

# MURANG'A COUNTY GOVERNMENT



FINANCE, IT & ECONOMIC PLANNING DEPARTMENT

COUNTY FISCAL STRATEGY PAPER (CFSP)

2022

## Foreword

The Murang'a County Fiscal Strategy Paper (CFSP) 2022, is the fifth paper during the implementation period of the 2<sup>nd</sup> generation County Integrated Development Plan (CIDP) 2018-2022. It highlights the legal framework underlying the fiscal responsibility for the County Government, sets out the broad County strategic priorities and priorities for the FY 2022/2023. It also reviews the current economic developments.

The strategic priorities are informed by the prioritized proposals and suggestions received during the public participation, Governor's manifesto, the second generation CIDP 2018-2022, MTP III (Big Four Agenda), County COVID19 Socio-Economic Re-Engineering and Recovery Strategy 2020/21-2022/23, Kenya Vision 2030, and the Sustainable Development Goals. Revenue estimates and expenditure proposals take cognisance of the county's, national and global economic situation and outlook over the medium term.

To enhance economic transformation, Murang'a County Government will strengthen the County service delivery and performance management system supported by firm and evidence-based planning and budgeting. The CFSP identifies priority sectors envisaged to enhance and sustain the economic development prospects and trajectories. The major contributors of GCP majorly include agriculture, dairy, health, youth empowerment, water, roads and infrastructure sectors. In identifying and allocating financial ceilings for the FY 2022/2023, the criterion used included efficiency as well as the overall cost of operations in all departments.

**Hon. David Waweru,  
County Executive Committee Member,  
Finance, IT & Economic Planning.**

## Acknowledgement

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**P. K. Gicheha,  
Chief Officer,  
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## Abbreviations

<b>ADP</b>	Annual Development Plan
<b>CFSP</b>	County Fiscal Strategy Paper
<b>CIDP</b>	County Integrated Development Plan
<b>COB</b>	Controller of Budget
<b>ECDE</b>	Early Childhood Development
<b>FY</b>	Financial Year
<b>GCP</b>	Gross County Product
<b>GDP</b>	Gross Domestic Product
<b>KNBS</b>	Kenya National Bureau of Statistics
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTP</b>	Medium-Term Plan
<b>NDA</b>	Net Domestic Assets
<b>NFA</b>	Net Foreign Assets
<b>PFM</b>	Public Finance Management

## Executive Summary

Murang'a County Fiscal Strategy Paper (CFSP) 2022 is the fifth during the implementation period of the 2<sup>nd</sup> generation County Integrated Development Plan (CIDP) 2018-2022. It highlights the legal framework underlying the fiscal responsibility for the County Government, sets out the broad County strategic priorities and goals for the FY 2022/2023, and reviews the current economic developments. The strategic priorities for the year are informed by the submissions during public participations, the Governor's manifesto, the second generation CIDP 2018-2022, MTP III (Big Four Agenda), Kenya Vision 2030, and the Sustainable Development Goals (SDGs). Revenue estimates and expenditure proposals take cognisance of the County's national and global economic situation and outlook over the medium term. The Paper identifies priority sectors to enhance and sustain the economic development prospects and trajectories of the County. The major sectors identified include; Agriculture, Health & Sanitation, Youth Empowerment, Water & Irrigation, Roads & Infrastructure. In identifying and allocating financial ceilings for the FY 2022/2023, the criteria takes into account the prevailing Covid 19 pandemic, sectors that can spur and accelerate re-emergence of the County economy, efficiency as well as the overall cost of operations in all departments. Implementation of the FY 2021/22 County budget is on course. However, the performance is lagging behind targets majorly attributable to the impacts of the pandemic. By the end of December 2020, the County has received Kshs. 3.542Bn. The County Government expects to spend a total of KShs. 9,249,740,943 in the period 2022/23. Out of this, own-source revenue is expected to account for 7.5% of the total revenues. Budgetary allocation ceilings for FY 2022/23 are based on revenue growth, budget 2022/2023, and priorities outlined in key planning documents. The County Government shall allocate 10.4% of the budget to Agriculture Livestock and Fisheries, 9.7% to Transport and Infrastructure, 6.8% Education, and 41.4% to Health and Sanitation.

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## CHAPTER ONE

### INTRODUCTION

#### 1.1. Background Information

The Constitution of Kenya 2010 created a two-tier Government; a National Government, along with the County Governments that are distinct but interdependent. The County Governments are responsible for spearheading development and service delivery in counties through a process that links planning and budgeting as stipulated in the County Government Act, 2012. The Public Finance Management (PFM) Act, 2012 requires that the County Governments prepare and submit a County Fiscal Strategy Paper (CFSP) to the County assembly by the 28th February of each year.

The Murang'a County Fiscal Strategy Paper (CFSP) 2022, is the fifth and final during the implementation period of the 2<sup>nd</sup> generation County Integrated Development Plan (CIDP) 2018-2022. It provides the link between the government's overall policies (as identified in the CIDP) and implemented through the annual budget. It specifies the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for the FY 2022/2023 and over the medium term (3-5 years).

The paper reviews the implementation of the 2020/2021 budget and 1<sup>st</sup> half of the 2021/2022 budget. It reports on the actual county revenue generation for the 1<sup>st</sup> half of 2021/2022 FY. It also projects the overall revenue and expenditure expected for the 2022/2023 financial year.

Largely, the County Fiscal Strategy Paper contains:

- i. Budget performance for the previous Financial Year (2020/2021) and a description of budget implementation for the first half of the current Financial year (2021/2022), including revenue and expenditure performance.
- ii. A description of changes to the budget during the year (Supplementary Budget)



- iii. An overview of the expected revenue and expenditure totals for the coming year based on an assessment of the economy and other factors which may affect the County.
- iv. Ceilings on the amount of funds each sector will get based on a predetermined resource allocation criterion.

The strategic priorities for the coming financial year are majorly informed by the prioritized public proposals as received during public participation, second generation CIDP 2018-2022, Governor's manifesto, MTP III (Big Four Agenda), Kenya Vision 2030, and the Sustainable Development Goals. Most importantly, revenue estimates and expenditure proposals take cognisance of the COVID-19 pandemic, County's, national and global economic situation and outlook over the medium term, and social-economic re-engineering.

Murang'a County Government will enhance economic transformation by strengthening the County service delivery framework, supported by evidence-based planning and budgeting. The CFSP, through the various public participation fora and Sector Working Group reports, identified and prioritised investment sectors to accelerate and sustain the economic development prospects and trajectories. In identifying and allocating financial ceilings to the various sectors for the FY 2022/2023, the criteria took cognisance of overall cost of operations in the departments, sectoral ability to spur growth of the County economy, and stake in improvement of social livelihoods.

The CFSP as the County Government's strategy document guides the budgetary allocations and provides the link between the County Government's overall policies (as identified in the CIDP), the annual budget and the medium term (3-5 years) projections.

## **1.2. County Strategic Priority Areas**

### **A. Agriculture**

As per the KNBS GCP (2019) for counties, Agriculture contributes to the bulk of Murang'a county's economy and supports more than 80% of the population.

Agricultural activities practiced include crop production, livestock development, and fisheries. To enhance and sustain agriculture's contribution to the GCP, the County will continue to prioritize and invest more in agriculture related programmes particularly in dairy, coffee, tea, avocado, and farmer organizations. The county will further prioritize investment in the enabling infrastructure for agriculture such as access roads, irrigation infrastructure, market and market accessibility, and value addition.

