

COUNTY GOVERNMENT OF KIRINYAGA



DEPARTMENT OF FINANCE & ECONOMIC PLANNING

COUNTY FISCAL STRATEGY PAPER 2022

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Kirinyaga County Fiscal Strategy Paper 2022

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FOREWORD

This CFSP is prepared in accordance with provisions of Section 117 of the PFMA 2012. This CFSP is prepared after slowdown of Global and National economy in 2020 due to negative effects of COVID-19. Further, the revised budget calendar is taking into consideration preparations for the oncoming General Elections.

Over the past few years, Kirinyaga County economy has benefitted from investments in infrastructure developments which is a key supporter of the vibrant agricultural economy in the County. To ensure there is ease of doing business in the county, major investments have been made to improve market conditions by rehabilitating strategic markets to modern standards. Areas in and around the markets have been rehabilitated by construction of new and clean pavements, rapid collection of waste to give a clean habitable business premises. Those strategic markets have also been provided with street lighting to increase business hours. Rehabilitation of roads have also taken center stage with key roads being upgraded, bridges to key agricultural areas rehabilitated and overall mobility improved around the county. Key investments have also been made in other major sectors like health to guarantee an uninterrupted provision of health services across the county.

CFSP 2022 will focus on strengthening past achievements in the last few years as well as to accelerate implementation of interventions with capabilities of improving livelihoods of people of Kirinyaga. Most notably is to continue implementation of Wezesha Program which has so far realized huge economic benefits since take-off.

The CFSP also focuses on interventions especially completion of key projects in the Health sector, Infrastructure

The County Fiscal Strategy therefore outlines the fiscal framework to financing the 2022/23 FY budget and the Medium Term taking into consideration the tight fiscal space the county is operating in given the challenges posed by expenditure pressures resulting from high wage bill, slow expansion on revenue bases and tightening National Government county allocations.

HON. MOSES MIGWI MAINA

CECM FINANCE & ECONOMIC PLANNING

ACKNOWLEDGEMENTS

Preparation of the 2021 CFSP has been a collective efforts by officers in the County Entities. A lot of effort and personal dedication have been spent, beyond office hours to ensure this County Fiscal Strategy Paper (CFSP) is successfully prepared as guided by the PFM Act. Profound gratitude goes to the Executive led by H.E The Governor for visionary leadership and guidance in the County.

Special gratitude goes to the preparation coordinating team that worked tirelessly throughout to transform raw data gathered from Public Participation Forums to this refined document. Special gratitude goes to the Heads of departments for their invaluable insights and submissions.

We also recognise the tireless efforts put in by officers in the Finance and Economic Planning to ensure successful completion of the document. These officers include Mr. Lawrence Karuoya (Director, Budget) Mbugua J. N. (Director Economic Planning), Mr. Patrick Gichobi (Deputy Director-Budget), Economists from the department; James Kimaru, Gachomo Paul, Njau Sylvester, Muriu Joseph, Kiura Wilson and George Macharia (From Economic Planning Department).

To these officers and all others not individually mentioned who took part in this exercise, you remain a credit to this county.

JOHNSON WAWERU

CHIEF OFFICER – FINANCE AND ECONOMIC PLANNING

ABBREVIATIONS

ATC	Agricultural Training College
BPS	Budget Policy Statement
CA	County Assembly
CARA	County Allocation of Revenue Act
CBK	Central Bank of Kenya
CBROP	County Budget Review and Outlook Paper
CIG	Common Interest Group
CRA	Commission on Revenue Allocation
CBEF	County Budget and Economic Forum
CE	County Executive
CDDC	Community Driven Development Committee
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
CBR	Central Bank Rate
GBV	Gender Based Violence
GBVRC	Gender Based Violence Recovery Center
ECDE	Early Childhood Development Education
DANIDA	Danish International Development Agency
FY	Financial Year
GDP	Gross Domestic Product

ICT	Information Communication Technology
IFMIS	Integrated Financial Management Information System
KDSP	Kenya Devolution Support Programme
KNBS	Kenya National Bureau of Statistics
KARI	Kenya Agricultural Research Institute
KCBF	Kirinyaga County Bursary Fund
KRA	Kenya Revenue Authority
KRB	Kenya Roads Board
KIDA	Kirinyaga Industrial Development Authority
KUSP	Kenya Urban Support Programme
MTP	Medium Term Plan
MTEF	Medium Term Expenditure Framework
M&E	Monitoring and Evaluation
NARIGP	National Agricultural Rural Inclusive Growth Project
OAG	Office of the Auditor General
PFM	Public Finance Management
PPP	Public Private Partnership/ projects
SME	Small and Medium Enterprises
SDG	Sustainable Development Goals
PBB	Program Based Budgeting
RMS	Revenue Management System

RMLF Road Maintenance Levy Fund

SBP Single Business Permit

SHG Self-Help Group

1.0 INTRODUCTION

1.1 Overview & Legal Basis for County Fiscal Strategy Paper

This CFSP will provide basis for preparation of the budget estimates for FY 2022/23 and MTEF budget for 2022/23-2024/25.

The preparation of the County Fiscal Strategy Paper (CFSP) is guided by Section 117 of the Public Finance Management Act, 2012 and the County Government Public Finance Management Regulation Numbers 25-28 of 2015, which requires the County Treasury to prepare and submit CFSP to County Executive Committee for approval. After approval by the Committee, the County Treasury is obligated to submit the approved copy to the County Assembly, latest 28th of February. The County assembly is expected to adopt the CFSP, with or without amendments within fourteen days.

The Preparation of CFSP seeks the views of Key Individual Government institutions listed as The Commission on Revenue Allocation (CRA), County Departments, Controller of Budget, National Treasury (BPS), forums recognized by legislation (e.g. CBEF), Other stakeholders and most importantly the Public who by law (The Public Finance Management Act 2012 Section 125 (2)) are the main stakeholders during the Budget Making process. Other than aligning the County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement, the CFSP 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. Other requirements includes but not limited to:

- The financial outlook with respect to County Government revenues, expenditures and borrowing for the coming financial year and over the medium term.

- The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the County Assembly.

1.2 Fiscal Responsibility Principles

In line with the Constitution, The Public Finance Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. Section 107(1-2) of Public Finance Management Act states that: In managing the County Government's public finances, the County Treasury shall enforce the following Fiscal Responsibility principles-

1. Over the medium term, a minimum of 30 percent of the national and county budgets shall be allocated to development expenditure
2. The County government's expenditure on wages and benefits for public officers shall not exceed a percentage of the County government revenue as prescribed by the County Government Public Finance Management 2015 regulations.
3. Over the medium term, the national and County Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure. Note that the County Government of Kirinyaga is yet to borrow funds from financial institutions.
4. Public debt and obligations shall be maintained at a sustainable level as approved by Parliament for the National Government and the County Assembly for the County Governments.
5. Fiscal risks shall be managed prudently; and

6. 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 Kirinyaga County Finance Act 2015 is currently in force.

1.3 Outline of the 2022 Kirinyaga County Fiscal Strategy Paper

This CFSP is organized as follows;

Chapter 1 gives an Introduction on the various laws& regulations governing the preparation of the CFSP, plus the fiscal responsibility principles governing the budgeting process.

Chapter 2 outlines the economic context in which the 2022/23 MTEF budget is prepared. It provides an overview of the recent economic developments and the macroeconomic outlook covering the global, national and county domestic scene.

Chapter 3 provides a synopsis of ‘The Wezesha Program’ which is the empowerment pillar of the Mountain Cities blueprint.

Chapter 4 is about Fiscal Policy Management, and it outlines the fiscal framework that is supportive of growth over the medium-term, while continuing to provide adequate resources to facilitate execution of policy priorities of the County Government of Kirinyaga. The chapter also outlines compliance of 2021/22FY Budget with the fiscal responsibility principles citing the anticipated Specific Fiscal Risks for the same period.

Chapter 5 gives a detailed analysis of the Medium Term Expenditure Framework. It presents the resource envelope and spending priorities for the proposed 2022/23 MTEF Budget and the Medium Term. Sector achievements and priorities are also reviewed for the period.

1.4 Overview of Strategic Priorities

The County's broad strategic priorities to attain accelerated economic growth over the medium term includes;

- a) Transformation of livelihoods through sustained investments in the agricultural sector for increased productivity and profitability;
- b) Sustained investments in roads and urban infrastructure developments to support economic growth;
- c) Sustained investments in accessible health care to ensure a productive population;
- d) Continued solid waste management and accessibility to clean and safe water; and
- e) Continued support to access to quality and affordable education in ECDE and Technical Vocational Centres.

Priority I: Transformation of livelihoods through sustained investments in the agricultural sector for increased productivity and profitability

The county has identified key areas which have a potential to spur economic growth in the county. The county has continued to support the dairy, poultry, avocado and macadamia value-chains around the county. The objective is to increase productivity and profitability to local farmers. Under the NARIGP project framework, common interest groups around these value chains will be supported to increase production. The county through the Kirinyaga Investment Development Authority will support these groups through marketing strategies and value addition services. These interventions will highly empower economically the women and youth who form the bulk of the unemployed in the county.

Priority II: Sustained investments in roads and urban infrastructure developments to support economic growth

To support economic growth, the county government will continue investing in infrastructure development to support investments made in agriculture and other sectors.

Priority III: Sustained investments in accessible health care to ensure a productive population

The county will continue investing in the health sector to increase level and quality of services offered in these facilities. Kerugoya Referral Hospital is at an advanced construction level and upon operationalization will increase access to specialized care locally. Other hospitals in line for upgrading are Kianyaga and Kimbimbi health facilities.

Priority IV: Continued solid waste management and accessibility to clean and safe water

Through the department of environment, water and natural resources, the county government will continue to increase access to water supply system by completing key bulk water projects. Entrenching water harvesting culture through support to households with water harvesting structures. Funding of major irrigation projects will also be fast tracked for completion to ensure more farmers benefit and increase productivity.

Solid waste management will be expanded by implementing a solid waste management system involving putting up skip in strategic areas and implementing a strict waste collection in these areas.

Priority V: access to quality and affordable education

Technical vocational centres are key institutions to provide necessary skills to fight unemployment amongst the youth. The county is committed to ensure quality and affordable skills are offered in the county TVETs. Investments will

continue to be made towards top class equipment, expansions and rehabilitation of key infrastructure in these TVETs.

Early childhood development in the county will continue to get supported through provision of learning and playing equipment.

County government will further continue to support needy students to access education through county bursary program.

2.0 RECENT ECONOMIC DEVELOPMENT AND OUTLOOK

2.1 Overview

This chapter highlights the economic performance with effects both at the national and county level. The county's economic performance is hugely dependent on the country's economic performance, macro-economic stability, Kenya's fiscal and economic policy formulations and implementation.

2.2 Recent Economic Developments

Kenyan economy has been adversely affected by the outbreak of COVID-19 pandemic in 2020/21 and the swift containment measures, which disrupted economic activities.

The economy contracted by 0.3 percent in 2020 from a growth of 5.0 percent in 2019 following the adverse impact of COVID-19 pandemic and the resultant swift containment measures. The government's priority was premised on the need to safeguard the lives of Kenyans and Kenyan residents while at the same time cushioning the economy from the effects of COVID-19 pandemic. Consequently, the health crisis required the introduction of temporal restrictive measures to curb the spread of the virus which resulted to negative impacts on some key sectors of the economy. Many businesses especially those related to tourism and educational activities closed down during the second quarter of 2020. Pick up of economic activities resumed in the third quarter of 2020 with further improvements in subsequent quarters.

Agricultural Sector

The agriculture sector was more vibrant in 2020 compared to 2019 despite a contraction in global demand in 2020. The sector's Gross Value Addition was 4.8 percent in 2020 compared to 2.6 percent in 2019. This was mainly on account of favorable weather conditions in 2020 which improved production of food crops. The sector's performance was supported by a notable increase in tea production, exports of fruits and sugarcane production.

Service and Industry Sectors

The Service and Industry sectors were adversely affected by the COVID-19 pandemic. The performance of the industry sector improved to a growth of 3.8 percent in 2020 compared a growth of 3.4 percent in 2019. This was mainly on account of improved performance of the construction sector. The construction sector grew by 11.8 percent in the 2020 compared to a growth of 5.6 percent in 2019. The strong growth was attributed to the continued investments in road infrastructure by the Government, expanded construction in the housing sub-sector.

The service sector was adversely affected by the closure of the economy thereby recording negative growths in most of the sectors in 2020. Accommodation and Food Services was adversely affected by the COVID -19 containment measures compared to other service sectors and contracted by 47.7 percent in 2020 compared to a growth of 14.3 percent in 2019. This was due to restrictions of international travels while domestic travel was negatively impacted on by restriction of movement to and from some counties and zones for some months especially in the second quarter of 2020. Most hotels and restaurants also either closed or scaled down their operations due to public health measures taken to prevent the spread of the pandemic as well significant reduction in the number of customers.

