNDING	APPROVED ESTIMATES 2020/2021	CFSP CEILINGS 2021/2022	PROJECTIONS	
				2022/2023	2023/2024
Office of the Governor and Deputy Governor	Gross Allocation	98,954,766	160,511,000	176,562,100	194,218,310
	Local Revenue	14,843,215	48,153,300	52,968,630	58,265,493
	CRA Equitable Share	84,111,551	112,357,700	123,593,470	135,952,817
County Treasury	Gross Allocation	667,050,485	3,272,251,964	3,599,477,160	3,959,424,876
	Local Revenue	73,057,573	122,175,670	134,393,237	147,832,561
	Debt Resolution	180,000,000	200,000,000	220,000,000	242,000,000
	KRA & Retention Pending Bill		245,714,470	270,285,917	297,314,509
	Loans and Grants		819,285,259	901,213,785	991,335,163
	Ward Allocation		1,600,000,000	1,760,000,000	1,936,000,000
	CRA Equitable Share	413,992,913	285,076,564	313,584,221	344,942,643
County Public Service Board	Gross Allocation	1,810,000	7,877,144	8,664,859	9,531,345
	Local Revenue	271,500	2,363,143	2,599,458	2,859,403
	CRA Equitable Share	1,538,500	5,514,001	6,065,401	6,671,941
Public Service, Training and Devolution	Gross Allocation	51,888,289	70,863,725	77,950,098	85,745,108
	Local Revenue	7,783,243	21,259,118	23,385,029	25,723,532
	CRA Equitable Share	44,105,046	49,604,608	54,565,069	60,021,575
Health	Gross Allocation	1,544,032,440	796,257,301	875,883,031	963,471,334
	Local Revenue	52,064,745	33,239,274	36,563,201	40,219,521
	AIA	553,537,401	420,000,000	462,000,000	508,200,000
	Conditional Grant	643,396,737	265,459,722	292,005,694	321,206,263
	CRA Equitable Share	295,033,557	77,558,305	85,314,136	93,845,549
Trade, Industry, Marketing and Tourism	Gross Allocation	225,590,748	118,525,132	130,377,645	143,415,410
	Local Revenue	33,838,612	35,557,540	39,113,294	43,024,623
	CRA Equitable Share	191,752,136	82,967,592	91,264,352	100,390,787
Infrastructure	Gross Allocation	2,240,633,129	523,366,901	575,703,591	633,273,950
	Local Revenue	233,431,536	47,543,761	52,298,137	57,527,951
	Conditional Grant	684,422,889	364,887,698	401,376,468	441,514,115
	CRA Equitable Share	1,322,778,704	110,935,442	122,028,986	134,231,885
Education, Vocational Training, ICT and E-Government	Gross Allocation	720,741,237	176,701,071	194,371,178	213,808,296
	Local Revenue	96,838,367	33,123,353	36,435,688	40,079,257
	Conditional Grant	75,152,126	66,289,894	72,918,883	80,210,772
	CRA Equitable Share	548,750,744	77,287,824	85,016,606	93,518,267