#### **B. Roads and Infrastructure**

Roads and infrastructure are critical enablers of growth and development of all other sectors. They provides critical linkages and movement of people, goods and services. The Sector is however, dogged by a number of challenges such as poor intra-county road network, poor drainage systems, inadequate bridges and related infrastructure. To overcome these challenges, the county prioritizes budgetary allocation to this sector during the financial year 2022/2023 and further look out for partnerships and support from other development partners and stakeholders.

#### **C. Health**

Access to quality and affordable healthcare is a fundamental right enshrined in the constitution of Kenya 2010, and is also one of the Sustainable Development Goals. The county has been prioritizing resource allocation to the sector and will continue investing in the health sector infrastructure to ensure access and quality of health service provision to the Citizens. In order to support universal healthcare access, the County Government will invest in specialized institutions and additional health care equipment and medical commodities to achieve universal healthcare.

#### **D. Water and Irrigation**

Access to clean domestic water as well as sufficient irrigation water to support agriculture remains a challenge in the county. Initiatives to provide sufficient water for both domestic and irrigation use will remain a priority during the financial year 2022/2023. The county will prioritize programmes and projects aimed at connecting households and communities to piped water. Other focus

areas in the short and medium include developing an integrated master plan, building and maintaining existing water intakes, sinking boreholes, water pans and developing distribution networks.

#### **E. Youth empowerment**

Youth in Murang'a constitute more than 50% of the population. However, unemployment stands at 37%. Youth empowerment remains one of the priority investment areas for the county. The county will continue to invest more resources to ensure that the youth have access to employment opportunities. The strategy will include empowering youth groups to help in pooling resources for economic empowerment and reduction of poverty.

### **1.3 Legal Basis for Preparation of the Fiscal Strategy Paper**

The Fiscal Strategy Paper is prepared under the Public Finance Management Act, 2012 Section 117 which stipulates that:

1. The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year.
2. The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
3. In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term.
4. The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.
5. In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of: -
  - i. The Commission on Revenue Allocation

- ii. The public
  - iii. Any interested persons or groups, and
  - iv. Any other forum that is established by legislation.
6. Not later than fourteen days after submitting the County Fiscal Strategy Paper to the county assembly, the county assembly shall consider and may adopt it with or without amendments.
7. The County Treasury shall consider any recommendations made by the County Assembly when finalizing the budget proposal for the financial year concerned.
8. The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the county assembly.

#### **1.4 Fiscal Responsibility Principles**

The Public Finance Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudent and transparent Management of public resources. The PFM law (Section 107) provides that:

1. A County Treasury shall manage its public finances in accordance with the principles of fiscal responsibility set out in subsection (2), and shall not exceed the limits stated in the regulations.
2. In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles: -
  - a) The county government's recurrent expenditure shall not exceed the county government's total revenue.
  - b) Over the medium term a minimum of thirty percent (**30%**) of the county government's budget shall be allocated to the development expenditure;
  - c) The county government's expenditure on wages and benefits for its public officers shall not exceed percentage of the county government's total revenue as prescribed by the county Executive member for finance in regulations and approved by the County Assembly;

- d) Over the medium term, the government's borrowings shall be used only the purpose of financing development expenditure and not for recurrent expenditure;
  - e) The County debt shall be maintained at a sustainable level as approved by county assembly;
  - f) The fiscal risks shall be managed prudently; and
  - g) 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.
3. For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue.
  4. Every county government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the county assembly.
  5. The regulations may add to the list of fiscal responsibility principles set out in subsection.

### **1.5 Organisation of the Paper**

This document is divided into four chapters. Chapter I highlights the background and overview of the CFSP. It also quotes the legal basis for the preparation and lists the fiscal responsibility principles as outlined in the PFM Act 2012; Chapter II examines national and county economic development and outlook, focusing on regional and global economic developments. It also reviews and forecasts fiscal performance and identifies risks to the economic outlook.

Chapter III provides for the budget estimates and ceilings for FY 2022/2023. The chapter highlights fiscal framework summary, revenue projections, expenditure projection, and overall deficit and financing mechanism; Finally, Chapter IV highlights departmental / subsector county development priorities as identified during stakeholder consultations through sector working groups.

## CHAPTER TWO

### RECENT NATIONAL AND COUNTY ECONOMIC DEVELOPMENT AND OUTLOOK

#### 2.1 Overview

The Kenyan economy indicated a partial recovery from the COVID-19 pandemic which had stalled economic growth. The effects of the pandemic had created a contraction of the global and local economies which has not only disrupted the lives and livelihoods but also to a greater extent, businesses and economic activities. The recovery is uneven across with some sectors still heavily affected but is buoyed by adequate agricultural harvests and a pick-up in the industrial sector due to increased demand from the recovering sectors.

Based on the 23<sup>rd</sup> edition of the Kenya Economic Update, *Rising Above the Waves*, private consumption is envisaged to strengthen, aided by a recovery in wages and household incomes. The fiscal deficit is projected to shrink from 8.7 percent of GDP in FY2020/2021 to 4.2 percent in FY2023/2024 due to fiscal consolidation efforts. This is also contained in the World Bank analysis and projections, with the Kenyan GDP projected to grow by 4.5 percent in 2021 and accelerate to above 5 percent in 2022 and 2023.

The National Budget Policy Statement on the recent economic developments and medium-term outlook indicate that the economy is expected to rebound to 6.0 percent in 2021, supported by the continued reopening of the service sectors, recovery in manufacturing, and stronger global demand. The rebound is reflected in the robust performance of construction, manufacturing, education, real estate and transport and storage sectors. On the flip side, the contraction of 0.3 percent in 2020 and a growth of 5.0 percent in 2019 majorly reflected the adverse effects of Covid 19 pandemic. The disruptions occurred mainly in the services sectors particularly wholesale and retail trade, education, accommodation and restaurant, and transport and storage.

The economy continues to register macroeconomic stability with low and stable interest rates and a competitive exchange rate that supports exports. Year-on-year overall inflation rate has remained low, stable and within the target range of 5+/-

2.5 percent since the end of 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.

The foreign exchange market remain largely stable but partly affected by tight global financial conditions attributed to uncertainty with regard to the COVID-19 pandemic. In this regard, the Kenya Shilling to the US Dollar exchanged at Ksh 110.9 in October 2021 compared to Ksh 108.6 in October 2020.

## **2.2. Recent Economic Developments and Outlook**

### **2.2.1. Global and Regional Economic Developments**

Global growth is projected to hit 5.9 percent in 2021 from a contraction of 3.1 percent in 2020 (WEO October 2021). However, most of the emerging markets and developing economies are projected to experience a more challenging recovery from the COVID-19 pandemic largely on account of uneven access to COVID-19 vaccine. This is therefore, likely to impact negatively on the full resumption of economic activities in these economies. Emergence and rapid spread of new variants have increased uncertainty about how quickly the pandemic can be overcome.

The advanced economies are projected to recover to 5.2 percent in 2021 from a contraction of 4.5 percent in 2020. This projected recovery is attributed to the anticipated additional fiscal support in the second half of 2021 and broader vaccinations coverage across the group. Economic growth in the Sub-Saharan Africa region is projected at 3.7 percent in 2021 from a contraction of 1.7 percent in 2020 due to improved exports and commodity prices, and the rollout of vaccination programmes. This growth will also be supported by a recovery in both private consumption and investment as economies re-open. However, the recent increase in infection rates in sub-Saharan Africa are expected to weigh down the region's recovery in 2022

### **2.2.2. Domestic Economic Developments**

The National Accounts were revised and rebased in 2020 where the base year was changed from 2009 to 2016. The revised growth rates were relatively lower than in the previous estimates, largely due to expanded base, change of benchmark data, data sources as well as revision of time series indicators. 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 introduction of temporal restrictive measures to curb the spread of Covid 19 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. However, pick up of economic activities resumed in the third quarter of 2020 with further improvements in subsequent quarters. The contraction was spread across all sectors of the economy but was more dismal in accommodation and food services activities, education, and transport sectors.