Inflation

Year-on-year overall inflation rate has remained low, stable and within the policy target range of 5+/-2.5 percent since end 2017. The year-on-year inflation rate increased to 6.45 percent in October 2021 from 4.84 percent in October 2020 driven by higher food prices. However, the inflation rate remained within the target range supported by muted demand pressures.

Interest Rates

Short-term interest rates remained fairly low and stable. The Central Bank Rate was retained at 7.0 percent on 28th September 2021 to signal lower lending rates

in order to support credit access by borrowers especially the Small and Medium Enterprises distressed by COVID-19 pandemic.

Private Sector credit

Private sector credit improved to a growth of 7.7 percent in the 12 months to September 2021 compared to a growth of 7.6 percent in the year to September 2020.

Economic Recovery

Similar to the global economy, Kenya's economy is projected to rebound in 2021 to 6.0 percent from an earlier projection of 7.0 percent in the 2021 BPS. The downward revision was due to the impact of containment measures between March and July period as a result of the third wave of the COVID-19 pandemic.

2.3 County Economic Development and Outlook

Similar to the national economic development, Kirinyaga County's economic development has also continued to be impacted by the outbreak and consequent containment measures of COVID-19. The services was particularly hit due to containment measures. Measures such as reduced operating hours and social distancing has led to closures of businesses occasioning job losses.

Unemployment has been worsened due to COVID-19 containment measures leading to some permanent business closures in various sectors. Others reduced employees due to reduction in operating hours and slowing down of business activity. Further, suspension of the school calendar led to job losses to some employees of private schools.

Key findings by Kenya National Bureau of Statistics in its survey FinAccess MSE COVID-19 Tracker, By March 2021, about 20 percent of businesses had closed, of which 11 percent closed during the 2020 lockdown period, while 9 percent closed between November 2020 and March 2021, citing reduced sales and lack of operating capital. Only 27 percent of businesses, which closed during lockdown in 2020, had reopened by March 2021.

The data from the first two rounds of the FinAccess MSE COVID-19 Tracker survey indicate that firms have suffered from reduced demand across the economy, compromising their revenue and undermining their resilience. During the lockdown, the government put in place a number of measures to support MSMEs including provisions for bank loan restructuring, waivers on VAT and turnover tax and suspension of credit bureau reporting. Recognizing the role that the financial sector can play in providing solutions, the Government established the MSME Credit Guarantee Scheme (CGS) to support access to finance for MSMEs impacted by the pandemic⁴. However, micro firms are largely outside the purview of these measures due to their informality and size.

According to KNBS Survey on Social Economic Impacts of Covid-19, 37.0 per cent of households in rented premises indicated that they were unable to pay rent for May 2020, while 31.6 per cent reported having paid the rent on time. Most (61.0%) of the households that were unable to pay rent cited reduced income as the main reason for defaulting. The survey further revealed that only 0.7 per cent of households in rented dwellings had received waiver or relief from landlords. A third of the households had not put in place any coping mechanism to counter the effect of COVID-19 on their ability to pay rent.

2.4 Medium Term Economic Outlook

National Outlook

Kenya's economy was not spared from the adverse impact of the Pandemic in FY 2020/21. As such, economic growth is estimated to have slowed down in FY 2020/21. However, growth is expected to rebound to 6.2 percent in FY 2021/22 and above 6.0 percent over the medium term. This outlook will be reinforced by the prevailing stable macroeconomic environment and the ongoing implementation of the strategic priorities of the Government under the "Big Four" Agenda and Economic Recovery Strategy. Weather conditions are expected to be favorable supporting agricultural output. As a result, export of goods and services will expand as global demand normalizes. These factors will push up

consumer demand and increase both public and private sector investment reinforcing the projected growth.

County Outlook

The County's economic growth will largely take into account the national outlook. Recovery in national and global economies will ensure favorable local and International markets for locally produced goods especially the coffee, tea, rice and horticultural sectors holds key to the county's economic growth prospects.

The local economy is further expected to benefit from investments by the County Government under Wezesha Program in agriculture value chain development in the Prioritized Value Chains namely; dairy, poultry, avocado and Tomato. The county government through Kirinyaga Investment Development Authority is playing key roles to consolidate investment and marketing opportunities in the agribusiness sector to guarantee good prices for farmers.

These efforts will also be supported by continued implementation of the National Governments Big Four plan of sustained investment in infrastructure, strong agricultural production due to improved weather conditions, buoyant services sector.

Risk to the Economic Outlook

Risks facing the country's economy will also affect the county's economic performance. These factors includes;

Emergence of new COVID-19 variants that may require broader reinstatement of containment measures, in the country and its trading partners could lead to renewed disruptions to trade and tourism.

Reliance on rain fed agriculture also poses a risk to this outlook. Potential risk of prolonged drought can result to decrease in own revenue collections as well as curtailing the purchasing power of the residents. However, the government continues to allocate more resources to sustainable farming methods by providing more connections for irrigation water.

Expenditure pressures especially high recurrent expenditures pose fiscal risks. The county is going to maintain a sustainable recurrent expenditure by strictly adherence to austerity measures and free more resources to development expenditure over the medium term

2.5 Review and Outlook for the Medium Term

2.5.1 Fiscal Performance review- Implementation of 2020-21 FY Budget

Revenue Analysis

The approved resource envelope for Approved 2020/21 FY Kirinyaga County Budget amounts to KShs. 6,795,605,668 which will be financed as per the below resource envelope.

Table 2.1: Approved Resource Envelop 2020/21

#	DESCRIPTION	APPROVED SUPPLEMENTARY BUDGET 3
1	Equitable Share	4,241,100,000
2	Allocation - User Fees Foregone	11,282,570
3	Conditional Allocation financed by a Grant from National Government for COVID-19 Emergency Response	116,356,000
4	Transforming Healthcare Systems for Universal Care Project (THSUCP)	26,720,000
6	Allocation of Roads Maintenance Fuel Levy Fund for Repair and Maintenance of County Roads	127,349,086
7	Savings from Roads Maintenance Levy Fund for FY 2018-2019	24,400,000
8	Delayed Exchequer May/June 2020	364,734,600
9	Allocation Financed by Grant from Government of Denmark to Supplement Financing of County Health facilities (DANIDA)	12,060,000
10	Additional Allocation Financed by Grant from Government of Denmark to Supplement Financing of County Health facilities (DANIDA)	4,585,000
11	Local Revenues	405,000,000

12	IDA (World Bank)-Kenya Devolution Support Programme Grant (KDSP) Level 1 Grant (Roll-Over FY 2018/2019)	41,078,830
13	IDA (World Bank)-Kenya Devolution Support Programme Grant (KDSP) Level 1 Grant (Roll-Over FY 2019/2020)	30,000,000
14	IDA (World Bank)-Kenya Devolution Support Programme Grant (KDSP) Level 1 Grant	45,000,000
15	IDA-(World Bank) Kenya Devolution Support Programme Grant (KDSP) Level 2 Grant	146,608,512
16	Receipt from National Government's Ministry of Health for allowances to be paid to frontline health care workers for COVID-19	43,740,000
17	National Government- Grant for Youth Polytechnics	26,899,894
18	Grant for Youth Polytechnics (Carried forward from FY 2018/2019)	-
19	IDA-(World Bank) Kenya Urban Support Project (KUSP) UDG	71,302,200
20	IDA- (Kenya Urban Support Project (KUSP)-UIG	8,800,000
21	IDA- (World Bank)Credit National Agricultural and Rural Inclusive Growth Project (NARIGP)	199,748,243
22	KRB Savings - for 2018/19 and 2019/20 Fys	27,335,647
23	Sweden- Agriculture Sector Development Support Programme (ASDSP II)	11,509,004
24	Rolled over Funds	809,996,082
	TOTAL REVENUES	6,795,605,668

Source: County Treasury

Overall Revenue Performance

Overall revenue performance achieved 96% performance rate. However, there were instances of delayed release in Revenue from National Government according to the release schedule approved.

Table 2.2: Revenue Performance Analysis 2020/21

Revenue Performance Analysis			
DESCRIPTION	APPROVED SUPPLEMENTARY BUDGET 3	ACTUAL RECEIPTS FY 2020/21	PERFORMANCE
Equitable Share	4,241,100,000	4,241,100,000	100.0%
Allocation - User Fees Foregone	11,282,570	11,282,570	100.0%
Conditional Allocation financed by a Grant from National Government for COVID-19 Emergency Response	116,356,000	116,356,000	100.0%
Transforming Healthcare Systems for Universal Care Project (THSUCP)	26,720,000	25,272,242	94.6%
Allocation of Roads Maintenance Fuel Levy Fund for Repair and Maintenance of County Roads	127,349,086	127,349,086	100.0%
Savings from Roads Maintenance Levy Fund for FY 2018-2019	24,400,000	24,400,000	100.0%
Delayed Exchequer May/June 2020	364,734,600	364,734,600	100.0%
Allocation Financed by Grant from Government of Denmark to Supplement Financing of County Health facilities (DANIDA)	12,060,000	12,060,000	100.0%
Additional Allocation Financed by Grant from Government of Denmark to Supplement Financing	4,585,000	4,585,000	100.0%

of County Health facilities (DANIDA)			
Local Revenues	405,000,000	346,521,599	85.6%
IDA (World Bank)-Kenya Devolution Support Programme Grant (KDSP) Level 1 Grant (Roll-Over FY 2018/2019)	41,078,830	41,078,830	100.0%
IDA (World Bank)-Kenya Devolution Support Programme Grant (KDSP) Level 1 Grant (Roll-Over FY 2019/2020)	30,000,000	30,000,000	100.0%
IDA (World Bank)-Kenya Devolution Support Programme Grant (KDSP) Level 1 Grant	45,000,000	45,000,000	100.0%
IDA-(World Bank) Kenya Devolution Support Programme Grant (KDSP) Level 2 Grant	146,608,512	146,608,512	100.0%
Receipt from National Government's Ministry of Health for allowances to be paid to frontline health care workers for COVID-19	43,740,000	43,740,000	100.0%
National Government-Grant for Youth Polytechnics	26,899,894	26,899,894	100.0%
IDA-(World Bank) Kenya Urban Support Project (KUSP) UDG	71,302,200	38,616,526	54.2%
IDA- (Kenya Urban Support Project (KUSP)-UIG	8,800,000	-	0.0%
IDA- (World Bank)Credit National Agricultural and Rural Inclusive Growth Project (NARIGP)	199,748,243	80,586,499	40.3%
KRB Savings - for 2018/19 and 2019/20 Fys	27,335,647	27,335,647	100.0%
Sweden- Agriculture Sector Development	11,509,004	11,009,703	95.7%

Support Programme (ASDSP II)			
Rolled over Funds	809,996,082	809,996,082	100.0%
TOTAL	6,795,605,668	6,574,532,790	96.7%

Own Source Revenue

The County had a projected Own Source Revenue (OSR) target of KShs. 405 Million in the FY 2020/21. Actual Own Source Revenue collected amounted to Kshs 346,521,599. This indicates own source revenue performance of 86%.