VOTE	SOURCE OF FUNDING	APPROVED ESTIMATES 2020/2021	CFSP CEILINGS 2021/2022	PROJECTIONS	
				2022/2023	2023/2024
Agriculture, Livestock and Fisheries	Gross Allocation	469,395,549	213,803,118	235,183,429	258,701,772
	Local Revenue	38,517,342	64,140,935	70,555,029	77,610,532
	Conditional Grant	212,613,267	-	-	-
	CRA Equitable Share	218,264,939	149,662,182	164,628,400	181,091,241
Lands, Physical Planning and Housing	Gross Allocation	1,162,844,530	113,837,748	125,221,523	137,743,675
	Local Revenue	48,287,880	34,151,324	37,566,457	41,323,103
	Conditional Grant	840,925,332	-	-	-
	CRA Equitable Share	273,631,319	79,686,424	87,655,066	96,420,573
Youth, Culture, Sports and Social Services.	Gross Allocation	167,054,597	114,640,737	126,104,811	138,715,292
	Local Revenue	25,058,190	34,392,221	37,831,443	41,614,588
	CRA Equitable Share	141,996,407	80,248,516	88,273,368	97,100,704
Water, Environment, Energy and Natural Resources	Gross Allocation	1,125,325,501	150,398,633	165,438,497	181,982,346
	Local Revenue	168,798,825	45,119,590	49,631,549	54,594,704
	CRA Equitable Share	956,526,676	105,279,043	115,806,948	127,387,642
County Assembly	Gross Allocation	271,189,290	100,000,000	110,000,000	121,000,000
	Local Revenue	40,678,393	30,000,000	33,000,000	36,300,000
	CRA Equitable Share	230,510,896	70,000,000	77,000,000	84,700,000
Nakuru Municipality	Gross Allocation	529,825,868	65,000,000	71,500,000	78,650,000
	Local Revenue	-	19,500,000	21,450,000	23,595,000
	Conditional Grant	529,825,868	-	-	-
	CRA Equitable Share	-	45,500,000	50,050,000	55,055,000
Naivasha Municipality	Gross Allocation	246,096,145	50,000,000	55,000,000	60,500,000
	Local Revenue	-	15,000,000	16,500,000	18,150,000
	Conditional Grant	246,096,145	-	-	-
	CRA Equitable Share	-	35,000,000	38,500,000	42,350,000
SUB TOTAL		9,522,432,574	5,934,034,474	6,527,437,922	7,180,181,714

ANNEX VI: ADHERENCE TO FISCAL RESPONSIBILITY PRINCIPLES

In line with Article 201 of the Constitution of Kenya 2010, Section 107 of the Public Finance Management Act (PFMA), 2012 the County Government has adhered to the fiscal responsibility as envisaged in the aforementioned statutes.

1) The County Government's recurrent expenditure shall not exceed the County Government's total revenue

The County Government has always implemented a balanced budget and ensures that a maximum of 70 percent is allocated towards recurrent expenditure. Recurrent expenditures as per the Approved Estimates for the MTEF Period FY2018/19 – FY2020/2021 excluding fiscal balance have been 64.8%, 65% and 70% of the total budget respectively. For the FY2021/2022, the recurrent expenditure is projected at 66% of the total expenditure.

2) Over the medium term, a minimum of 30% of the County budget shall be allocated to development expenditure

The County Government of Nakuru has over time continued to adhere to the stipulated allocation requirement of a minimum of 30 percent to its development budget. In the medium term FY2018/2019-FY2020/2021, the County's allocation for development expenditure stood at 35.2%, 35%, 47.3% respectively excluding balances carried forward. The development expenditure for the next MTEF period FY2021/2022 – 2023/2024 will reach Ksh 5.9 billion, Ksh. 6.6 billion and Ksh. 7.6 billion respectively which translates to 34%, 34.8 and 35.7% of the total expenditure.

3) 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.

Section 25(1) (b) of the PFM (County Governments) Regulations, 2015 requires that County Governments' wage bill shall not exceed 35 percent of their total

revenue. The wage bill in the FY 2021/22 is estimated at 39.6% of the county budget which is still higher than the prescribed 35%.

The high percentage rate is however occasioned by other factors including SRC salary harmonization, implementation of pension scheme after passing of the County Governments' Retirement Scheme Act (2019), worker's collective bargaining agreements.

4) 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.

Nakuru County Government has continued to ensure that it maintains a rationalized and balanced budget. Deliberate efforts exercised by the County enabled the clearance of any existing loans and as a result, the County is also working towards sorting the remainder of existing pending bills.

The County is committed to comply to this principle through ensuring that borrowings; if any will be informed by the County Debt Management Strategy Paper and all borrowing shall be used to finance development expenditure.

5) Public debt and obligations shall be maintained at a sustainable level as Approved by County Government (CG)

Pursuant to Section 107(2) and 107 (4) of the PFM Act, County debt ought to be maintained at sustainable levels and does not exceed a percentage of its annual revenue in respect of each financial year by resolution of the County Assembly.