The overall performance of the economy in 2020 was cushioned from a deeper slump by accelerated growths in agricultural production (4.8 percent), mining and quarrying (6.7 percent), construction activities (11.8 percent) and health services (6.7 percent). 10. 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 3 Draft 2022 Budget Policy Statement such as beans, rice, sorghum and millet and, livestock and related products such as milk and meat. Improved production of cash crops such as tea and sugarcane also supported the sectors growth.

### **2.2.3. Inflation Rate**

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



Food inflation remained the main driver of overall inflation in October 2021, contributing 3.8 percentage points, an increase, compared to a contribution of 2.3 percentage points in October 2020. The increase was mainly attributed to dry weather conditions and supply constraints that resulted in a rise in prices of key food items particularly tomatoes, spinach, beef with bones, onions, oranges and Potatoes (Irish). Fuel inflation contributed 1.6 percentage points to overall inflation in October 2021 compared to 1.7 percentage points in October 2020 following relatively lower international oil prices largely on account of buildup of oil inventories amid concerns on supply growth

Kenya's year-on year inflation rate compares favorably with the rest of Sub-Saharan Africa countries. In September 2021, Kenya recorded a lower inflation rate than Burundi, Ghana, Nigeria and Zambia

#### **2.2.4. Kenya Shilling Exchange Rate**

The foreign exchange market has largely remained stable but partly affected by tight global financial conditions attributed to uncertainty with regard to the COVID-19 pandemic. In this regard, the Kenya Shilling to the US Dollar exchanged at Ksh 110.9 in October 2021 compared to Ksh 108.6 in October 2020

#### **2.2.5. 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. The money market was relatively liquid in October 2021 supported by Government payments. As such, the interbank rate remained low but increased slightly to 5.3 percent in October 2021 from 2.7 percent in October 2020

The improved liquidity in the money market has resulted in stable commercial bank rates. The average lending rate remained stable at 12.1 percent in August 2021 compared to 11.9 percent in August 2020 while the average deposit rates declined from 6.6 percent to 6.3 percent over the same period. This led to an increase in the average interest rate spread by 0.5 percentage points over the review period

Short-term interest rates remained fairly low and stable. The Central Bank Rate was retained at 7.00 percent on November 26, 2020, same as in April 2020 to signal lower lending rates to support credit access by borrowers especially the Small and Medium Enterprises, distressed by the COVID-19 pandemic.

#### **2.2.6. Money and Credit**

Broad money supply, M3, moderated to a growth of 8.7 percent in the year to September 2021 compared to a growth of 10.7 percent in the year to September 2020 (Table 1.4). This reflected a relatively lower Net Foreign Assets (NFA) and reduced growth in the net lending to Government component of the Net Domestic Assets (NDA).

Net Foreign Assets (NFA) of the banking system in the year to September 2021 contracted by 11.7 percent, compared to a contraction of 10.3 percent in the year to September 2020. The decline in NFA of the Central Bank was largely due to scheduled debt service and other central bank operations. The NFA of commercial banks also declined during the review period as a result of a decrease in deposits abroad.

Meanwhile, Net Domestic Assets (NDA) registered a growth of 13.6 percent in the year to September 2021, a decline compared to a growth of 17.3 percent over a similar period in 2020. This moderation mainly reflected a slowdown in net lending to government resulting from a reduced utilization of Government deposits at the Central Bank of Kenya. Net credit flows to the private sector and other public sectors improved during the review period.

#### **2.2.7. 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. All economic sectors, except mining and quarrying, registered positive credit growth rates reflecting improved demand as economic activities picked up in the first three quarters of 2021. Strong credit growth was mainly observed in consumer durables (17.6 percent); finance and insurance (11.7 percent); transport and communication

(10.9 percent); manufacturing (9.8 percent) and business services (7.6 percent). The Credit Guarantee Scheme for the vulnerable Micro, Small and Medium Enterprises (MSMEs) that was launched in October 2020, continues to de-risk lending by commercial banks and is critical to increasing credit flow to the sector.

#### **2.2.8. Nairobi Securities Exchange (NSE)**

Activity in the capital markets improved in October 2021 compared to October 2020, with equity share prices increasing. The NSE 20 Share Index stood at 1,960 points by end of October 2021, an increase compared to 1,784 points by end October 2020. Market capitalization also increased to Ksh. 2,775 billion from Ksh. 2,150 billion over the same period indicating increased trading activities.

#### **2.2.7. Foreign Exchange Reserves**

The banking system's foreign exchange holdings remained strong at USD 12,745.4 million in May 2021 from USD 13,805.7 million in May 2020. The official foreign exchange reserves held by the Central Bank was at USD 7,871.6 million (4.8 months of import cover) in May 2021 compared with USD 9,738.3 million (5.9 months of import cover) in May 2020 (Figure 1.11). This fulfills the requirement to maintain reserves at minimum of 4.0 months of import cover to 14 Draft 2022 Budget Policy Statement provide adequate buffer against short term shocks in the foreign exchange market. Commercial banks holdings increased to USD 4,873.8 million in May 2021 from USD 4,067.3 million in May 2020.

### **2.3 COUNTY ECONOMIC DEVELOPMENTS**

#### **2.3.1. Roads and Infrastructure:**

In the FY 2020/2021 the department rehabilitated 2km of streetlights and 15 floodlights. They installed 3,000sqms of cabro stones, opened 155km of access roads, graded 225km and graveled 155 km of roads.

#### **2.3.2. Agriculture, livestock and fisheries:**

During the FY 2020/2021, the sector issued 200,000 avocado seedlings to 40,000 farmers while 278,846 farmers benefited with the issue of 540MT of maize seeds. 35,945 farmers were offered extension services and capacity built. The NARIGP

program reached 25,391 beneficiaries with 404 micro-projects funded. ASDSP program developed 3 SIVCAPs, which were being implemented where they identified value chain opportunities, trained service providers, aggregated value chain actor groups and facilitated the signing of market linkage instruments and operationalizing them. Meanwhile the KATC Mariira held 10 trainings and 1 field day where 2,907 farmers were trained. They also managed 312 demos on 3 acres and 8 acres of tea leaves. The Veterinary Department issued 9,474 inseminations and vaccinated 29,432 animals

### **2.3.3. Education, Youth, Sports,**

The department renovated more workshops than had been planned i.e., targeted workshops were 14 but by the end of the FY 2020/2021, 34 workshops had been renovated. The department received and utilized the grant capitation as planned and as approved by National Government through Directorate of Vocational Education and Training (DVET).

### **2.3.4. Health**

During the period under review, the department has had focus on eliminating communicable conditions, halt and reverse the rising burdens on Non-Communicable Conditions, reduce burden of violence and injuries, provide essential health services, minimize exposure to health risk factors and strengthen collaboration with health-related sectors. COVID 19 affected the delivery of service since many people stayed away from the health facilities in fear of contracting the virus. This meant that the numbers targeted could not be reached due to stay home orders. From another perspective, the sanitization habits created improved general health of the public since ailments caused by poor hand hygiene were controlled.