Table 2.3: Own Source Revenue Collection 2020/21

REVENUE SOURCE	ANNUAL TARGET	REVENUE COLLECTED
Business Permits	69,998,560	57,760,450
Market Entrance/Gate Fee	35,000,000	24,777,510
Quarry Cess/Fee	3,000,000	2,523,400
Parking Fee	22,000,000	16,177,700
Land, Ground Rates &Arrears	25,484,928	5,938,868
Liquor License	24,000,000	7,080,750
Health(Hospitals)	140,000,000	162,263,678
Veterinary Services	5,141,255	3,521,903
Buildings Plans	12,120,200	12,399,928
Public Health	24,000,000	13,814,407
Sub Division Fee	1,000,000	169,900
Transfer Fee	1,350,226	1,385,200
House Rents	2,649,600	2,530,225
Market Stall	2,500,000	2,276,614
Survey Fee	1,000,000	1,274,800
Sale Of Minutes	1,178,763	757,885
Advertisement	9,500,000	9,467,945
Produce Cess	6,000,000	4,391,748
Trade-Weights	980,000	2,085,202
Coop Audit	600,000	156,588

Group Registration	1,400,000	820,200
Refuse Collection	8,485,151	7,715,503
Kamweti	3,801,935	3,444,778
Administrative Charges	3,809,383	3,786,416
TOTAL (FY 2020/2021)	405,000,000	346,521,599
TOTAL (FY 2019/2020)	480,000,000	374,724,257
VARIANCE	-75,000,000	-28,202,658

Source: County Treasury

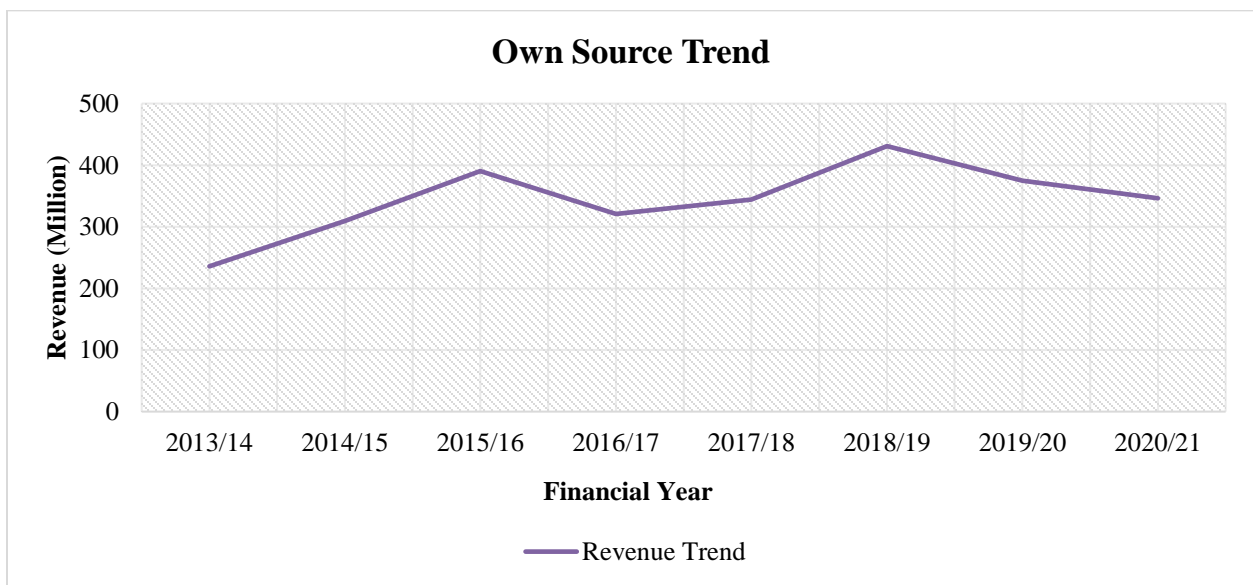


Figure 2.1: Own Source Revenue Trend 2020/21

Challenges

- Revenue automation has been delayed and has resulted to incomplete and inconsistent revenue date computations and resultant delay in making appropriate decisions on revenue activities.
- Inadequate legal framework to support effective revenue management and enforcement in all sectors.

- Aging and low staffing levels affecting the optimal deployment of human capital requirements and training.
- Over reliance on traditional sources of revenue majoring in agriculture, business, land and health.

Strategies.

- The County is in early stages of implementing the automating revenue collection which is expected to boost effective revenue management.
- Legislative processes to be fast tracked to cover loop holes in all areas of revenue management and enforcement and further benchmark with legislation from other Counties.
- Human Capital has been boosted through recruitment, planning for training and capacity development on use of automated system is being rolled out.

Description of revenue sources by conducting revenue potential assessment and baseline studies, which will cover mapping new sources and location.

Expenditure Analysis

The County Government total approved 2020/21 FY budget amounts to KShs. 6.795 Billion.

2020/21 FY Approved Budget Estimates

Table 2.4: Approved Budget Estimates 2020/21

		Approved Supplementary 3 Budget 2020/21FY Recurrent	Approved Supplementary 3 Budget 2020/21FY Development	TOTAL
	ENTITY			
3961	County Assembly	669,393,333	428,860,717	1,098,254,050

3962	County Executive	465,241,039	109,097,638	574,338,677
3963	Finance and Economic Planning	557,961,866	152,672,520	710,634,386
3964	Agriculture, Livestock and Fisheries	190,701,097	546,599,715	737,300,812
3965	Environment, Water and Natural Resources	102,589,239	105,800,000	208,389,239
3966	Education	246,044,623	54,538,344	300,582,967
3967	County Health Services	1,779,789,586	556,554,955	2,336,344,541
3968	Lands, Housing and Urban Development	37,768,028	164,999,831	202,767,859
3969	Transport and Infrastructure	79,578,285	391,680,630	471,258,915
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	42,839,441	19,585,934	62,425,375
3971	Gender and Youth	46,168,210	9,733,421	55,901,631
3972	Sports, Culture and Social Services	19,345,017	18,062,200	37,407,217
	TOTAL	4,237,419,764	2,558,185,904	6,795,605,668

Source: County Treasury

Budget Allocation by Economic Classification

Current expenditure comprises of Compensation to employees and Operations & Maintenance components. In 2020-21FY, allocation to Compensation to employees took 36.3% of Total Budget, O&M allocated 26%. Overall Recurrent allocated 62.4% of total budget. Capital expenditure was allocated 37.6%.

Table 2.5: Approved Budget by Economic Classification 2020/21

Expenditure Classification	Budget	Allocation as % of Total Budget
Current Expenditure	4,237,419,764	62.4%
Compensation to Employees	2,467,210,517	36.3%
Operations and Maintenance	1,770,209,247	26.0%
Capital Expenditure	2,558,185,904	37.6%
Development Expenditure	2,558,185,904	37.6%
TOTAL	6,795,605,668	100.0%

Source: County Treasury

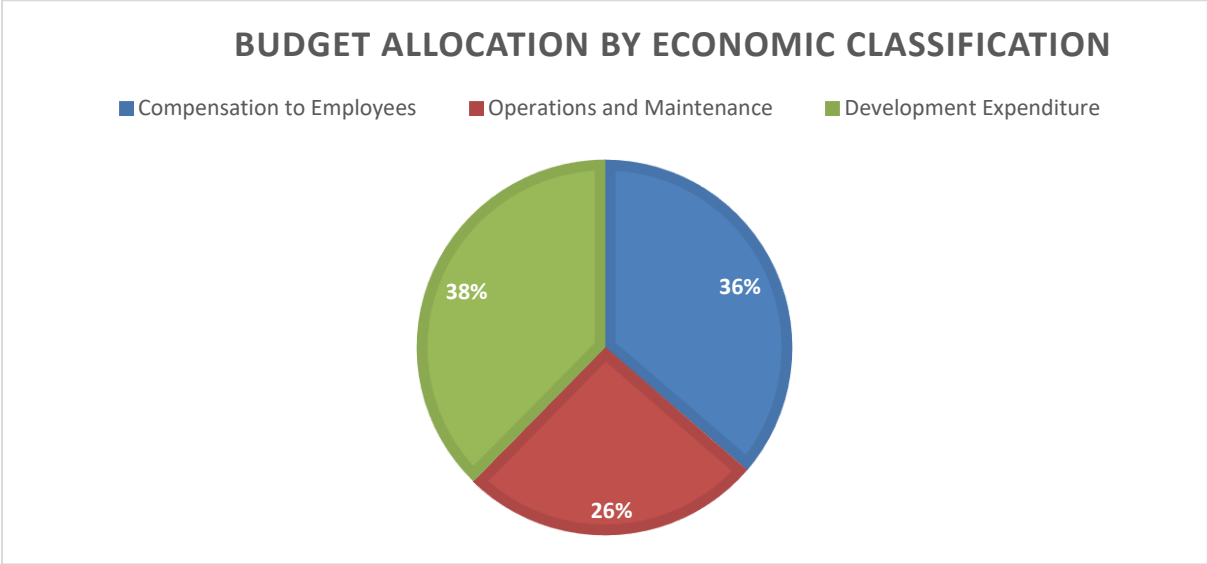


Figure 2.2: Approved Budget by Economic Classification 2020/21

Overall Total Expenditure by Economic Classification

Total expenditure for the period amounted to Kshs. 5.512 Billion. Expenditure by economic classification followed the pattern as allocation whereby Compensation to Employees took 45% of total expenditure. O&M took 29% while development expenditure took 26% of total expenditure.

Table 2.6: Expenditure by Economic Classification 2020/21

Expenditure Classification	Budget	Expenditure
Current Expenditure	4,237,419,764	4,068,008,521
Compensation to Employees	2,467,210,517	2,465,375,370
Operations and Maintenance	1,770,209,247	1,602,633,151
Capital Expenditure	2,558,185,904	1,444,983,610
Development Expenditure	2,558,185,904	1,444,983,610
TOTAL	6,795,605,668	5,512,992,131

Source: County Treasury

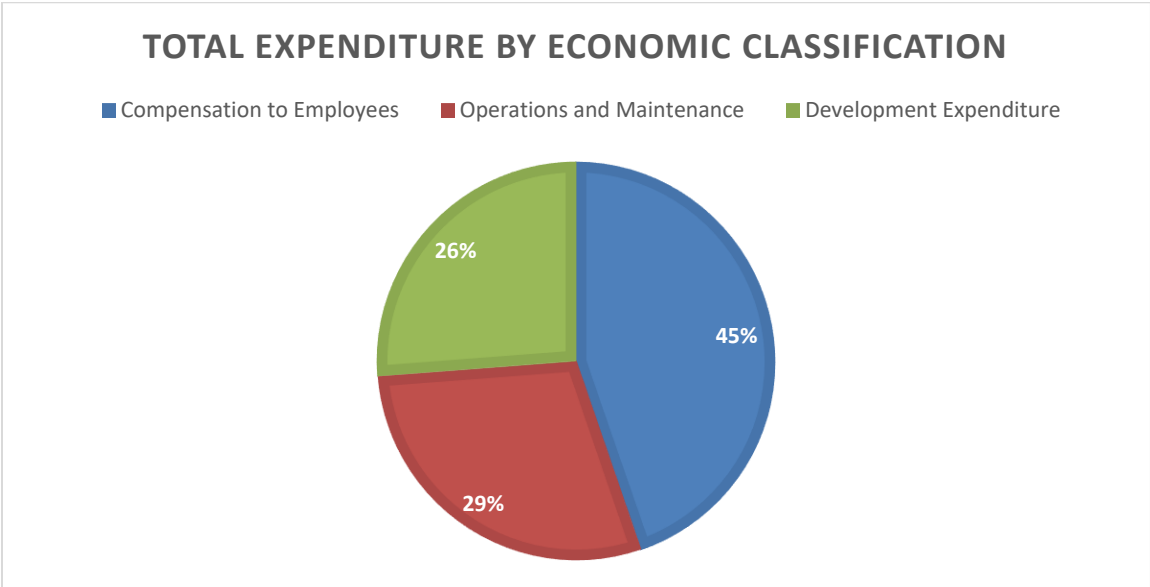


Figure 2.3: Expenditure by Economic Classification 2020/21

Overall Budget Absorption by Economic Classification

Overall budget absorption for 2020-21 stood at 81%. Current expenditure with an absorption rate of 96% while Capital Expenditure with an absorption rate of 56%.

Table 2.7: Budget Absorption 2020/21

Expenditure Classification	Budget	Expenditure	Absorption Rate
Current Expenditure	4,237,419,764	4,068,008,521	96.0%
Compensation to Employees	2,467,210,517	2,465,375,370	99.9%
Operations and Maintenance	1,770,209,247	1,602,633,151	90.5%
Capital Expenditure	2,558,185,904	1,444,983,610	56.5%

Development Expenditure	2,558,185,904	1,444,983,610	56.5%
TOTAL	6,795,605,668	5,512,992,131	81.1%

Source: County Treasury

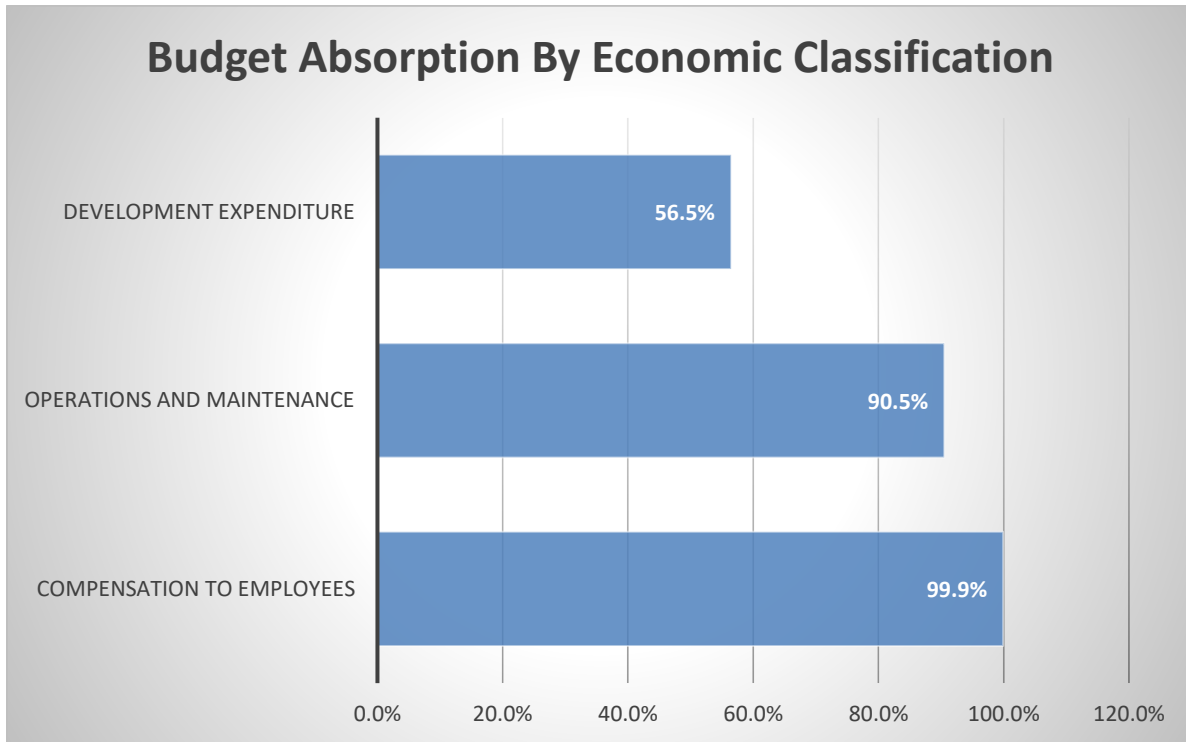


Figure 2.4: Budget Absorption 2020/21

Recurrent Expenditure

Total cumulative recurrent expenditure for 2020/21 FY amounted to KShs. 4,068,008,521 which represents 96% of the total recurrent budget estimates. The major contributor to this expenditure is the County Health services sector. Recurrent expenditure for this sector amounts to KShs. 1,727,749,123. This

indicates a 42% of the recurrent expenditure in the county. This also represents a 97% expenditure against total approved recurrent expenditure for this sector.