In its commitment towards reducing pending bills, the County has constituted and gazetted a Pending Bills Committee as directed by Controller of Budget which will continuously analyze pending bills and provide report on the same regularly. This measure in addition to prudent financial management and improved credibility of the budget associated with realistic revenue estimates is expected to ensure that the County continues to maintain a balanced budget ensuring realistic

revenue estimates which equals total expenditure with the aim of limiting the level of pending bills. Focus will also be on ensuring the reduction of current debt through servicing of pending bills.

6) Fiscal risks shall be managed prudently

The County Government has improved its macroeconomic forecasts and regularly reviews the impact of macroeconomic projections and its implications to the budget. The County Government will continue to put measures in place to enhance revenue collection, majorly through automation and widening of revenue bases. Expenditure rationalization will also be continuously pursued.

7) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future

The County Government coordinates the collection of its local revenue to provide for revenue raising measures relating to County taxes, licenses, fees and charges through the preparation of the annual Finance Act. The County's realistic own source revenue targets have generally registered improvements in the County's revenue performance over the medium term.

The County Government will come up with economic recovery strategies aimed at supporting businesses across the County recover from the effects of COVID-19 pandemic. These efforts will be aimed at business regeneration, profitability and in turn payment of requisite taxes and fees.

Operationalization of the recently acquired revenue system and legislative reviews of the current revenue related laws through the Finance Act are reforms the County will also adopt with the aim of strengthening local revenue performance.

ANNEX VII: STATEMENT OF SPECIFIC FISCAL RISKS

This section provides an assessment of fiscal risks that the County is exposed to that may affect the achievement of the macroeconomic targets and objectives detailed in this fiscal strategy paper. The fiscal risks arise from assumptions that underlie fiscal projections the growing wage bill, pending bills, magnitude of development projects, the pension scheme for staff among others.

- I. Roll over of projects continue to expose the County to various risks including; completion, political and reputational risk due to increased magnitude of projects to be implemented in a subsequent year. This also increases the possibility of redundancy and obsolescence as a result of projects losing relevance due to prolonged period to completion.
- II. Decline in funding under loans and grant i.e. KUSP, will adversely impact on the operationalization of newly constituted urban entities of Nakuru and Naivasha Municipalities.
- III. The continuous growth in share of compensation to employees poses the greatest fiscal risk yet to the County budget outlook in the next MTEF period. The County has overtime exceeded the fiscal responsibility of 35% in its expenditure on wages and benefits for public officers. This is likely to further be exacerbated by the growing needs among County Departments to recruit key technical staffs as well as operationalization of the Naivasha and Nakuru Municipal Boards which might also require additional staffing.
- IV. At the County level, BBI and proposed Referendum Campaigns are likely to slow down County operations particularly performance of Own source revenues, in the medium term. The transitional period will also pose a high staff turnover, leading to disruption of service delivery.
- V. The reclassification of a substantial amount of ineligible pending bills as eligible will pose an operational risk associated with delayed disbursement tied to their settlement.

**Annex VIII: Sector Composition and Sector Working Groups for MTEF Budget
2021/2022-2023/2024**

CLASSIFICATION OF FUNCTIONS OF GOVERNMENT (COFOG)	SECTOR	SECTOR COMPOSITION(S)
General Public Services	Public Administration and National/Inter County Relations	Office of The Governor and Deputy Governor
		County Public Service Board
		Finance and Economic Planning
		Public Service, Training and Devolution
		Nakuru Municipality
		Naivasha Municipality
	County Assembly	
Recreation, Culture and Social Protection	Social Protection, Culture and Receptions	Dept. Of Culture, Dept. Of Sports Dept. Of Social Services
Education	Education	Dept. Of Education Dept. of Vocational Training
Economic Affairs	Agriculture Rural and Urban Development	Agriculture, Livestock and Fisheries
		Land, Physical Planning and Housing
	General Economics and Commercial Affairs	Trade, Tourism And Cooperatives
	Energy, Infrastructure and ICT	Infrastructure ICT And E-Government
Environment Protection	Environment Protection Water and Natural Resources	Water, Environment, Energy and Natural Resources
Health	Health	County Health Services
Macro Working Group	Macro Working Group	Department of Finance and Economic Planning