The county established 3 Isolation centres to cater for COVID 19 cases as well as an ICU at Murang'a level 5 hospital. The key achievements for the previous ADP include; establishment of inter facility provision of emergency & referral health services, improvement of health services through provision of diagnostic and therapeutic medical equipment such as generators for power, oxygen plants,

managed equipment supplies from national government and expansion of services in renal dialysis at Level 5 hospital.

### **2.3.5. Lands and Housing**

The department prepared 7 development plans, mapped roads, public utilities and health facilities around the county, kicked off a succession program, replanned 3 urban centers, beaconed 31 plots and marked 26 rural roads.

### **2.3.6. Murang'a Municipality**

The department renovated 4 offices, 1 social hall, 2 ECDE center, upgraded 1.8 km of road to bitumen standard, 2.4km of drainage system, an IDEP and a strategic plan which were also approved and trained 160 staff. Process of delineation and conferment of status of Municipalities on Kangari and Kenol progressed to advanced stages. Further, development of market facilities continued with four market facilities being constructed.

### **2.3.7. Environment and Climate change**

The department constructed a sanitary landfill at Gikono in 50 acres' land, constructed 50 waste collection chambers across the county that were achieved through public private partnership. The department also procured a garbage collection truck and planted over 200,000 tree seedlings in schools and various public sites across the county. Over 10kms of riparian areas were also protected.

### **2.3.8. Trade, Tourism and Cooperatives**

The Trade department partially constructed an open-air market, registered traders for loans disbursement, developed the Murang'a County Hawkers Bill. The department also verified 3,000 weights and measures equipment while the Tourism department opened one tourist access point and covered 12 tourist sites in a documentary. The cooperatives department was achieved 82% in its milk processing programme, constructed 20% of the animal feeds processing factory, registered Wachuuzi Sacco and trained 12,000 members of cooperative societies.

## 2.4 FISCAL PERFORMANCE

Budget performance in the first quarter of the year 2021/2022 improved compared to a similar period in the previous fiscal period. This was supported by post covid-19 economic recovery. The County Government was very efficient in absorbing its exchequer balance carried forward from 2020/2021 thus reporting a marginal increase of 4% from its expenditure in a similar period the previous year.

Local revenue decreased by 24% from KShs. 227,702,680 in the year 2020/2021 to KShs. 172,801,753 in the year 2021/2022. This was caused by decline in Single Business Permits and Land rates whose payments are done in the third quarter of the financial year, however, in 2020/2021 were done in the first quarter due to most businesses closing down during the pandemic's lockdown period. The department of revenue expects to recover this decline in the third quarter of this fiscal year 2021/2022 when single business permits and land rates will be paid.

### 2.4.1 Local revenue performance

Table 1: OSR Performance

	Actual Revenue 2020/21	Target Revenue up to 31st Dec 2021	Actual revenue as at 31st Dec 2021	Variance
Revenue Streams				
<b>SOURCE</b>				
LICENCES	137,683,456	49,900,130	14,905,805.78	30%
PLOT RENT/LAND RATES	64,442,748	31,328,216	11,160,069.37	36%
MARKET FEES	45,390,801	32,061,076	20,733,922.36	65%
PENALTIES	1,632,704	1,165,615	298,476.63	26%
BUILDING MATERIAL CESS ( sand, stones )	29,827,952	38,606,586	15,858,601.16	41%
BUS PARK FEES	24,631,551	29,141,609	10,935,717.64	38%
PARKING FEE	26,056,136	18,003,471	8,381,108.02	47%
MOTOR BIKES	2,651,387	7,889,470	457,819.24	6%
LIQOUR LICENCE	22,056,184	18,718,448	4,457,412.62	24%
PLAN APPROVAL	2,848,192	23,344,443	2,617,037.93	11%
CONSERVANCY	16,085,549	10,408,400	1,587,682.43	15%

OTHER CESS REVENUE	41,272,008	2,873,665	15,784,839.50	549%
SALE OF FORMS	7,884,076	6,137,746	918,417.71	15%
TENDER FORMS				
ADVERTISEMENTS	10,463,947	5,451,865	3,686,939.11	68%
SELF HELP GROUP	1,471,325	1,899,989	532,787.00	28%
LAND SUBDIVISION/TRANSFER	8,692,414	10,453,771	2,592,252.40	25%
HOUSE/STALLS RENT/S.HALL	6,088,784	5,346,322	2,064,365.90	39%
OTHER LAND BASED REVENUE	2,749,224	5,153,590	1,502,105.00	29%
MORGUE FEES	1,545,454	1,099,095	770,372.17	70%
SLAUGHTER FEES	1,068,984	918,021	671,446.36	73%
IMPOUNDING	1,544,129	3,044,243	520,252.31	17%
COFFEE CESS		-	0	
EDUCATION & POLYTECHNICS	139,776	665,535	6,850.00	1%
FIRE	17,373,124	11,394,626	1,892,698.27	17%
OTHERS				
SUB-TOTAL				
<b><u>B) DEVOLVED FUNCTIONS</u></b>				
HOSPITALS	104,427,094	86,770,696	39,045,044.39	45%
NHIF				
PUBLIC HEALTH	24,866,755	19,742,878	4,541,342.82	23%
LIVESTOCK (A.I)	1,357,474	8,778,698	87,590.19	1%
MEAT INSPECTION	10,920,614	7,397,363	5,376,236.02	73%
VET.CLINICAL SERVICES	-	2,995,645	657,090.00	22%
FISHERIES				
COOPERATIVES	495,988	392,998	115,060.56	29%
HOUSING & PHYSICAL PLANNING	8,421,631	6,843,750	413,764.21	6%

<b>WEIGHT &amp; MEASURES</b>	2,879,303	983,703	141,204.17	14%
<b>MARIIRA FARM</b>	195,835	1,088,336	87,441.73	8%
<b><u>TOTAL</u></b>	<b>627,164,598.42</b>	<b>450,000,000</b>	<b>172,801,753.01</b>	<b>38%</b>

#### 2.4.2. County own Source of Revenue

The County own source of revenue declined due to collections of single business permits and land rates going down, there were improvements in various revenue streams notably Plan approvals, revenue from liquor licensing and revenue from hospitals.

These lines have been great contributors to revenues and if their increase is sustained throughout the year coupled with revenue from single business permits and land rates will contribute immensely to the achievement of the set revenue target.

#### 2.4.3 Expenditure performance

**Table 2: Analysis of County Expenditures as at December 2021**

	<b>RECURRENT BUDGET</b>			
<b>DEPARTMENT</b>	<b>Approved Budget 2020-2021</b>	<b>Budget Allocation July-Sept 2021</b>	<b>Actual Expenditures July-Dec 2021</b>	<b>Absorption %</b>
Governorship	285,362,510	142,681,255.00	70,370,231	25%
Finance	450,830,060	225,415,030.00	272,211,814	60%
Agriculture	266,436,766	133,218,383.00	90,416,712	34%
Road	27,418,911	13,709,455.50	5,670,331	21%
Water	54,718,686	27,359,343.00	4,826,912	9%
Trade	39,261,000	19,630,500.00	5,654,325	14%
Education	509,756,877	254,878,438.50	124,492,523	24%
Sports	107,438,029	53,719,014.50	27,860,749	26%
Health	3,666,990,528	1,833,495,264.00	1,593,779,613	43%
Lands	43,740,871	21,870,435.50	2,197,611	5%
Municipality	64,102,889	32,051,444.50	11,807,428	18%
Environment	19,240,793	9,620,396.50	1,030,361	5%
Assembly	981,743,240	490,871,620.00	358,475,206	37%
Public Service Board	67,317,945	33,658,972.50	10,346,095	15%