Recurrent Expenditure per Department 2020/21 FY

Table 2.8: Recurrent Expenditure by Department 2020/21

		Approved Supplementary 3 Budget 2020/21FY Recurrent	Annual Expenditure
	ENTITY		
3961	County Assembly	669,393,333	662,451,112
3962	County Executive	465,241,039	456,591,005
3963	Finance and Economic Planning	557,961,866	473,331,086
3964	Agriculture, Livestock and Fisheries	190,701,097	188,701,445
3965	Environment, Water and Natural Resources	102,589,239	101,747,655
3966	Education	246,044,623	244,964,375
3967	County Health Services	1,779,789,586	1,727,749,123
3968	Lands, Housing and Urban Development	37,768,028	28,585,928
3969	Transport and Infrastructure	79,578,285	77,933,952
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	42,839,441	42,062,897
3971	Gender and Youth	46,168,210	45,506,659
3972	Sports, Culture and Social Services	19,345,017	18,383,284
	TOTAL	4,237,419,764	4,068,008,521

Source: County Treasury

Budget Utilization 2020-21FY

Table 2.9: Budget Absorption by Department 2020/21

		Approved Supplementary 3 Budget 2020/21FY Recurrent	Annual Expenditure	% Share of Annual Expenditure	Annual Absorption
	ENTITY				
3961	County Assembly	669,393,333	662,451,112	16.3%	99.0%
3962	County Executive	465,241,039	456,591,005	11.2%	98.1%
3963	Finance and Economic Planning	557,961,866	473,331,086	11.6%	84.8%
3964	Agriculture, Livestock and Fisheries	190,701,097	188,701,445	4.6%	99.0%
3965	Environment, Water and Natural Resources	102,589,239	101,747,655	2.5%	99.2%
3966	Education	246,044,623	244,964,375	6.0%	99.6%
3967	County Health Services	1,779,789,586	1,727,749,123	42.5%	97.1%
3968	Lands, Housing and Urban Development	37,768,028	28,585,928	0.7%	75.7%
3969	Transport and Infrastructure	79,578,285	77,933,952	1.9%	97.9%
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	42,839,441	42,062,897	1.0%	98.2%
3971	Gender and Youth	46,168,210	45,506,659	1.1%	98.6%
3972	Sports, Culture and Social Services	19,345,017	18,383,284	0.5%	95.0%
	TOTAL	4,237,419,764	4,068,008,521	100.0%	96.0%

Source: County Treasury

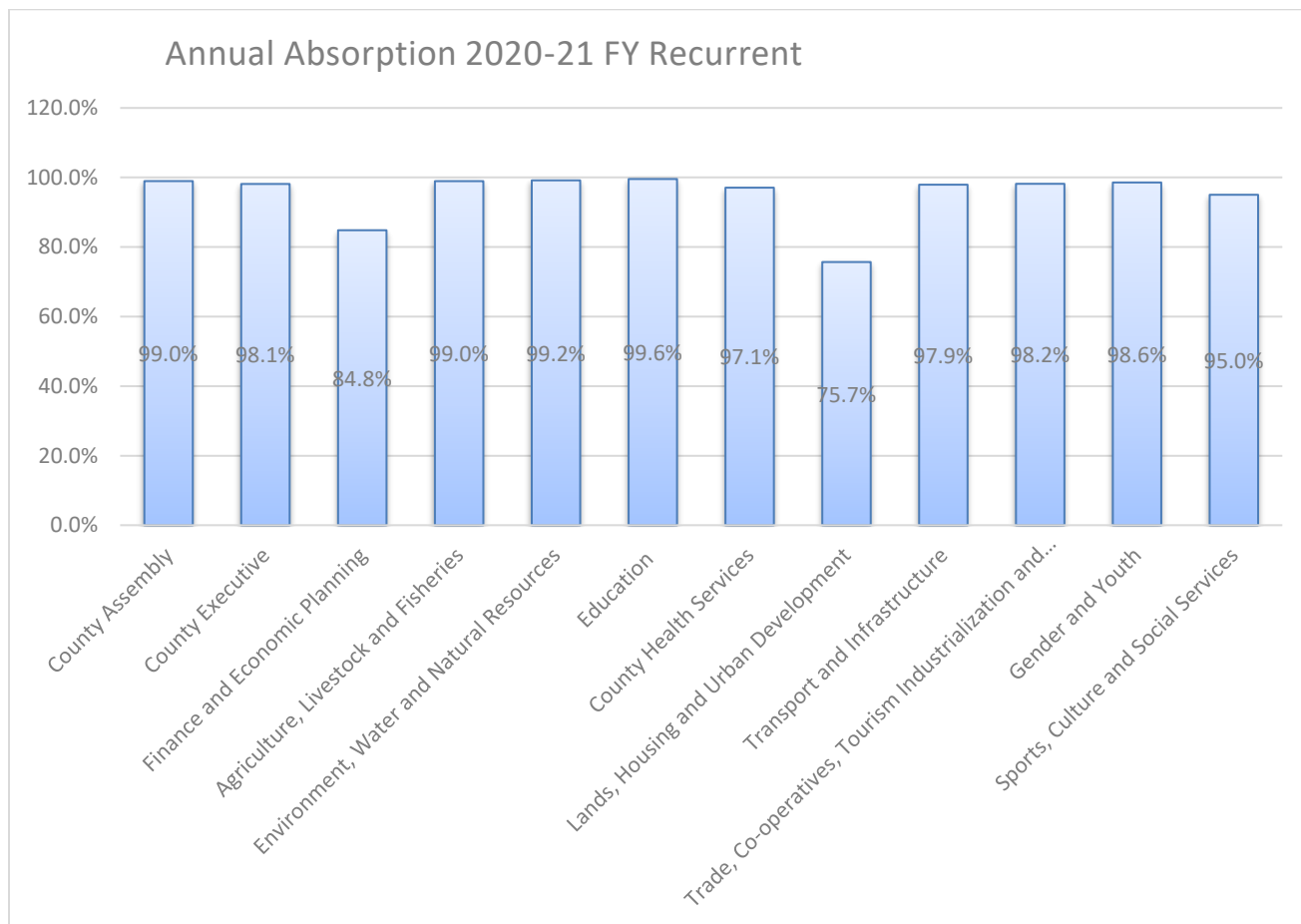


Figure 2.5: Recurrent Budget Absorption by Department 2020/21

Development Expenditure

Development expenditure for the period under review amounted to Kshs. 1,444,983,610. This show an absorption rate of 56.5% of total approved Development budget.

Table 2.10: Development Expenditure by Department 2020/21

	Approved Supplementary 3 Budget 2020/21FY Development	Annual Expenditure 2020/21 FY

	ENTITY		
3961	County Assembly	428,860,717	169,292,492
3962	County Executive	109,097,638	106,467,302
3963	Finance and Economic Planning	152,672,520	17,853,506
3964	Agriculture, Livestock and Fisheries	546,599,715	169,446,425
3965	Environment, Water and Natural Resources	105,800,000	83,902,956
3966	Education	54,538,344	30,936,429
3967	County Health Services	556,554,955	462,861,490
3968	Lands, Housing and Urban Development	164,999,831	42,716,526
3969	Transport and Infrastructure	391,680,630	326,443,068
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	19,585,934	11,011,599
3971	Gender and Youth	9,733,421	8,642,450
3972	Sports, Culture and Social Services	18,062,200	15,409,367
	TOTAL	2,558,185,904	1,444,983,610

Source: County Treasury

Development Absorption 2020-21FY

Table 2.11: Development Budget absorption by department 2020/21

		Approved Supplementar y 3 Budget 2020/21FY Development	Annual Expenditure 2020/21 FY	% Share of Annual Expenditu re	Annual Absorpti on
	ENTITY				

396 1	County Assembly	428,860,717	169,292,492	11.7%	39.5%
396 2	County Executive	109,097,638	106,467,302	7.4%	97.6%
396 3	Finance and Economic Planning	152,672,520	17,853,506	1.2%	11.7%
396 4	Agriculture, Livestock and Fisheries	546,599,715	169,446,425	11.7%	31.0%
396 5	Environment, Water and Natural Resources	105,800,000	83,902,956	5.8%	79.3%
396 6	Education	54,538,344	30,936,429	2.1%	56.7%
396 7	County Health Services	556,554,955	462,861,490	32.0%	83.2%
396 8	Lands, Housing and Urban Development	164,999,831	42,716,526	3.0%	25.9%
396 9	Transport and Infrastructure	391,680,630	326,443,068	22.6%	83.3%
397 0	Trade, Co- operatives, Tourism Industrializati on and Enterprise Development	19,585,934	11,011,599	0.8%	56.2%
397 1	Gender and Youth	9,733,421	8,642,450	0.6%	88.8%
397 2	Sports, Culture and Social Services	18,062,200	15,409,367	1.1%	85.3%
	TOTAL	2,558,185,904	1,444,983,610	100.0%	56.5%

Source: County Treasury

Departments of Gender & Youth recorded 88% absorption rates. Others with high absorption includes; Health services and Transport with 83.2% and 83.3% respectively.

Development Absorption comparison between 2019-20 and 2020-21 Financial Years

Table 2.12: Development Budget Absorption 2019/20 and 2020/21

		Development Expenditure 2020-21 FY	Development Expenditure 2019/20FY
3961	County Assembly	169,292,492	10,031,216
3962	County Executive	106,467,302	143,161,479
3963	Finance and Economic Planning	17,853,506	15,957,328
3964	Agriculture, Livestock and Fisheries	169,446,425	213,385,972
3965	Environment, Water and Natural Resources	83,902,956	31,555,188
3966	Education	30,936,429	34,503,298
3967	County Health Services	462,861,490	358,388,337
3968	Lands, Housing and Urban Development	42,716,526	50,998,100
3969	Transport and Infrastructure	326,443,068	202,383,029
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	11,011,599	42,912,130
3971	Gender and Youth	8,642,450	29,388,181
3972	Sports, Culture and Social Services	15,409,367	-
	TOTAL	1,444,983,610.00	1,132,664,258

Source: County Treasury

2020-21FY has posted an increased overall absorption in development expenditure by 27% compared to same period in 2019-20FY.

Implementation of 2021/22 Budget

The County Government’s total approved budget for 2021-22 FY amounts to KShs. 7,705,332,107 Recurrent allocation of Ksh 4,531,059,121 and Development allocation of Ksh 3,174,272,986. In the period under review, recurrent expenditure amounted to KShs. 738,872,157 which represents 16.3% of recurrent budget. Development expenditure for the period under review amounted to Kshs 124,807,254.

Own Source Revenue target for Financial Year 2021/22 is Kshs. 485 Million. Revenue collected in the first quarter amounted to Kshs. 108,478,321. This represents 22% of total revenue target.

Own Source Revenue

The County has a projected revenue target of KShs.485 Million in the FY 2021/22 Budget. During the first quarter period July-September the actual Own Source Revenue collected was Kshs 108,478,321. This indicates a performance of 22% on annual own source revenue targets. In the same period in the FY2020/21 the county had collected Kshs 91,952,926 hence an increase in own source revenue collection by Kshs 16,525,395.