Annex IX: CFSP 2021 Public Hearings Highlights

SECTOR	ISSUES RAISED	FEEDBACK
Environment Protection, Water and Natural Resources	Enhancement civic education	Citizens to be sensitized through public participation.
	Technical officers to guide on projects that require technical expertise	Few technical staff but the department endeavor to recruit more staff
	Noise pollution within the CBD	Need to engage law enforcers to control noise pollution along the CBD
	Projects completion taking long	For projects that required electricity KPLC derailed in power connection this made impossible for project to be completed in time
	Tussle on land ownership by the national government	Authorization was required from the national government for county projects to commence.
	Disagreement among the beneficiaries on water projects	Members of the public urged to support the projects
	Climate change- water submerging in lake Nakuru	Steps have been done to create climate change bill to facilitate climate change financing
Health	Waivers for medical bills	After evaluation by the waiver committee, those who were not able to afford to pay medical bills and needy were to be considered,
	Long waiting period for approvals for wavers on unpaid bills.	Funding for health services is not manageable only by County and National Governments, the public has to chip in by ensuring they contribute on national health insurance
	Increase of teenage pregnancy	There was need to by the department to work closely with education sector to ensure girls reach mature, creates programs on teenage pregnancy to be incorporated to be taught in schools
	Increase in family planning budget	Family planning budget done by the donors hence they controlled the budget, however they will work hand in hand to ensure more funds be allocated.
	Establishment of youth friendly facilities	The facility for youth around mortuary be moved and a five story building be constructed

SECTOR	ISSUES RAISED	FEEDBACK
	How KEMSA scandal affected county health services	There is no linkage between KEMSA and county health services
	Construction of more health facilities	More health facilities constructed in the county within the recommended radius of 5km and there is need to improve the existing facilities.
	Low absorption rate on budgetary allocation	This is due to delayed fund disbursement
	Increase in number of mentally ill street persons and measure to handle them.	The County is aware of the increasing number of street children and mentally ill persons and has put in place a policy to handle the increasing cases. According to policy, mentally ill person are supposed to be taken to hospital/rehabilitation by their relatives to avoid unnecessary controversies
Agriculture, Rural and Urban Development	Poultry rearing	The last financial year the department distributed chicks to farmers which promoted poultry value chain
		There is need to buy more medicines for preventing poultry diseases.
	Conflict on land use by the youth	Elders still holding land thus limiting youth employment opportunities
		Government to provide subsidies
		Provision of linkages to association that wants to work with the groups of the youth.
		Setting up greenhouses.
	Fish farming in Kuresoi.	The under-utilized fish machines in Naivasha and Bahati to be used in Kuresoi to increase fish production.
	Progress report on agricultural equipment distributed such incubators across the county.	The department conducted regular monitoring on the equipment given to farmers.
Use of technology	Capacity building on use of technology to be carried out to the farmers	
Reduction on stocking by fish production	Due to COVID -19 the stocking reduced; harvesting was 3000 metric tons to 2500 metric tons	

SECTOR	ISSUES RAISED	FEEDBACK	
	Recruitment of staff.	The various positions that had been advertised were in shortlisting stage waiting for interviews	
	Distributions of seeds and fertilizers	There will be subsidies in the coming years for those who cannot be able to do farming	
	Need for extension services for urban farming	Urban farming officers will sensitize the public on the need to engage in urban farming activities	
	Engage National Land Commission to procure land for public utility		Land purchase a great challenge the public didn't respond to adverts as some not suitable for the intended purpose.
			Signed contract and paying of legal fees has made it difficult for the department to purchase land
			Purchase of land done at ward level
	Recruitment of more staff	There was ongoing recruitment for 3 physical planners and more will be required to improve in urban planning,	
	Projects clash between Nakuru Municipality Board and Naivasha Municipality Board	There was need to engage the two board to avoid clashes on projects carried out by the department.	
	Land sub division	Land sub division was to be done formally to enable other services such as drainage and access to roads	
	Clarity on digital title deed	Digitization of land titles was a national government program and was a process that was to be enrolled throughout the country.	
Acquisition of land for new stadium	The department will work together with the department of sports so as to have the way forward		
General Economics and Commercial Affairs	Location of rehabilitation centres	Rehabilitation centre is the sectors proposals, not yet established	
	Inefficiency of liquor Committee	Officers collecting liquor money illegally or in a wrong way will be followed up	
	More funding to the sector for cooperative training	It will be put under consideration in the budget and do follow up after registration	
	Farmers still not benefiting from 50kg potato packaging	Crop inspector expected to enforce the new law from Agriculture department	