Public Service	661,462,989	330,731,494.50	329,599,439	50%
<b>RECURRENT TOTALS</b>	<b>7,245,822,094</b>	<b>3,622,911,047</b>	<b>2,908,739,350</b>	<b>40%</b>
	<b>DEVELOPMENT BUDGET</b>			
<b>DEPARTMENT</b>	<b>Approved Budget 2020-2021</b>	<b>Budget Allocation July-Sept 2021</b>	<b>Actual Expenditures July-Dec 2021</b>	<b>Absorption %</b>
Governorship	25,000,000	12,500,000	0	0%
Finance	38,000,000	19,000,000	0	0%
Agriculture	996,707,759	498,353,880	132,265,376	13%
Road	873,000,000	436,500,000	144,184,867	17%
Water	65,000,000	32,500,000	38,930,241	60%
Trade	493,890,269	246,945,135	119,165,523	24%
Education	27,000,000	13,500,000	11,114,899	41%
Sports	100,000,000	50,000,000	11,412,696	11%
Health	511,369,943	255,684,972	172,066,068	34%
Lands	11,000,000	5,500,000	0	0%
Municipality	147,317,406	73,658,703	0	0%
Environment	33,000,000	16,500,000	1998999	6%
County Assembly	89,563,774	44,781,887	2,220,286	2%
Public Service Board	-	0	0	0%
Public Service	-	0	0	0%
<b>Development Totals</b>	<b>3,410,849,151</b>	<b>1,705,424,576</b>	<b>633,358,955</b>	<b>19%</b>
<b>GRAND TOTAL</b>	<b>10,656,671,245</b>	<b>5,328,335,622.50</b>	<b>3,542,098,305</b>	

Within the first half of the fiscal year 2021/2022, the County was expected to receive approximately KShs. 5.328Bn. Of this, the development allocation would be KShs. 1.70Bn and the recurrent allocation KShs. 3.622Bn. This would equal to 50% of the County's budget. However, the County received and spent KShs. 3.542Bn comprising of KShs. 633.4m as development and KShs. 2.908Bn as recurrent. This represented 33% of the total budget and 66% of the half year's allocation. It is worth noting that there were delays in closing the fiscal year 2020/2021 whose effects spilled over till end of July 2021 and delayed implementation of the budget 2021/2022 by about 1 month and two weeks. Further, the County Government prioritized the settlement of pending bills even as it continuously implemented other ongoing programmes.

## 2.5 Fiscal Policy

### Revenue Mobilization

To raise revenues and realize the intended long term transformation, the County Government does not intend to raise its fees and charges. However, all effort shall be made to ensure that the set revenue target is met. In particular the following interventions shall be undertaken:-

- i. Aggressive enforcement measures to ensure no revenue leaks.
- ii. Increased staff productivity by setting revenue targets for all officers incharge of revenue collection.
- iii. Engagement of debt collectors such as KRA to assist in netting defaulters.
- iv. Exploration of new potential revenue streams.

## EXPENDITURE

Within the 1<sup>st</sup> half of the year the county has managed to absorb 27% of its recurrent budget allocation and 6% of its development allocation. In absorption of the recurrent budget, the County has disbursed bursary worth approximately KShs. 79m, to approximately 3,500 students provided drugs to hospitals and health centres worth approximately KShs. 450m and paid salaries to its officers at approximately KShs. 1.7Bn.

In absorption of its development budget the county spent it on rehabilitation of access roads, supply of medical equipment for the hospitals and health centres, construction of health centres, supply of sports equipment and provision of farming inputs to farmers.

While the ratios are below expectation, the county expects to bridge the gap in the next half of the year the electioneering period notwithstanding.

## 2.6 RISKS TO THE ECONOMIC OUTLOOK

Risks to the economic outlook are both domestic and external. On the domestic front, emergence of new Covid 19 variants such as the omicron may require

increased investments in the containment measures which will deprive investment in some sectors. Further, it may lead to renewed disruptions in the Country and its trading partners due to reinstatement of containment measures including ban on travelling and closure of borders. On the external side, risks are dependent on how the world responds to the health crisis including handling of new Covid 19 strains and handling of logistical hurdles in procuring and distributing vaccines amongst the emerging and developing economies. Additionally, world economies will be shaped by policies taken to limit persistent economic disruptions, evolution of financial conditions and commodity prices especially oil in the international market. Other internal risks include;

- i. **Kenya Economic Performance:** The country's economic performance may affect the implementation of 2022/23 financial year budget. Poor economic performance due to unpredictable external and internal shocks will have a negative impact on the county performance in terms of the funds that will be allocated to the County from the National Government.
- ii. **Shortfall in Local Revenue:** The main fiscal risk that is likely to be faced by the county government is shortfall in local revenue flows. Own Sources Revenue generation has continued to face challenges such as inadequate financial regulations and laws, high cost of revenue collection, and constrained revenue base. In order to mitigate the identified challenges, the County will fast track enactment of finance regulation and laws and further identify new revenue streams. To cushion against high cost of revenue collection, the County plans to automate and capacity build revenue officers.
- iii. **High wage bill:** Any new Collective Bargaining Agreement (CBA) would lead to significantly increasing the wage bill thereby reducing funds allocated for development.
- iv. **Heightened Political Activities**  
The general elections are scheduled to take place in August of 2022. As such, political campaigns are expected to be heightened during the period by the political leaders. As such, the functioning of the various agencies might be derailed extensively leading to under-performance.

## CHAPTER THREE BUDGET FOR FINANCIAL YEAR 2022/23 AND THE MEDIUM TERM

### 3.1 Fiscal Framework Summary

The County Government expects its budget for the year 2022/2023 at Kshs. 9,249,740,943 financed by Equitable allocation of Kshs. 7,680,155,855, Conditional grants of KShs. 869,585,088 and local revenue of Kshs. 700M.

### 3.2 Revenue Projections

The revenues for the year 2022/23 are shown in the table below:

**Table 3: Revenue Projections**

	Actual Revenue	Budgeted Revenue	Projections
Revenue Streams	2020/2021	2021/2022	2022/2023
Equitable Allocation	5,530,594,420	8,219,378,605	7,680,155,855
Conditional Grant	835,688,765	937,292,640	869,585,088
Local Revenue	627,164,598	1,500,000,000	700,000,000
<b>Total</b>	<b>6,993,447,783</b>	<b>10,656,671,245</b>	<b>9,249,740,943</b>

Revenue for the year 2022/23 is expected at KShs. 9,249,740,943. Equitable allocation shall account for 82% of the budgeted revenue while the rest 18% shall be accounted for by Conditional grants and local revenue. Out of KShs. 7.6Bn of the equitable allocation, KShs. 0.5M shall be balance carried forward from the year 2021/22 and the balance, an allocation from the National Treasury.

All effort shall be made to ensure that all conditions laid out to access various grants are fully met. This shall include expenditure and reporting frameworks laid out by the donor as well as accountability of key officers charged with running the said projects.

### 3.3 Expenditure Projections

#### Overall deficit and financing

The expenditure for the year 2022/23 shall be allocated guided by the overall available resource basket. As such, the budget will be balanced. Any likely deficit as a result of failure to achieve revenue targets shall be monitored and corrective action taken to address the deficit, including budget cuts on new programmes that can be carried forward to subsequent years.