Table 2.13: Own Source Revenue First Quarter 2021/22

FINACIAL YEAR 2021/2022 Own Source Revenue Collection First Quarter					
REVENUE SOURCE	ANNUAL TARGET	ACTUAL COLLECTION			
	ANNUAL TARGET	JULY	AUGUST	SEPTEMBER	1ST QUARTER
Single Business Permit	70,848,000	3,395,207	2,925,202	3,000,252	9,320,661
Market Gate Fee	35,541,660	2,536,070	2,399,170	2,374,930	7,310,170
Produce Cess	10,045,009	471,350	418,440	432,670	1,322,460
Weights & Measures	1,594,885	62,660	59,480	62,620	184,760
Market stalls	3,500,000				
Bus Park	10,455,886	1,681,920	1,683,510	1,591,330	4,956,760

Street Parking	15,683,830	238,780	257,560	220,420	716,760
Land Administration	21,500,874	277,000	230,800	495,400	1,003,200
Property Rates	32,981,914	85,000	34,000	25,000	144,000
Building Plan Approvals	17,000,000	1,737,883	1,514,047	1,613,945	4,865,875
Advertisement	9,652,957	392,500	630,000	321,500	1,344,000
Sublet Fees	2,594,354	237,000	224,000		461,000
House rents	3,200,000				
Conservancy Fee	10,182,181	487,340	451,818	514,770	1,453,928
Quarries	4,000,000	210,900	191,700	217,600	620,200
Cemetery	512,600	74,800	51,100	2,250	128,150
Group Registration	1,288,466	122,400	46,000	123,400	291,800
Liquor License	40,056,617	18,000	90,000	109,000	217,000
Veterinary Services	6,169,506	368,600	391,550	350,650	1,110,800
Public Health Services	26,973,703	1,104,300	968,000	947,800	3,020,100
Kerugoya Referral Hospital	107,116,635	18,840,600	16,105,082	11,568,369	46,514,051
Kimbimbi Hospital	30,217,414	6,603,400	4,125,712	2,392,420	13,121,532
Kianyaga Hospital	13,811,742	2,550,400	2,286,105	1,161,070	5,997,575
Sagana Hospital	10,071,769	1,989,900	1,496,129	887,510	4,373,539
TOTAL FY 2021/2022)	485,000,000	43,486,010	36,579,405	28,412,906	108,478,321
TOTAL (FY 2020/2021)	346,521,599	31,865,227	28,812,603	31,275,096	91,952,926
VARIANCE	138,478,401	11,620,783	7,766,802	-2,862,190	16,525,395

Source: County Treasury

First Quarter Own Source Revenue trend for previous Financial Years

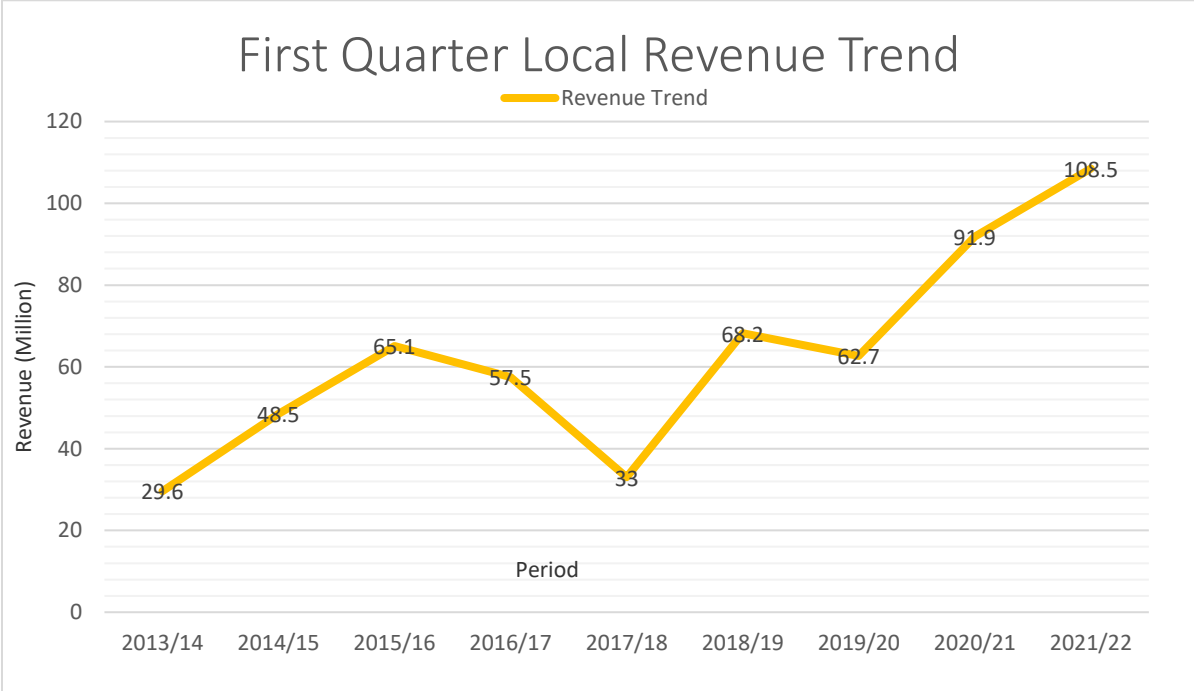


Figure 2.6: First Quarter Own Source Revenue Trend

From the above tables in clear that FY2021/22 1st Quarter own source revenue collection is the highest since inception of the County Governments.

First Quarter Expenditure Analysis

a) Recurrent Expenditure

Total cumulative recurrent expenditure for Q1 of 2021/22 FY amounted to KShs. 738,872,157 which represents 16.3% of the total recurrent budget estimates. The major contributor to the first quarter expenditure is the County Health services sector. Total Q1 recurrent expenditure for this sector amounts to KShs. 238,452,472. This indicates a 32.3% of the total Q1 recurrent expenditure in the county. This also represents a 12.2% expenditure against total approved

recurrent expenditure for this sector. Other high contributors to Q1 recurrent expenditure includes; County Assembly, Finance & Economic Planning.

The first quarter for 2021/22 FY has recorded a 39,271,398.00 (5%) decrease in recurrent expenditure compared to a similar period in 2020/21FY.

Recurrent Q1 Expenditure per Department 2021/22 FY

Table 2.14 Recurrent Q1 Expenditure per Department 2021/22 FY

		Budget 2021/22 FY Recurrent	1st Quarter Expenditure 2021/22 FY
	ENTITY		
3961	County Assembly	637,393,333	188,333,070
3962	County Executive	459,738,124	67,490,362
3963	Finance and Economic Planning	599,770,385	140,367,721
3964	Agriculture, Livestock and Fisheries	251,714,603	24,324,245
3965	Environment, Water and Natural Resources	102,589,239	21,356,202
3966	Education	299,814,623	28,815,584
3967	County Health Services	1,962,276,833	238,452,472
3968	Lands, Housing and Urban Development	28,968,028	6,354,000
3969	Transport and Infrastructure	77,078,285	10,452,527
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	42,839,441	4,778,410
3971	Gender and Youth	46,168,210	5,524,307
3972	Sports, Culture and Social Services	22,708,017	2,623,257
	TOTAL	4,531,059,121	738,872,157

Source: County Treasury

b) Development expenditure

Development expenditure for the first quarter of 2021/22 amounted to Kshs. 124,807,254. This is an increase in expenditure compared to a similar period in

2020/21FY which recorded development expenditure amounting to Kshs 81,851,395.00. Agriculture, veterinary, Livestock & Fisheries as well as Health Services departments are the only entities to utilize development allocation in the first quarter.

Table 2.15: Development Expenditure First Quarter 2021/22

		Approved Budget 2021/22FY Development	1st Quarter Expenditure 2021/22 FY
	ENTITY		
3961	County Assembly	369,568,225	-
3962	County Executive	143,630,336	-
3963	Finance and Economic Planning	2,080,010	-
3964	Agriculture, Livestock and Fisheries	795,882,159	2,065,000
3965	Environment, Water and Natural Resources	126,675,566	-
3966	Education	22,007,910	-
3967	County Health Services	958,745,445	122,742,254
3968	Lands, Housing and Urban Development	99,192,631	-
3969	Transport and Infrastructure	612,081,564	-
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	19,471,788	-
3971	Gender and Youth	5,000,000	-
3972	Sports, Culture and Social Services	19,937,353	-
	TOTAL	3,174,272,986	124,807,254

c) Source: County Treasury

3.0 ACCELERATED EMPOWERMENT FOR ECONOMIC RECOVERY, IMPROVED LIVELIHOODS AND PROSPERITY.

3.1 The Wezesha Program

This is a multi-sectoral economic empowerment program that sought to transform the lives of youths, women and Persons Living with Disabilities in Kirinyaga County.

The County Government of Kirinyaga continues to implement an all-inclusive government approach (whole of government approach) with deliberate effort towards economically empowering Youth Women and PWDs. Further, the program envisages to empower Vulnerable and Marginalized Groups (VMGs) which include: unemployed youth, elderly women and men, widows/orphans, recovering substance abusers, and people living with HIV/AIDS.

The program is designed to carry-out an analysis of Income trends, identifying severely affected groups amongst Youths, Women, PWDs and VMGs with low income trends and developing interventions geared towards shifting the income trends for the better.

This program has the following main objectives;

- ✓ Economically empower the youth, women and PWDs thereby enabling financial independence among the target groups
- ✓ Generate wealth for the county by creating jobs for the youth, women and PWDs.
- ✓ Transform the target groups by equipping them with knowledge on contemporary, socially acceptable means of livelihoods and proper management of resources.

This program has four apex points;

1. Value Chain identification

2. Sacco formation
3. Savings and Investment
4. Training and Capacity building

Main Strategic Focus Areas

This program focuses on Projects that have high impact on the target group with easily achievable results in the following areas;

- ✓ Dairy farming
- ✓ Poultry farming
- ✓ Avocado
- ✓ Horticulture i.e. Tomatoes
- ✓ Cereals i.e. rice agro-processing
- ✓ Fruit tree seedling propagation
- ✓ Aquaculture
- ✓ Apiculture
- ✓ Pig farming

The inaugural phase of the programme has involved empowering 159 community groups. Later, the programme will be replicated across the entire farming fraternity.

Presently, the county government is supporting projects in four agricultural value chains, namely poultry, dairy, tomato and avocado.

The poultry project started off with 32 community groups rearing 1,250 layers each. The farmers, drawn from 640 households, get guaranteed returns, since the county government markets the eggs on their behalf through the Kirinyaga Investment Development Authority.

The second phase of the project has started with 45 more groups having been registered.

To ensure all the farmers got the right breed of layers, the county government acquired chicks from a certified breeder on behalf of the groups. A total of 40,000 chicks were distributed to farmers in the project. These groups have been supported with free feeds for six months.

Besides keeping layers, families will still have time to undertake other income-generating activities, thereby increasing their household incomes further. Once the eggs are collected, they are taken to a cold storage facility located at Kiaga, for packaging and branding before delivery to the market.

In the dairy sector, the county government is offering artificial insemination services for free. This is aimed at improving the local breeds for higher milk production.

The county government is also promoting pig farming. At least 20 groups have benefitted, each getting 15 piglets and two sows.

In fish farming, 20 groups will receive 6,000 fingerlings each to start them off. In order to promote apiculture, groups inclined to beekeeping, on the other hand, get beehives, harvesting kits and processing equipment. So far, 20 groups have benefitted.

In the horticulture segment, the county government has supplied a total of 71 groups with greenhouses.

Avocado production is now a big investment too. To help Kirinyaga farmers get a piece of the expanding local and international avocado markets, the county government has distributed more than 300,000 seedlings to promote large-scale production of the fruit. The ultimate plan is to put up an avocado factory and packing plant.

Other initiatives to increase productivity includes

In order to increase productivity in the agricultural sector, the government has developed various initiatives aimed at empowering the farmers;

Provision of high quality feeds, formulated for maximum productivity. The feeds are be accessible to farmers at a subsidized price.

Promoting adoption of new technologies, especially in banana value chain, whereby the government is promoting adoption of tissue culture banana (TCB) farming.

To build capacity to farmers, the government is conducting farmer field schools to enable farmers learn best agronomic practices along the tomato value chain.

Further, to promote fish farming in the county, ministry of agriculture in collaboration with IFAD implementing aquaculture business development program. The program focus is to establish and strengthen smallholder business oriented aquaculture organizations; Support pond construction and improve productivity existing structures ; Create technical and business skills ; Conduct community nutrition initiatives; Identify activities to be implemented through Public Private Partnerships (PPPs); Improve aquaculture production, productivity as well as food security and nutrition of smallholder farmers; increased private sector participation in Aquaculture value chain operations through strategic Public Private Producer Partnerships (PPPPs).