SECTOR	ISSUES RAISED	FEEDBACK
	Fair allocation of market stalls and kiosk	The department shall streamline stall and kiosk allocation
	Establish big markets with the radius of 5KM like health centres recommendations	Through public participation allocate enough money for everything including washrooms, fencing, shades etc to ensure constructions of big markets,
	Links with business associations	The sector endeavor to engage all stakeholders from all business sector.
Social Protection, Culture and Recreation	The department has Low rate of absorption for it budgetary allocation	Going forward absorption rate will increase. Measures will be put in place.
	County unpreparedness on youth and unemployment	Youth issues are cross cutting and there is need to engage all department on internship and attachment.
		Youth empowerment policy developed and to be implemented do address issues related to allocation of funds
	Establishment of Gender Based Violence	10 million had been allocated for the establishment of GBV centres
	(GBV) Recovery centre	The gender recovery centre in Naivasha almost complete
		Need to have hall to deal with gender issue in London ward.
	Disability Fund	The fund to facilitated PWDs attend public participation
		Need to develop a database for PWDs to ensure transparency and accountability
		Need to have interpreter for the deaf and sports kits was to be addressed
		All PWDs to be supported whenever they had sports as well as need to purchase a bus for PWDs
Memorandum of Understanding on Culture policy between national museum of Kenya and county government of Nakuru	Mapping of museums and culture is ongoing	
	The cultural centre at Kihingo phase I over and phase II was the construction of traditional village moved from hyrax to Kihingo	

SECTOR	ISSUES RAISED	FEEDBACK
	Recreation facility in county	Need to engage public private partnership establishment of recreation facility which will promote arts and culture within the county.
	Gender policy	Gender policy at 95% and soon to be launched upon completion.
Education	Appropriate toilets and furniture in ECDEs for the special needs children, Tablets for the visually impaired and brail centres that are to be established in the financial year.	Special schools have been built and the recommendation will be put into consideration while equipping of the schools
	Free feeding program	The programme has no budget allocation currently
	Branding of uniforms for vocational students	The uniforms vary with various courses offered in the vocational centres
Energy, Infrastructure and ICT	Borrowing from Baringo County while redesigning the County website	The subsector will put the recommendation into consideration while redesigning the County website
	There is no digital centre in Olenguruone- Kuresoi south	There is a digital centre in Olenguruone. It was the first place to set up a digital centre
	Challenges facing the Revenue system	There are some few challenges in the revenue system but the department is working on it.
	Improvement of the pedestrian crossing	The subsector will collaborate with other road agencies and make sure they are improved
	Vandalism of streetlights- Enforcement team be assigned to assist in the issue	The subsector is working on mechanism to help it solve the issue of vandalism of streetlights. It will also look into involvement of the enforcement
	Hiring of Engineers	The next financial year the department is planning to recruit more engineers
	Delayed BQs development for projects	The issue will be addressed and appropriate action will be taken
	The subsector needs to prioritize is funding so as to achieve the set targets	The department will realign its budget to match with its priorities
	The department needs to prioritize capital intensive projects	