Financing the budget will be through the convention means of Equitable share, Grants and Local Revenue. Borrowing from Commercial banks will be very limited and for short term cashflow needs and shall be cleared within the fiscal year.

### 3.4 Budgetary Allocations For The FY 2022/23 And The Medium Term

**Table 4: Summary of Budget Allocations for the FY 2022/23 - 2024/25**

Vote	Vote Name		Printed estimates 2021/22	CFSP ceilings 2022/23	Projections 2023/24	2024/25
		O & M		1,756,115,343		
		P E		4,077,963,511		
	<b>RECURRENT</b>					
4012	GOVERNORSHIP		285,362,510	335,362,510	335,362,510	335,362,510
4013	FINANCE		450,830,060	400,830,060	400,830,060	400,830,060
4014	AGRICULTURE		266,436,766	266,436,766	266,436,766	266,436,766
4015	ROADS		27,418,911	27,418,911	27,418,911	27,418,911
4025	WATER		54,718,686	54,718,686	54,718,686	54,718,686
4016	TRADE		39,261,000	39,261,000	39,261,000	39,261,000
4017	EDUCATION		509,756,877	534,756,877	534,756,877	534,756,877
4022	SPORTS		107,438,029	107,438,029	107,438,029	107,438,029
4018	HEALTH		3,666,990,528	2,916,990,528	3,116,990,528	3,116,990,528
4019	LANDS		43,740,871	43,740,871	43,740,871	43,740,871

4026	MUNICIPALITY		64,102,889	34,102,889	34,102,889	34,102,889
4023	ENVIRONMENT		19,240,793	69,240,793	69,240,793	69,240,793
4010	ASSEMBLY		981,743,240	739,743,240	739,743,240	739,743,240
4020	PSB		67,317,945	67,317,945	67,317,945	67,317,945
4024	PUBLIC SERVICE		661,462,989	661,462,989	661,462,989	661,462,989
	<b>SUB-TOTAL</b>		<b>7,245,822,094</b>	<b>6,298,822,094</b>	<b>6,498,822,094</b>	<b>6,498,822,094</b>
	<b>DEVELOPMENT</b>				1.1	
4012	GOVERNORSHIP		25,000,000	25,000,000	25,000,000	25,000,000
4013	FINANCE		38,000,000	25,000,000	27,500,000	27,500,000
4014	AGRICULTURE		996,707,759	696,707,759	696,707,759	696,707,759
4015	ROADS		873,000,000	873,000,000	873,000,000	873,000,000
4025	WATER		65,000,000	70,000,000	90000000	90,000,000
4016	TRADE		493,890,269	243,890,269	243,890,269	243,890,269
4017	EDUCATION		27,000,000	97,000,000	97,000,000	97,000,000
4022	SPORTS		100,000,000	50,387,104	50,387,104	50,387,104
4018	HEALTH		511,369,943	711,369,943	711,369,943	711,369,943
4019	LANDS		11,000,000	11,000,000	11,000,000	11,000,000
4026	MUNICIPALITY		147,317,406	75,000,000	75,000,000	75,000,000
4023	ENVIRONMENT		33,000,000	33,000,000	33,000,000	33,000,000
4010	ASSEMBLY		89,563,774	39,563,774	39,563,774	39,563,774
4020	PSB		-	-	-	-
4024	PUBLIC SERVICE		-	-	-	-
	<b>SUB-TOTAL</b>		<b>3,410,849,151</b>	<b>2,950,918,849</b>	<b>2,973,418,849</b>	<b>2,973,418,849</b>
	<b>TOTAL</b>		<b>10,656,671,245</b>	<b>9,249,740,943</b>	<b>9,472,240,943</b>	<b>9,472,240,943</b>
	<b>TOTAL REVENUE</b>					
	Equitable Share			7,680,155,855	7,708,955,855	7,708,955,855
	Grants			869,585,088	869,585,088	869,585,088
	Local Revenue			700,000,000	800,000,000	800,000,000
	Total Revenue			<b>9,249,740,943</b>	<b>9,378,540,943</b>	<b>9,378,540,943</b>

### 3.5 Resource Allocation Framework

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

- All ongoing projects are completed and the relevant expenditure necessary for their full operation adequately provided for. Further, priority will be given to programmes seeking to address shocks brought about by Covid 19 pandemic.
- The rationale for any expenditure shall be geared towards service provision to the citizenry. Recurrent expenditure shall also be geared to support development projects that have a transformative impact to the citizenry.
- Expenditure should be rationalized towards and geared to development purposes.

### **Risks to the 2022/23 Budget framework**

The budget framework for the year 2022/23 has been prepared in line with programmes and projects stipulated in the CIDP 2017/18 to 2021/22. Most of those projects were fronted by the current regime. However, in the year 2022/23 there shall be a regime change necessitated by a new Governor who shall take over. As such, there is a likelihood that some of the current priorities could be dropped in favour of new priority programmes.

The impact and magnitude of likely changes in priorities are hard to determine, however, we expect that the changes shall not fundamentally affect the fiscal responsibility principles.

Electioneering periods have led to drastic revenue shortfalls. In the event, that in the fiscal year 2021/22 there shall be witnessed any revenue shortfalls at either the national level and the county level, it could lead to pending bills that could impact implementation of the budget 2022/23.

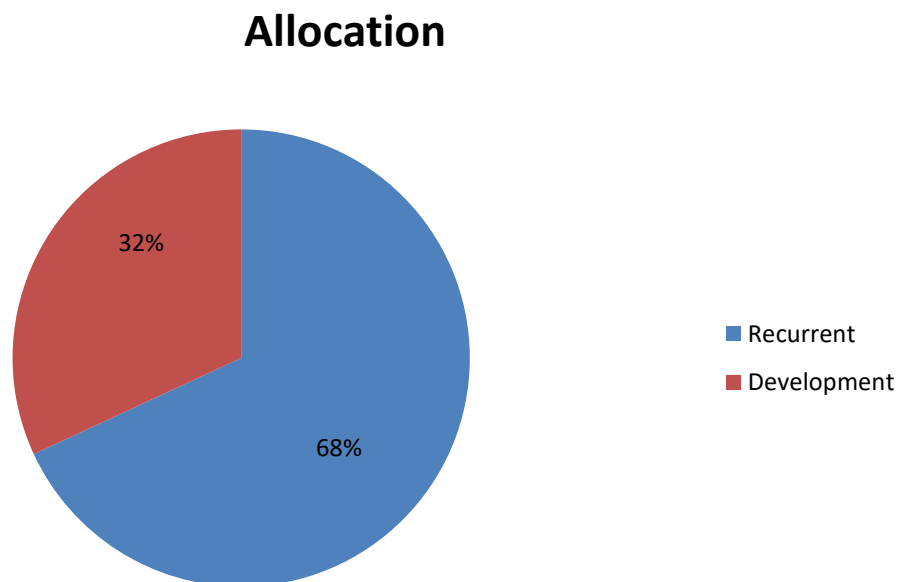
The global covid-19 pandemic shall continue to be a risk to be considered. This is due to its ever evolving variant that has defied existing vaccination regimes.

### 3.6 Compliance With Fiscal Responsibility Principles

Compliance with the requirement for development spending allocations.

Pursuant to the PFM Act 2012 development expenditure shall be set at a minimum of 30%. The expenditure for the fiscal year 2022/23 stands at recurrent 68% of total budget and 32% for development expenditure as shown below.