The county government together with ministry of agriculture has been actively engaging stakeholders to develop policies and regulations to streamline the coffee sector to enable farmers get improved returns.

4.0 FISCAL POLICY AND MANAGEMENT

The fiscal framework for the FY 2022/23 Budget is based on the County Government’s policy priorities and framework set out in Chapter 2 and Chapter 3. With expenditure pressures and limited resources, county government entities will need to consider affordability as well as adopting measures of efficiency and austerity in allocation of resources.

I. Compliance with Fiscal Responsibility Principles

a) Compliance to Development Allocation

Section 107(2) of the PFM Act 2012 requires that County Governments allocate a minimum of 30 percent of their budget to development expenditure. The County Government’s budgetary allocation to development expenditures has been above the 30 percent of its total expenditures.

Table 4.1: Development Budget Allocations

<i>Budget Year</i>	<i>Development Allocation</i>	<i>Percentage to Total Allocation</i>
<i>2017-18</i>	1.71 Billion	30%
<i>2018-19</i>	1.82 Billion	30.8%
<i>2019-20</i>	1.835 Billion	30%
<i>2020-21</i>	2.624 Billion	39%
<i>2021-22</i>	3.17 Billion	41%

Table: Development budget allocations (*Source Kirinyaga County Treasury*)

b) Compliance with requirement on Wages expenditure

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 County Government share of wages and benefits to revenues is currently at 37% and is projected to reduce over the medium term. The County will continue to strictly ensure that only essential personnel are recruited while putting in place measures to enhance revenue collection over the medium term.

II. Statement of Specific Fiscal Risks

Revenue

Receipts from the National Government transfers forms the bulk of the county's revenue source. If the National Government delays in disbursements, budget implementation will be at risk.

Own source revenue also comprises of significant revenue source in the county. Uncertainties regarding emergence of new COVID-19 variants poses a threat to economic recovery which can impact on revenue collection.

Risks from Natural Disasters

The county is prone to natural disasters from time to time. For instance, delayed long rain affects agriculture productivity in the county which affects livelihoods directly. Excessive rain can result to damages to horticultural crop fields, damages to road infrastructure and bridges affecting movement of goods and persons, flooding in lower zones thereby affecting livelihoods. These hazards puts pressure on government spending to mitigate them.

Ministry of Agriculture is currently issuing alerts on potential invasion by locust which further widens the risk on the agricultural economy in the county.

Technological Disaster

Businesses in the county are leveraging on expansion of mobile telephony money transfers which has improved at a high rate. The government is also dependent on systems like IFMIS to conduct payments to suppliers and employees. These systems are prone to disruption through system failures, cybercrime attacks which can result in financial losses. Through the National Government, safeguards to these systems are being implemented through the ministry of ICT to ensure no disruption.

5.0 MEDIUM TERM EXPENDITURE FRAMEWORK

5.1 2022/23 FY Budget and Medium Term Expenditure Framework

Resource allocations in various sectors will be anchored in the second County Integrated Development Plan (2018-2022). Resources will continue to be allocated towards sectors with potential for job and employment creation. Towards this end focus will be to build on the progress achieved especially in Agricultural value chain development, transport infrastructure development, health services to spur economic growth in the county.

The plan will also ensure alignment of the priority areas to the national development agenda captured in the president's Big Four Agenda; enhancing manufacturing, food security and nutrition, universal health coverage.

The main priority areas for this period will be the following areas;

- Continue support economic growth through agricultural value chain development. The government will support the crop and animal value chains in the implementation of Wezesha Program. The government will increase efforts in gaining market for crop and animal products from the county.
- The county government realizes that infrastructure is a key enabler to economic growth. Towards this, resources will be channeled towards Infrastructure development. Upgrade of access roads will continue to be implemented across the county, paving of areas and major towns will continue, rehabilitation of access roads will also be continued across the county.
- Provision of affordable health services. A lot of health infrastructure has been put in place adding to the services available in county health facilities. In

addition, more progress is expected towards the ongoing development of Kerugoya Referral Hospital medical complex. Further, a lot of focus will also be given on efficiency in service delivery in other health facilities through provision of health equipment and systems to avail a wide range of services offered.

- Improvement of water distribution infrastructure by funding various water projects, ensuring clean and habitable environment. More effort will be put in building on the progress achieved on waste management and water connectivity and distribution.

5.1.1 Medium Term Fiscal Projections

Revenue Projections

The National Treasury, in the published Budget Policy Statement 2022, proposes to maintain County Allocations to current Ksh 370 Billion. Kirinyaga County is expected to receive equitable share allocation similar to 2021/22 Financial Year of Ksh 5,196,177,952.

Own Source Revenue (OSR) projections is maintained at Kshs 485 Million.

The realization of revenue targets for the medium term will depend on efforts towards revenue collection.

For this to be achieved, it is assumed that;

- i. There will be improved revenue collection due to diversification of revenue sources and enhancement of revenue collection;
- ii. There will be favorable weather conditions for agribusiness which is the back bone of Kirinyaga county' economy

Table 5.1: Medium Term Fiscal Projections

	2021-22 Approved Budget	Projections	
		2022-23 FY	2023-24 FY
Revenue (Total)	7,705,332,107	5,681,177,952	5,681,177,952
Equitable Share	5,196,177,952	5,196,177,952	5,196,177,952
Own Source Revenue	485,000,000	485,000,000	485,000,000
Grants	573,638,600		
Rolled Over Funds	1,450,515,555		
Expenditure (Total)	7,705,332,107	5,681,177,952	5,681,177,952
Recurrent	4,531,059,120	3,976,824,566	3,976,824,566
Recurrent as percentage of Total budget	59%	70%	70%
Development	3,174,272,986	1,704,353,386	1,704,353,386
Development as percentage of Total budget	41%	30%	30%

Source: County Treasury

Conditional Grants

In FY 2022/23, the National Treasury proposes to allocate Ksh 37.0 billion as additional allocations to County Governments. This comprises additional conditional allocations from the National Government share of revenue raised nationally and conditional allocation from proceeds of external loans and grants. The additional conditional allocations are meant to support specific national policy objectives to be implemented by County Governments.

The additional conditional grants are allocated through Division of Revenue Act and administered pursuant to provisions of Regulation 129-135 of the Public Finance Management (National Government) Regulations, 2015 and the Treasury Circular No. 8/2017 on “Guidelines for the Management of Intergovernmental Fiscal Transfers in Kenya.

However, the High Court Ruling on Petition No. 252 of 2016 in December, 2020 directed that the conditional or non-conditional allocations are not items to be provided for in the Division of Revenue Act and consequently the Senate approved the Division of Revenue Bill, 2021 without the conditional grants. Subsequently, the Division of Revenue Bill, 2022 shall not contain the proposed additional conditional allocations to counties.

Further the Court also directed that there should be developed an alternative mechanism for disbursement of conditional grants to counties. In this regard, the Senate developed a County Governments Grants Bill, 2021 which has been passed by the Senate and is now at the National Assembly. The Bill is expected to provide mechanisms for disbursing and accounting for the additional allocations to counties going forward. The Bill is be expected to be an annual Bill.

5.2 Financial Year 2022-23 and Medium Term Budget Priorities

5.2.1 National Priorities

The national government's Budget Policy Statement shows that national priority sectors will continue to implement programs and Policies under the 'Big Four Plan' enabled under the pillars of 'Economic Transformation Agenda'. This year's BPS seeks to unlock economic potential by harnessing "the big four" through: (i) Supporting value addition and raising the manufacturing sector's share to GDP to 15 percent by 2022. This will accelerate economic growth, create jobs and reduce poverty; (ii) Focusing on initiatives that guarantee food security and nutrition to all Kenyans by 2022 through expansion of food production and supply, reduction of food prices to ensure affordability and support value addition in the food processing value chain; (iii.) Providing Universal Health Coverage thereby guaranteeing quality and affordable healthcare to all Kenyans;

and, (iv). Providing at least five hundred thousand (500,000) affordable new houses to Kenyans by 2022, and thereby improving the living conditions for Kenyans.

5.2.2 County Priorities

The County Government will continue to implement priority programs as envisioned in CIDP (2018-22) with emphasis on efficient allocation of limited resources.

In the recurrent expenditure category, non-discretionary expenditures take first charge. These includes compensation to employees.

Over the medium term, a minimum of 30 percent of the total revenue will be available to fund development projects and programs.

Development expenditures will be shared out on the basis of county flagship projects as in CIDP 2018-22, county empowerment program for wealth creation, key areas that seeks to spur post-COVID-19 economic recovery. The following criteria is used in determining development allocation

- 1. Ongoing Projects:** Emphasis will continue to be given to completion of ongoing projects in the County in particular infrastructure projects as well as other projects with a high impact on provision of health services, poverty reduction and equity, employment and wealth creation.
- 2. Strategic Policy Interventions:** funding will also continue to be prioritized in strategic interventions covering the County in particular the **Wezesha Program** aimed at empowering women and youth to engage in dignified and sustainable economic activities.
- 3. Post-Covid 19 Recovery;** Consideration is also given to interventions supporting Post-COVID-19 recovery.
- 4. Completion of stalled projects:** The county government has various projects which were commenced in previous financial Years but which have not since stalled. Consideration will be given to fund the completion of such projects in the Medium-Term.

5.3 Details of Sector Priorities

5.3.1 Overview

Budgetary allocations for the 2022/23 financial year and the medium term will be focusing on creating enabling environment to economic recovery and prosperity. Investments will continue to be made in empowerment programs aimed at creating employment opportunities especially to the youth and women. Further, the county government will continue investment in key so-economic sectors. Investments in infrastructure development, improvement of services and efficiency in delivery of the same in county health facilities, supporting the education sector; TVET and ECDE institutions.

The sector allocations are also informed by the second generation of County Integrated Development Plan (CIDP) 2018-2022, The Strategic plan and the Integrated Development Plan have been aligned to the goals and the objectives of the third Medium Term Plan 2018-2022 and the Kenya Vision 2030. The key resource allocation will therefore focus on the following areas;

- a) Transformation of livelihoods through investments in the agricultural sector for increased productivity and profitability;
- b) Investments in infrastructure developments to support economic growth;
- c) Investments in accessible Health care to ensure a productive population;
- d) Urban solid waste management and Accessibility to clean and safe water; and
- e) Support to early childhood education and technical vocational education

5.3.2 Details of Sectoral Priorities and Resource Allocation

5.3.2.1 Office of the Governor

The major role of the sector is to provide leadership and policy direction to ensure efficient and effective service delivery. The key priorities of this sector are:

- Instituting county public service reforms to ensure effective and efficient service delivery
- Providing leadership and guidance in human resource management

- Development of appropriate county organization structures
- Enhancement of transparency and accountability in all county entities
- Effective management and coordination of county government operations

In the previous MTEF, the sector implemented the key programs that were geared towards ensuring efficient and effective service delivery;

Through the ICT department, the government is implementing Hospital Management System which is intended to ensure full automation of the hospital services. In addition, the department has also automated performance management system which is intended to assist in the monitoring the implementation of projects and programs.

To ensure there is improved efficiency in resources mobilization from own source revenues, the government is rolling out a Revenue Management System (RMS) which is at an advanced stage of development. Further, the ICT department with collaboration with ministry of ICT is at advanced stage in ensuring fibre optic connectivity to county and sub-county offices. The fiber connectivity is close to getting completed.

Establishment of Kirinyaga Investment Development Authority, KIDA, to facilitating the spearheading development of investment opportunities and strategies in the County. KIDA has been actively engaging investors to potential business opportunities in the County, especially in the agriculture sector.

For efficient and effective management of information, the department has prepared a Record management policy and procedure manual.

Under the Human Resource Management section, having an organization structure and approved staff establishment is a key component to a clear basis for budgeting, recruitment and planning for human resource. Towards this end, the department has drafted organization structure, drafted staff establishment and subjected it to stakeholder's engagement for onward submission for approval. In addition, development of HR Policies and procedures is a key pillar for resource management. HR Manuals and Code of conduct and ethics draft

already subjected to stakeholders engagement (EACC) – to the government for publication.

The department also ensures good work environment in accordance with occupation safety and health act. Routine maintenances of government buildings have been conducted, ensuring safety of employees by conducting fire drills, ensuring health of cleaning staff by provision of safety gear.

The County Attorney and the legal department ensures that the county litigates all matters effectively and settles them as effectively as possible. In the Medium Term, the department has litigated in excess of 400 cases involving land matters (300 cases), Employment and labour, Commercial cases and Accidental cases.