SECTOR	ISSUES RAISED	FEEDBACK
	Road works in Kuresoi South haven't been initiated especially in Olenguruone	The department will look into issue of the Kuresoi south roads
	Encroachment of road reserves	Road Reserves will be used for the intended purpose and actions will be taken on those encroaching w
Public Administration and International/ National Relations	Civic Education to be conducted for the various bills passed by the assembly for the public	Empowering of ward administrators and sub-county administrators to help in civic education and to improve on mobility
	Increase Resource allocation to the civic education and public participation.	
	Why there are no enforcement officers from the PWDs community	The subsector will work together with the PSB to ensure PWDs are also involved in the recruitment process
	Decency of the enforcement officers at the markets, stages and others areas of posting	The public is required to report any indecent enforcement officers and disciplinary actions will taken
	Criteria for selection of PWDs inclusivity	PWDs are always encouraged to apply and attach registration card with application documents
		5% of the PWDs do register first and apply for the various job opportunities
	What actions are being taken to the issue of understaffing in the various department	The Department works in committees thus means each committee has its responsibility.
		The department also tries to work on the various departmental requests
	Criteria for deployment of staff	Deployment is the work at the departments
	Employment of children attached to the streets for casual jobs	The board will look for a mechanism on how to incorporate them while doing recruiting
Is there a ceiling for the office of the governor	There is a ceiling set by the CRA for recurrent expenditure	
Construction of an office for the first lady	The department will put the request under consideration	

SECTOR	ISSUES RAISED	FEEDBACK
	Increase of allocation for the distribution of the sanitary pads so as to reach all the 55 wards	The department will also put into consideration the recommendation while preparing the next budget
	Why the governor doesn't give a status report of projects?	The governor always gives a status report each year as expected
	Mentorship Programmes	There is a director of special programmes who is in charge of internship and mentorship programmes
	Duplication of work with other sectors	The Sector links with other sectors, however activities will be streamlined to avoid duplication.
	Nakuru Municipality manager be given enforcement and vehicle for mobility	Nakuru Municipality mobility plan is underway.
	Cultural festivals haven't been done since	Cultural festivals will be done annually, including marathons in consultations with stakeholders.
	NAWASCO be under Nakuru municipal board	The board is advocating for one member to represent the board in NAWASCO board
	How much is charged for land rates in Kaptembwo	Land rates in a Finance issue and the Finance department is in charge.
	The Municipality to establish rehabilitation centre to help drug addicts.	The board will consider having a rehabilitation centre for the Municipality.
	Independence of the Municipality	The Municipal boards are independent
	Do Naivasha municipal have fire engines	The board does not have fire engines but plan to have one in future but currently do depend on the one for the entire county.
	Recovery of lost assets and liabilities	The board identify and map out its assets and liabilities.
	Benefits of dry port in Naivasha	The Municipality will greatly benefit including job and investments opportunities creation to the residence.
	Need for proper enactment and implementation of finance bill	The County always undertake public participation on finance bill and once passed into law , will always ensure proper implementation
	Leakages/loopholes in revenue collection	New revenue system is in place and will seal all the loopholes and in addition no cash payments.

SECTOR	ISSUES RAISED	FEEDBACK
	Overall budget absorption rate for the County	The overall budget absorption for the county was at 66%.
	PWD,s affairs including recruitment, suitable equipment for children in schools , waiver , interpreters in offices and securing of tenders.	There is disability fund that takes care of PWD's issues, there is a waiver currently, and PWD's must have registration card numbers to benefit and must not misuse the offer.
	CBEF engagement in all sectors	CBEF will sit down with County to identify the best working mechanism
	Collection of market fees be automated	The County Treasury, will address the issue and urge the public to report on any corruption incident
	Procurement be faster, departments are complaining	The County treasury will investigate procurement problems and addressed them.
	PWD,S representations	The County Assembly of Nakuru recognizes PWD's and will always advocate for full representations.
	Difficulty in access to county assembly offices	The County Assembly of Nakuru offices is open to the general public at normal working hours
	Projects Implementation	County Assembly is an oversight entity and not implementing agency
	Upgrade of Facebook live covering of proceedings and bills upload in the website	The Sub Sector will look at it and consider the improvements where possible.
	Technical experts during ward based public participation	There are technical experts to guide the public in proper allocations of funds to identified projects.