**Figure 1:**



### Compliance with the requirement for expenditure on wages

The set limit for wages is maximum 35% of the County Government's total revenue. The estimate of total wages for the County Government stands at KShs. 4,077,963,511.

As a percentage of the total budget, wages stand at 43% of the County Government's revenue.

This has been occasioned by the higher salaries accruing to the health sector employees (nurses and doctors). The County Treasury hopes that



with the high number of employees leaving the County Government due to natural attrition this ratio shall be attained in the medium term. The County Government is also undertaking measures to increase its local revenue while maintaining its existing staff establishment in order to improve on this ratio. Further, the County Public Service department in liaison with the County Public Service board is reviewing the existing organisational structure in a bid to rationalise the workforce. These efforts are expected to bring this ratio within an acceptable level.

### **Prudent Management of Fiscal Risks**

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

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

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

### 3.7 Resource Sharing Guidelines

In allocating resources across the various departments, emphasis has been laid on:

- i. Availability of programs with ongoing projects.
- ii. Impact of projects across various departments.
- iii. Need to renew and replace assets worn out over time.
- iv. Level of pending bills within the departments.

However, in the allocation caution was exercised to ensure that any resources re-allocated from various sectors, do not leave the sectors adversely affected.

**Table 5: Medium Term Department Ceilings, 2022/23 - 2024/25 (Kshs Million)**

Vote	Vote Name	Approved Estimates 2021/22	2022 CFSP CEILINGS 2022/23	PROJECTED ESTIMATES	
				FY 2023/24	FY 2024/25
4012	GOVERNORSHIP	310,362,510	360,362,510	360,362,510	360,362,510
4013	FINANCE	488,830,060	425,830,060	425,830,060	425,830,060
4014	AGRICULTURE	1,263,144,525	963,144,525	963,144,525	963,144,525
4015	ROADS	900,418,911	900,418,911	950,418,911	950,418,911
4025	WATER	119,718,686	124,718,686	124,718,686	124,718,686
4016	TRADE	533,151,269	283,151,269	283,151,269	283,151,269
4017	EDUCATION	536,756,877	631,756,877	631,756,877	631,756,877
4022	SPORTS	207,438,029	157,825,133	157,825,133	157,825,133
4018	HEALTH	4,178,360,471	3,628,360,471	3,828,360,471	3,828,360,471
4019	LANDS	54,740,871	54,740,871	54,740,871	54,740,871
4026	MUNICIPALITY	211,420,295	109,102,889	109,102,889	109,102,889
4023	ENVIRONMENT	52,240,793	102,240,793	102,240,793	102,240,793
4010	ASSEMBLY	1,071,307,014	779,307,014	779,307,014	779,307,014
4020	PSB	67,317,945	67,317,945	67,317,945	67,317,945
4024	PUBLIC SERVICE	661,462,989	661,462,989	661,462,989	661,462,989
	<b>TOTAL</b>	<b>10,656,671,245</b>	<b>9,249,740,943</b>	<b>9,499,740,943</b>	<b>9,499,740,943</b>

*Source: Murang'a County Treasury*

## CHAPTER FOUR DEPARTMENTAL/ SUB SECTOR PRIORITIES

### 4.1 INTRODUCTION

County priorities for the financial year 2022/2023 were identified through public participation forums as well as Sector Working Groups (SWGs) reports which are then linked to the development priorities as contained in the County Integrated Development Plan (CIDP) 2018-2022. Further references were made to the Annual Development Plan 2022-2023, County Transformative Agenda, the Governor's manifesto as well as County COVID 19 Socio-Economic Re-Engineering and Recovery Strategy 2020/21-2022/23. At the macro level, priorities were linked to the Kenya Vision 2030, and MTP III (National Government 'Big Four' Agenda) as well as the Sustainable Development Goals (SDGs).

The sectoral priorities envisage a green economy and mainstreaming of cross-cutting issues such as gender, youth and PWDs, disaster risk management, HIV/AIDs, COVID19 pandemic as well as climate change and environment conservation. In view of the COVID 19 County Socio-Economic Re-Engineering recovery strategy, the County will boost the private sector performance through enhancing access to affordable credit by initiating and strengthening a self-sustaining kitty dedicated and easily accessible by MSEs. Further, the county will enhance budgetary allocation to infrastructure (Roads, Electricity, water and drainage) as well as security to reduce crime and enhance market access. The county will also continue to participate in the development of regional block value chains and consolidate markets to increase and diversify markets.

The KNBS County poverty brief issue of 2020-2021 indicate that the county is daunted by high levels of multi-dimensional and monetary poverty among children and women. Investing in improving accessibility and availability of basic services that enhance human capital development, improving access to adequate nutrition, investing in education, sanitation and health sectors are hoped to reduce the risk of intergenerational poverty.

To enhance and sustain the fight against the Covid 19 pandemic, the county will continue to address health and education risks related issues including poverty and malnutrition; and deprivations in health education, housing and water through universal health coverage, technical training, strengthening partnerships with

humanitarian actors and development partners as well as support safety at work places by continuing to implement measures that reduce exposure to corona virus for all workers, formal and informal. The following are the County sub-sector priorities;

Sector	Sub Sector	Sector Priorities
Public Service Management and Administration	Public Service Administration (HR)	<ul style="list-style-type: none"> <li>i. Develop and implement Training and Development policy.</li> <li>ii. Training need analysis and recommendation</li> <li>iii. Carry out a workload analysis</li> <li>iv. Develop and review county organizational structures</li> <li>v. Training on performance management.</li> <li>vi. Establish an industrial dispute resolution committee.</li> <li>vii. Develop and implement the recruitment and maintenance policies.</li> <li>viii. Develop and implement performance management system.</li> <li>ix. Develop a reward and sanction framework.</li> <li>x. Develop and implement an employee welfare policy</li> <li>xi. Establish a liaison office.</li> <li>xii. Acquire adequate and secure filing system.</li> <li>xiii. Digitize all manual Human Resource Records.</li> </ul>
	Administration and Coordination (Governorship)	<ul style="list-style-type: none"> <li>i. Improve efficiency in coordination</li> <li>ii. Public Awareness creation and enforcement of existing laws.</li> <li>iii. Training of enforcement personnel</li> <li>iv. Operationalize legal department</li> <li>v. Improve Disaster Preparedness and response</li> </ul>
Finance, IT and Economic Planning	Finance	<ul style="list-style-type: none"> <li>i. Expansion of County Treasury (Establishing Sub County offices)</li> <li>ii. Enhance public participation in the entire PEM framework</li> <li>iii. Enhance internal control systems (Automation, Audit Committee)</li> <li>iv. Enhance record keeping system and efficient stores</li> <li>v. Mapping of county revenue streams</li> <li>vi. Preparation of County revenue legislations</li> </ul>
	Information Technology (IT)	<ul style="list-style-type: none"> <li>i. Enhance office connectivity and communication infrastructure</li> <li>ii. Provide IT equipment and accessories</li> </ul>