The Enforcement department is charged with the reasonability of ensuring compliance with the county by-laws and regulations. It supports compliance by working alongside in revenue collection, public health and urban planning. In the preceding period, enforcement officers have been provided with new uniforms that have helped them stand out more and thus made their work easier

The Communications & liaison department disseminates to the public information on or about the county through various media platforms. To execute this mandate the department, in the 2018-2020 Medium-Term has prepared more than 70 policy position *communiqués* (Speeches), 600 press relases and numerous talking points. The department has also posted over 3000 times in various social media, prepared 3 pull-outs in the newspapers highlights the achievement of the County Government and prepared infographics and short documentaries.

Going forward, the department will continue to ensure effective and efficient service delivery, by providing leadership and guidance in human resource management, development of appropriate county organization structures,

enhancement of transparency and accountability in all county entities and effective management and coordination of county government operations.

The Office of the County Attorney will strengthen its operations by recruiting a County Solicitor General and legal counsels. These officers will assist the department to start on the move away from contracting for provision of legal services to commercial practitioners and allow for prosecution of offences under the county by-laws.

The Communication, Liaison and media department will endeavor to execute its mandate more effectively by upgrading their equipment such as purchase of towers for archiving various documents such as photographs. They will enhance the capacities of its officers by offering professional development through training and produce full-length feature films capturing the achievements of the County.

5.3.2.2 Agriculture sector

In order to revitalize the agricultural sector and increase productivity, the county government focuses on executing the following priority areas:

- Supply of certified seeds and other farm inputs
- Supply of subsidized fertilizers
- provide capacity building and technical backstopping to Common interest Groups to enhance production and improve quality of produce along agri-value chains in line with objectives of Wezesha programme
- Construction of market sheds to enhance markets for agricultural produce
- Agricultural Infrastructure Development
- A.I Improvement Services

In the last MTEF period, this sector has implemented key programs to strengthen the agricultural sector;

Under the Wezesha program, the department has been implementing interventions to empower women and youth in the following value chains, Dairy farming, Poultry farming, Avocado, Tomatoes.

Livestock Veterinary and Fisheries Directorate

Dairy

In order to promote the dairy value chain, reducing milk wastage through spoilage is a key aspect to ensuring maximum productivity. Further, under the NARIGP program, 17 dairy groups were supported and funded towards adaption of relevant technologies in dairy farming.

To support Dairy farming, the department has purchased milk processing equipment, power backup generators, milk tankers and cooling machines for several Dairy Farmers Cooperative Societies. Rung'eto, Kirima, Rukingu and Podago Dairy Farmers Cooperative Societies are among those that have benefitted. Rung'eto and Kirima have received semi-automated yoghurt production units with capacity of processing about 500 litres daily, 150KV power backup generator installed at each of the Coops and a 10,000 litres milk hauler for Rung'eto Dairy farmers.

The program is further supporting 60 dairy groups towards increasing milk productivity through improvement of breeds. The government is supporting access to affordable Artificial Insemination (A.I) services to improve breed quality and productivity.

Poultry

The county is committed to supporting the poultry value chain in the county. Construction of 32 poultry houses to CIG's has been completed, each of these 32 CIGs benefited from 1250 chicks each as start-up. In the second phase, a further 45 groups were identified for support. All 45 poultry houses has been constructed.

Further, the county constructed a cold storage facility to enable farmers prolong the shelf life. To further enhance the feeds production and supply, the government has rehabilitated and increased output levels of animal feeds production unit. This unit has been producing feeds to support poultry value chain as well as providing high quality feeds at competitive prices.

The department has further continued to reduce/ eliminate notifiable livestock diseases by conducting routine vaccination of livestock in collaboration with Kenya Veterinary Association (KVB).

In ensuring good livestock management practices, the department has also continued to offer farmers extension and market linkage services.

Agriculture Directorate

Through this department, the county is committed to ensure availability of high quality seedlings. In this respect, the county has put up nursery infrastructure. 2 modern nurseries have been completed at Kamweti and Kimbimbi. Further, the department has provided farmers with high quality and highly productive macadamia seedlings. To ensure increased productivity in the tomato and avocado value chains, through the NARIGP program, 11 tomato CIGs and 16 avocado CIGs have been supported. To support, the tomato value chain, a modern seedlings propagation nursery will be constructed.

To increase avocado and tomato production, funding community investment groups is key to unlocking their potential. Under this program, 30 avocado groups and 70 tomato groups have been identified to benefit. Further, to improve post-harvest handling and reduce losses, the department will be constructing aggregation centers and agro processing plant for tomato value chain.

In coffee improvement program, the department aims at increasing the productivity and quality of coffee for increased incomes. This entailed training

farmers on climate smart technologies in coffee production. Renovation of coffee processing factories.

5.3.2.3 Health Sector

The health sector is a vital service delivery sector with the mandate of delivering quality health care to the community with particular mid-term focus on:

- Maternal and child healthcare;
- Prevention, management and control of communicable and non-communicable diseases;
- Health promotion through provision of community health education and training of community health workers; and
- Promotion of public health interventions on environmental health and safety
- Improvement of hospital infrastructure i.e. Buildings and modern technology improvements

In the previous MTEF period, the department implemented various programs towards the departments' mandate.

Construction of Kerugoya medical complex is ongoing which is aimed at providing additional specialized services i.e. ICU, HDU, as well as increased bed capacity.

Currently, the county government is in the final stages of upgrading Kerugoya Hospital from a level-four to a level-five facility, to make it Kerugoya County Referral Hospital (KCRH).

Part of this has entailed refurbishing some infrastructure, among them the outpatient wing and TB isolation ward, as well as auxiliary facilities such as the Kitchen, laundry, incinerator and others.

The mega improvement here has entailed construction of a new complex at the hospital, containing a total of 342 beds. Five of these are in the theatre recovery section. The Intensive Care Unit (ICU) has 15 beds, while the High Dependency Unit (HDU) has six. Other bed allocations are eight in operation theatres, 30 in

the paediatric surgical wards, 14 in the burns unit, and 36 in the female medical wards. The paediatrics medical ward, female and male surgical wards, have 48, 36 and 54 beds respectively. The Oncology wards, both male and female have 36 beds, while the male medical wards have 54 beds.

Additionally, the new complex has a CT scan to improve imaging, diagnosis and treatment of the patients. Word from the county government is that the Ksh1.2 billion complex will be ready in December 2021.

Meanwhile, the county government has completed and equipped numerous specialized clinics. They include Kerugoya and Kianyaga eye units, Sagana X-ray Centre, Kimbimbi and Kianyaga maternity wards and Baricho male ward.

Kirinyaga County Government has also constructed and equipped 19 dispensaries across the county to ensure health care services are available much closer to the grassroots.

Still in the health sector, the county government is in the process of upgrading Kimbimbi and Kianyaga hospitals from level-three to level-four facilities.

The department further implements various preventive care programs under Preventive and promotive health care services to include services such as; HIV/AIDS control, TB control, Cholera control, improved access to maternity, family planning, immunizations and nutritional services weekly outreaches through Beyond Zero van.

The sectors also sought to provide accessible dialysis services to the people of Kirinyaga. Pursuant to this goal, the sector operationalized the dialysis unit and additional 3 dialysis machines through the Kerugoya Dialysis Unit. In the same front, the department has managed to improve the diagnostic services through the installation of the CT scan machine at the Kerugoya Level IV hospital.

In order to improve referral services, the department acquired 2 fully equipped and operational ambulances.

The aforementioned priority areas are in line with the third Sustainable Development Goal (SDG) that seeks to ensure healthy lives and promote well-being for all at all ages.

In the current financial year completion of Kerugoya Medical Complex is continuing to ensure timely access to services. Other continuing programs are Disease prevalence controls, Maternal and child health promotion, improved community health services.

Going forward, the department will continue to offer curative and preventive measures by focusing on the following programs; completion and operationalization of Kerugoya Medical Complex, provision of curative health services in all health facilities as well as continuation of Preventive and promotive health care services, other hospitals infrastructure improvement including provision of modern equipment.

5.3.2.4 Finance and Economic Planning

The major role of this sector is to monitor, evaluate and oversee the management of public finances and economic affairs of the County Government. It also ensures that the county has sound financial policies that will spur its economic growth.

In the Preceding medium-term the sector in execution of its mandate has achieved the following outcomes and output; coordination of MTEF process and ensure fiscal policies development, Transitioning to the e-procurement module and the publishing of county tenders in the National Government's portal on tenders.

The sector will focus on the following key priority areas to implement over the medium-term:

- Coordination of the MTEF process and ensure prudent fiscal policies are developed;
- Enhancement of revenue collection mechanisms;
- Automation of County Government systems;

- Promotion of effective and efficient utilization of public finances through ensuring compliance of relevant laws, regulations and Policies by county government entities;
- Enhancing of the e-procurement module in Supply chain management;
- Supporting the work of the County Executive audit committee;
- Coordination of the County Monitoring and Evaluation framework

5.3.2.5 Co-operative Development, Tourism, Trade and Industrialization Sector

The sector aims to embrace policies and programmes those optimize the economic, environmental and socio-cultural benefits of trade and tourism thus contributing to sustainable growth and development of the county. Tourist facilities will be established and proper marketing be done through elaborate and strategic signage across the county. The resources for this sector are targeted for the following key priority areas:

- Policy Development
- Financial inclusivity
- Value Addition
- Capacity building
- Construction of markets

Under policy development, the department is mandated to ensure there is regulatory framework to govern trade in the county. In the last MTEF period the department has prepared a proposed cooperative development policy and bill, draft tourism bill developed, draft Trade and Markets bill developed and are awaiting approval.

The sector was tasked with a key objective of providing a conducive trading environment for market traders and buyers by upgrading of key markets in the county.

In the last MTEF period, 15 markets have been constructed; these includes Makutano, Kianyaga, Kagumo, Kiamutugu, Wang'uru market, Sagana, Kagio

cereals, Kagio clothes, , Kerugoya, Kutus, Kibingoti, Githure, Gathoge, Karumandi, Makutano Tomato

Industrial development is a critical component in ensuring increased earnings. Through KIDA, the county seeks to open up new markets for county products and support value chains in agriculture to increase productivity.

On Cooperative extension service the sector has improved the performance of cooperative societies by conducting capacity building programs.

The sector is also mandated to ensure that the buyers and sellers get fair trade practices and consumer protection. Under this program, weighing and measuring machines are verified and stamped.

In the coming MTEF period, department will continue with construction of new markets and rehabilitation of other markets needing improvements, seeking markets through KIDA, cooperative extension services.

5.3.2.6 Transport and Infrastructure Sector

The infrastructure sector is charged with the responsibility of improving both the quality and quantity of infrastructure for sustained socio-economic growth.

Priorities for this sector include:

- Construction, rehabilitation and maintenance of existing road infrastructure that lie under the jurisdiction of Kirinyaga County Government;
- Development and maintenance of civil works;
- Construction and maintenance of footbridges; and
- Develop and maintain emergency response services

In order to ensure there is improved transportation system to spur economic growth in the county, the department embarked on building paved parking and trading spaces which are well drained along Kianyaga, Kutus and Kagio Matatu terminus, pavement and drainage of Kerugoya Parking Spaces, Roads, Walkways and Associated Works.

Under county in-house roads improvement program, much progress has been achieved in graveling and grading of access roads.

Going forward, the department will expand the county in-house roads improvement program to rehabilitate more roads. In addition, the department will also continue to expand the town parking improvement program to include more urban areas. Further, the department will also continue implementation of roads program under the RMLF allocation to the county.

5.3.2.7 Education and Public Service Sector

The education sector will continually strive to ensure a conducive learning environment for the ECDE pupils and impacting skills among the youth, Women and PWDs being support of Wezesha development agenda.

In the previous MTEF period, the department implemented various programs towards the departments' mandate.

Directorate of Vocational Education Training

Under infrastructure development, in order to provide a conducive environment for VTC Trainees learning activities, the department undertook infrastructure development in various vocational training centres. Further, The County Government of Kirinyaga has established home craft centers in selected youth polytechnics to assist community members acquire skills for self-employment.

The centers offer skills in areas such as beadwork, weaving, soap making, leather work, knitting and clothes making and there are no prerequisite academic qualifications for anyone to join. The polytechnics that have established home-craft centers are Kamiigua, Kimweas, Kibingoti, Nyangati, Kiamikuyu, Kiambatha, Ngucui and Mutitu. The home craft program in the county has so far benefitted 1,100 students while 70 instructors have also been trained on how to conduct the program. Out of the beneficiaries of the program that have already graduated and certified have opened their own businesses using the skills they gained at the centers.

Directorate of Early Childhood Development

This department focused on improving learning conditions in early childhood centers. Infrastructure improvement included; construction of additional classrooms, a total of 25 new classrooms have been constructed in various ECDE centres across the county in 2019-20FY. A further 20 will be constructed in 2020-21 FY.

Going forward, this directorate will further improve learning conditions by provision of adequate classrooms and sanitation services in ECDE centers, provision of children playing equipment which are an integral part in children development, provision of teaching and learning materials. Further the directorate plans to conduct capacity building for ECDE teachers on the Competency Based Curriculum (CBC).