Annex X: Nakuru County Budget Calendar for the FY 2022/2023

	ACTIVITY	RESPONSIBLE	DEADLINE
1	Performance Review and Strategic Planning	County Treasury	July-Aug 2021
	1.1 Develop strategic plans	Departments	"
	1.2 Prepare Annual Development Plans	"	"
	1.3 Expenditure review	"	"
	1.4 Preparation of Annual Work plans	"	"
2	Develop and Issue County Budget Guidelines	County Treasury	30th July 2021
3	Annual Development Plan submitted to County Assembly	County Treasury	1st Sept. 2021
4	Launch of Sector Working Groups	County Treasury	5th Aug. 2021
5	Determination of Fiscal Framework	Macro Working Group	6th Aug. 2021
	5.1 Estimation of Resource Envelop	County Treasury	"
	5.2 Determination of policy priorities	"	"
	5.3 Preliminary Resource allocation to Sectors, Assembly & Sub Counties	"	"
	5.4 Draft County Budget Review and Outlook Paper (CBROP)	"	21st Aug. 2021
	5.5 Submission and approval by County Executive Committee	"	30th Aug. 2021
	5.6 Tabling of CBROP to County Assembly	"	9th Sept. 2021
	5.7 Capacity building on MTEF Programme Based Budget and Sector Reports	"	13th-17th Sept. 2021
6	Preparation of County Sectoral Budget Proposals	Line Ministries	
	6.1 Draft Sector Report	Sector Working Group	3rd Oct. 2021
	6.2 Submission of Draft Sector Report to County Treasury	Sector Working Group	7th Oct. 2021
	6.3 Review of draft Sector Report Proposals	Macro Working Group	18th-22nd Oct. 2021
7	Stakeholders/Public Participation	Treasury/ Departments	October 2021
8	The 2021/2022 Supplementary Budget		
	8.1 Develop and issue guidelines on the 2021/22 Revised Budget	County Treasury	November 2021
9	Draft Budget Estimates/ County Fiscal Strategy Paper (CFSP)	Macro Working Group / Departments	
	9.1 Public sector hearings on CFSP 2022	Macro Working Group	2nd-5th November, 2021
	9.2 Budget hearings on Draft Budget Estimates	Macro Working Group	2nd-5th November, 2021
	9.3 Submission of Draft Budget Estimates and Final Sector Reports	Departments	1st November, 2021

	ACTIVITY	RESPONSIBLE	DEADLINE
	9.4 Submission of Draft CFSP & Debt Paper to County Executive Committee for approval	County Treasury	25th November, 2021
	9.5 Submission of CFSP to County Assembly for approval	County Treasury	30th November, 2021
	9.6 Submission of Debt Management Strategy Paper to County Assembly for approval	County Treasury	30th November, 2021
10	Preparation and approval of Final Departments' Programme Budgets		
	10.1 Issue final guidelines on preparation of 2022/23 County Budget	County Treasury	20th December, 2021
	10.2 Public Participation for identification of Ward based projects	County Treasury	December 2021
	10.3 Submission of Departmental Budget proposals to County Treasury	Line Departments	31st December, 2022
	10.4 Consolidation of the Departmental Budget Estimates and uploading to IFMIS Hyperion System	County Treasury	4th – 22nd January, 2022
	10.5 Submission of Original Budget Estimates for County Government to County Assembly	County Treasury	31st January, 2022
	10.6 Review of Original Budget Estimates by Departmental Committees	County Assembly	February, 2022
	10.7 Report on Original Budget by Budget and Appropriations Committee (County Assembly)	County Assembly	28th February, 2022
11	11.1 Preparation of Annual Cashflow	County Treasury	6th-10th June 2022
	11.2 Submission of Annual Cashflow to Controller of Budget	County Treasury	15th June, 2022
	11.3 Submission of Appropriation Bill to County Assembly	County Treasury	15th March, 2022
	11.4 Resolution of County Assembly on Estimates and Approval	County Treasury	25th March, 2022
	11.5 Budget Statement	County Treasury	25th March, 2022
	11.6 Appropriation Bill Passed	County Assembly	31st March, 2022