Kirinyaga County Bursary Fund (KCBF)

The government will continue supporting the needy students through the bursary.

5.3.2.8 Gender and Youth Sector

This sector seeks to promote the socio-economic development of the community through focusing on the following priority areas:

- Cultural services development
- Providing coordination for implementation of Wezesha.
- Gender and social services development
- Control of drugs and substance abuse

This sector, in the previous MTEF has managed to renovate Kaitheri Apparel Factory, purchased machines. The factory has employed 32 women. The factory has also produced over 14,000 sets of uniform, 1,100 pieces of hospital linen, and over 20,000 masks towards fighting of COVID-19.

Further, the sector has also purchased sanitary towels to school going girls. Over 60,000 sanitary packs distributed to almost 20,000 school girls.

Further, a gender-based violence recovery centers' (GBVRC) 1st and 2nd phase of construction has been completed. The center has also been furnished with the necessary required furniture awaiting staffing and operations. The center is

intended to offer psycho support with respect to the gender based violence issues. Further, this is intended to create awareness of gender-based violence. Kirinyaga County is estimated to have between 23,000 to 25,000 PWDs, out of whom 85% live below the standard poverty line due to exclusion and profiling. The department acknowledges that there are some prevailing barriers which derail their commensurate participation within the mainstream society. Each type of disability requires its own type of intervention that are expensive hence unaffordable to the PWDs e.g. assistive devices, medications and other emergency interventions as has been demonstrated during COVID-19 pandemic. In the FY 2020/2021, the department made interventions to PWDs by provision of food, blankets etc. it is for this reason that adequate resources are required to enhance their social-economic participation.

To safeguard the dignity of our girls, the County through the department had distributed 43,000 sanitary pads to school-going children within the county. Additionally to support and empower our women, the department purchased and distributed 7,450 chairs to Self-Help Groups (SHGs)

In response to the Covid-19 pandemic, the Kaitheri Apparel factory has been consistently engaged in the production of face masks, ECDE uniforms and even hospital linen. The sector seeks to continue supporting this agenda as a measure towards adhering to the Covid-19 pandemic regulations. Further, the sector seeks to empower the PWDs with assistive devices focusing on possible 200 beneficiaries. It also needs to engage in mobilization and profiling, as well as, registration of PWDs targeting about 3000 PWDs. There are strategic intentions to promote emergency interventions – offering humanitarian support through provision of basic needs to approximately 350 families. Another focus area for the planning period 2021/22 is that of promoting Para sports including sitting volleyball and goalball. This is intended to promote, significantly, reflex visible socio-economic participation for the PWDs.

In a bid to promote the economic welfare of the PWDs, the sector intends to provide tools of trade including knitting machines, salon kits, and leather tools

to possible 40PWDs with the intention of boosting their livelihoods. The same concept is being invoked in the targeted expansion of the Kaitheri Apparel factory, hence increased production of school uniforms to ensure that schools girls stay in class.

The sector also seeks to enhance capacity for the youth via youth conferences, training and seminars. A targeted number of 20,000 youths is expected to benefit from these interventions. These initiatives will be carried out in liaison with polytechnics among other tertiary institutions from which profiling will occur.

In the next Medium-Term, the sector targets to meet its objectives by focusing on the following interventions: Continue with Gender-related initiatives including sanitization of the community on Gender-Based Violence (GBV) and operationalization of the Gender-Based Violence Recovery Center (GBVRC); support for groups through purchase and distribution of tents which will be used for income generating. Enhancing the capacity of various groups through formal training sessions.

5.3.2.9 Sports, Culture and Social Services Sector

This sector seeks to promote the socio-economic development of the community, the sector works closely with other sectors to ensure that youth issues are adequately addressed and a strategic plan for the youth is developed. The sector further continue to promote initiatives by the youth that promote good behavior and ensure the youth are engaged constructively. Sports activities will therefore be promoted for social integration and cohesion. Development of youths and nurturing of their skills is important if the county has to progress, to ensure this, the sector focuses on the following priority areas:

- Management and Maintenance of sports and sporting facilities
- Talent development

The sector in the previous MTEF the department engaged in rehabilitation of sporting facilities including stadias. Rehabilitation of Kerugoya Stadium is ongoing with works in including fencing of stadium, erection of inner perimeter

fence, leveling and planting grass of football pitch, leveling and murraming of athletics track, curbing of the athletics track, construction of dais.

There is also equipping of sports clubs with sports kits and equipment. Over 300 clubs have been provided with sports kits and equipment. This has benefited over 10,000 youth with uniforms. At least 180 sports officials were trained.

The youth's talents in the county are exposed through the participation in the Kirinyaga Youth Sports Association (KYISA). To be able to plan for the youths the sector in the previous year has developed an inventory for the youth at skills and education levels. 4 championships were held in football, volleyball, and athletics and cross country.

Going forward, in the 2021/22FY plans to focus on improvement of county stadia (Wang'uru and Kerugoya), Rehabilitation of Kianyaga Children's home. The department will also facilitate participation in various county tournaments (Football, Volleyball, and Athletics)

5.3.2.10 Environment, Water and Natural Resources Sector

This sector will play a major role in ensuring:

- Provision of capacity and support on Environmental and Social safeguards during project implementation.
- Provision of adequate, safe and reliable water through county and community based water projects
- Development of forests, re-forestation and agroforestry
- Environmental conservation

In the last MTEF period, this sector has implemented key programs to strengthen every sub-sector;

To ensure environment cleanliness, the department through solid waste management program made the following notable achievements; Acquisition and distribution of 27 skips and 1 skip loader, Acquisition of 1 garbage collection truck, Construction of 10 public eco toilets in major towns, Reclamation of Kagio

dumpsite, Construction of decentralized treatment facility (DTF) in Wang'uru town.

To provide households with clean and reliable water supply, the department through water services program funded various water projects across the county. This increased the number of connected households to piped water. Amongst the key notable projects includes; completion of Mwea Makima water project that benefitted 3000 households, In Mwea, the completed projects include Kithiriti-Musangondi irrigation water project and Kiangegwa, Togonye, Kitheru, Rurii and Kiorugari water projects. Others include Riagicheru which is serving about 3,000 residents with domestic and irrigation water. In Ndia constituency, the county completed Mukui, Sagana and Mung'etho water projects and Kiburu and Kamoro borehole projects. In Gichugu, Ngariama, Njukiini and Kiagikiki projects are among those completed.

Others includes completion of Njukiini water project that benefitted 2000 households

Going forward, the directorate of environment will continue to ensure environment cleanliness by provision of more skips in strategic areas in major urban areas to ease garbage collection. Timely emptying of these skips will also be enhanced to avoid garbage accumulation.

The directorate of water will seek to fast track completion of key water projects under implementation with aim to increase households connected to regular supply of clean water both for domestic use and irrigation.

5.3.2.11 Lands, Housing and Physical Planning

Under the county spatial planning programme, the sector intended to achieve several issues. These included guiding a harmonious development in the county, delineate land use zones, define the broad zoning regulations and provide a framework for preparation of other plans. To this end, the sector has reached the following milestones: Preparation of a Draft Spatial Plan; holding of a 2nd stakeholders meeting to present the proposals, Data collection; this is ongoing, while a 3rd Stakeholders being planned.

To provide a framework that will promote integrated socio-economic development of the Kerugoya/ Kutus Municipality, the department is in the process of preparation of Kerugoya Kutus Municipal Local Physical Development Plan whereby Inception report has been prepared, Data Collection exercise is ongoing. Further, under the KUSP program, the department is engaging in Highway Frontage development project which entails development of Parking, Non-Motorized Transport facilities, beautification and improvement of the Kerugoya bus park/Terminus.

To create a land bank for future development, the county embarked on Repossession of illegally acquired public land. The Kiine/Thigirichi/527 parcel got a positive NLC determination and Gazettement of the same. Furthermore the department participated in the identification, acquisition and compensation of parcels of lands for development of social public like public access roads and markets.

In the housing department, the county manages 112 units of residential houses which it rents out. However the potential rent for these units has not been achieved since they require to be refurbished. In the coming period the county will set aside funds to refurbish the units and charge rent at a competitive market rate.

In the Coming Medium-Term Period, the County will embark on developing Affordable houses along the model outlined in the President's 'Big Four' Agenda. In furtherance of this, the county will undertake a housing survey to determine the feasibility, demand and other relevant data that would inform this project.

Going forward, the department will implement the following programs; Preparation of local Physical Development Plans for 2 priority towns Wang'uru and Sagana, Planning and Survey of 30 colonial villages, establish a GIS Laboratory, automate the land registry records, and facilitate adjudication and issue of title deeds for South Ngariama Land. Preparation of Local Physical

Development Plan for Kianyaga, Kagumo, P.I and Mutithi, Planning and Survey of 30 colonial villages.

Ensure establishment of Land Information Management System (LIMS) to help in Digitalization of Registry Records, Geo-referencing public land.

Kerugoya/Kutus Municipality

The department, through Kerugoya/Kutus Municipality has embarked on preparation of local Physical Development Plan to enable proper planning of the municipality. The process is ongoing. Through, the KUSP program, the municipality also implemented rehabilitation of Kerugoya Fresh Produce Market (Construction of sheds), Construction of Parking spaces at Kutus Town with project at advanced completion stage. Other projects that continue to be implemented in 2021-22 Financial Year includes; Improvement of Parking spaces, Non-Motorized Transport facilities, beautification and Construction of new Clothes Market in Kerugoya town; urban regeneration projects in Kerugoya and Kutus towns; apparel factory expansion; Construction of a Municipal modern fire station at Kutus

The lands, housing and physical planning sector will continue to endeavors to promote improved land use management.

5.4 Departmental Ceilings

Table 5.2: County Indicative Ceilings for 2022-23

							Projected allocations	
	Approved Budget 2021/22 FY Budget						2022-23	FY
	REC	% of Total REC	DEV	% of Total DEV	TOTAL Budget	% allocation of Total Budget	REC	DEV
County Assembly	637,393,333	14.1%	369,568,225	11.6%	1,006,961,558	13.07%	13.3%	6.6%
County Executive	459,738,124	10.1%	143,630,336	4.5%	603,368,460	7.83%	12.7%	15.5%
Finance and Economic Planning	599,770,385	13.2%	2,080,010	0.1%	601,850,395	7.81%	9.7%	1.6%
Agriculture, Livestock and Fisheries	251,714,603	5.6%	795,882,159	25.1%	1,047,596,762	13.60%	5.2%	26.6%
Environment, Water and Natural Resources	102,589,239	2.3%	126,675,566	4.0%	229,264,805	2.98%	2.5%	2.7%
Education	299,814,623	6.6%	22,007,910	0.7%	321,822,533	4.18%	4.0%	2.6%
County Health Services	1,962,276,833	43.3%	958,745,445	30.2%	2,921,022,278	37.91%	47.0%	22.1%

Lands, Housing and Urban Development	28,968,028	0.6%	99,192,631	3.1%	128,160,659	1.66%	0.9%	3.9%
Transport and Infrastructure	77,078,285	1.7%	612,081,564	19.3%	689,159,849	8.94%	1.7%	12.4%
Trade, Co-operatives, Tourism Industrialization and Enterprise Development	42,839,441	0.9%	19,471,788	0.6%	62,311,229	0.81%	1.2%	3.8%
Gender and Youth	46,168,210	1.0%	5,000,000	0.2%	51,168,210	0.66%	1.0%	1.6%
Sports, culture & Social Services	22,708,017	0.5%	19,937,353	0.6%	42,645,370	0.55%	0.8%	0.7%
TOTAL	4,531,059,121		3,174,272,986		7,705,332,107			

6.0 CONCLUSION

The FY 2022/23 and the medium term budget will be prepared on background of a recovering of domestic economy. Kenya's economy is expected to rebound from effects of COVID-19 pandemic. The pandemic's containment measures led to contraction of the economy disrupting businesses including international trade and leading to loss of livelihoods for millions of people.

The Government will continue to ensure proper prioritization of public expenditures to programs with high potential to job and wealth creation to support households and build resilience in the local economy.

Noting the tight resource envelop, the Government will continue with a strategy to ensure that the budget is strictly followed and service delivery is prioritized to achieve the set objectives. The resource ceilings projected in this document should guide the departments to prioritize the key productive activities contained in the Annual Development Plan to ensure consistency in the development interventions of the County.

In order for continued fiscal discipline, the County Government will continue to entrench the fiscal responsibility principles set out in the PFM Act 2012 in making forecasts realistic and reasonable. The county will also continue with prudent management of funds and delivery of expected output. Effective and efficient utilization of funds will be crucial in ensuring that the county deliver on its functions

The departmental ceilings annexed herewith will guide the departments in preparation of the 2022-23 FY and the MTEF period 2022/23-2024/25.