		<ul style="list-style-type: none"> <li>iii. Establish Information Resource Centres (Ujumbe)</li> <li>iv. Establish E-Government system across the county</li> <li>v. Procurement of media production equipment and editing software</li> </ul>
	Economic Planning	<ul style="list-style-type: none"> <li>i. Timely preparation of quality requisite County policy documents</li> <li>ii. Review implementation of CIDP 2018-2022</li> <li>iii. Review implementation of ADP 2021-2022</li> <li>iv. Monitoring, Evaluation and reporting of county projects programmes and policies.</li> <li>v. Conducting statistical surveys and establishment of county statistical database.</li> <li>vi. Technical backstopping of other county departments in preparation of sector specific policy documents.</li> <li>vii. Dissemination of policy documents.</li> </ul>
Education, Youth, Sports, Culture and Social Services	Youth Polytechnics	<ul style="list-style-type: none"> <li>i. Improvement of YP infrastructure and new constructions.</li> <li>ii. Procurement and distribution of tools and equipment's to YPs.</li> <li>iii. Capacity building of YP instructors.</li> </ul>
	Sports	<ul style="list-style-type: none"> <li>i. Talent identification county wide</li> <li>ii. Infrastructure Development in all county stadia</li> <li>iii. Establishment of 1 Talent Academy</li> <li>iv. Procurement and issuance of Sports equipment and tools</li> </ul>
	Social Services	<ul style="list-style-type: none"> <li>i. Rehabilitation of social halls</li> <li>ii. Mobilization and sensitization of community to participate actively in all project activities;</li> <li>iii. Enhance the capacity of community members to initiate, plan, implement and monitor activities, which promotes their own livelihood</li> <li>iv. Promote, register and build the capacity of community groups in order to accelerate their participation in project activities</li> <li>v.</li> </ul>
	Culture	<ul style="list-style-type: none"> <li>i. Development of Mukurwe wa Nyagathanga</li> <li>ii. Establishment of a cultural studio</li> <li>iii. Nurturing and development of talents e.g. in music, dance and drama</li> <li>iv. Construction of county theatre</li> </ul>

	ECDE	<ul style="list-style-type: none"> <li>i. Improve ECDE infrastructure across the County</li> <li>ii. Capacity building of ECDE teachers</li> <li>iii. Establish Special Needs Education (SNE) which caters for ECDs</li> </ul>
Health	Health	<ul style="list-style-type: none"> <li>i. Strengthen preventive and promote health services through; malaria control; expanded programs on immunization; integrated management of childhood illness; control and prevention of environmentally related communicable diseases and encouraging improved nutrition.</li> <li>ii. Improvement of infrastructure in all health facilities</li> <li>iii. Improve cross-sectoral cooperation for health promotion and public health, in the areas of water and sanitation, reproductive health, gender, HIV/AIDS, nutrition, school health, road safety and tobacco control</li> <li>iv. Strengthen curative health services through provision of health personnel, drugs and equipment.</li> <li>v. Construct and equip new health facilities</li> <li>vi. Provide adequate referral services.</li> <li>vii. Enhance managerial skills of CHMT and SCHMTs</li> <li>viii. Improve school health programs</li> <li>ix. Enrolment of community in NHIF</li> </ul>
Trade, Tourism, Investment, Agri-Business, and Cooperatives	Trade Development and Promotion	<ul style="list-style-type: none"> <li>i. Market development</li> <li>ii. Construction of sanitation blocks</li> <li>iii. Enhance market accessibility and connectivity</li> <li>iv. Avail piped, clean and safe water in the market centres</li> <li>v. Street/Market lighting</li> <li>vi. Enhance marketing and market information</li> <li>vii. Facilitate affordable and accessible credit facilities to traders</li> </ul>
	Tourism	<ul style="list-style-type: none"> <li>i. Development and marketing of tourism attraction sites</li> <li>ii. Tourism product development</li> </ul>
	Industrial Development and Investment	<ul style="list-style-type: none"> <li>i. Agro-processing and manufacturing of farm produce (Value addition)</li> <li>ii. Enhance market information and access (milk, macadamia, coffee, tea, avocados, French beans, mangoes, bananas)</li> <li>iii. Enhance market linkage (local and international)</li> </ul>

		<ul style="list-style-type: none"> <li>iv. Development of agribusiness portal</li> <li>v. Transform agricultural enterprises from subsistence to agribusiness.</li> </ul>
	Cooperative Development	<ul style="list-style-type: none"> <li>i. Enhance market linkage</li> <li>ii. Enhance/streamline management of cooperative societies</li> </ul>
	Agri-Business	<ul style="list-style-type: none"> <li>i. Promote e-marketing for agriculture-based produce and products</li> <li>ii. Capacity building of farmers</li> </ul>
Environment and Climate Change	Environment and Climate Change	<ul style="list-style-type: none"> <li>i. Proper waste management mechanisms</li> <li>ii. Prevention of noise and air pollution</li> <li>iii. Increase farm forest cover</li> <li>iv. Rehabilitate degraded sites</li> <li>v. Promotion of clean energy</li> <li>vi. Integrate climate change measures into county policies strategies and planning</li> </ul>
Lands	Physical Planning	<ul style="list-style-type: none"> <li>i. Prepare Integrated plans of urban centers and towns</li> <li>ii. Urban research and data management</li> <li>iii. Enhance revenue streams in collaboration with department of finance</li> <li>iv. Zoning of parks, open spaces and play fields</li> <li>v. establish urban parks</li> <li>vi. Succession programs</li> <li>vii. Planning, survey and mapping of all urban plots</li> <li>viii. Establish Alternative Dispute Resolution (ADR) mechanisms</li> <li>ix. Land information management for public and private land</li> </ul>
	Housing	<ul style="list-style-type: none"> <li>i. Enhance revenue streams in collaboration with department of finance</li> <li>ii. Beautification of open spaces</li> <li>iii. Rural Housing program</li> <li>iv. Provision of land for housing and industrial development</li> </ul>
	Urban Development	<ul style="list-style-type: none"> <li>i. Sustainable solid and liquid waste disposal mechanism</li> <li>ii. Storm water drainage in major towns and market centers</li> <li>iii. Set up urban management system as provided in Urban Areas and Cities Act</li> <li>iv. Enhance revenue streams in collaboration with department of finance</li> <li>v. Establish urban parks</li> <li>vi. Urban renewal and redevelopment program</li> </ul>



		vii. Establish Alternative Dispute Resolution (ADR)
Roads, Transport, Energy, and Public Works	Roads, Transport, Energy, and Public Works	<ul style="list-style-type: none"> <li>i. Upgrading of county access roads and bridges</li> <li>ii. Rehabilitation of existing and installation of new security lights</li> <li>iii. Improve drainage</li> <li>iv. Improvement of transport systems(motorized and non-motorized)</li> </ul>
Agriculture, Livestock and Fisheries	Crop Production	<ul style="list-style-type: none"> <li>i. Water harvesting</li> <li>ii. Ensure quality Seeds, fertilizers and pesticides</li> <li>iii. Control of Emerging crop pests and diseases</li> <li>iv. Extension support</li> </ul>
	Livestock Production	<ul style="list-style-type: none"> <li>i. Contract farming</li> <li>ii. Livestock feeds and equipment</li> <li>iii. Optimal extension staff to farmer ratio.</li> <li>iv. Enhance adoption of new technologies</li> <li>v. Enhance information Access</li> <li>vi. Youth involvement</li> </ul>
	Veterinary Services	<ul style="list-style-type: none"> <li>i. Veterinary drugs</li> <li>ii. Optimal extension staff to farmer ratio.</li> <li>iii. Enhance adoption of new technologies</li> <li>iv. Enhance information Access</li> <li>v. Emerging and existing zoonotic diseases of anthrax, rabies and rift valley fever</li> </ul>
	Fisheries	<ul style="list-style-type: none"> <li>i. Contract farming</li> <li>ii. Market promotion</li> <li>iii. Fish feeds and equipment</li> <li>iv. Optimal extension staff to farmer ratio.</li> <li>v. Enhance adoption of new technologies</li> <li>vi. Enhance information Access</li> <li>vii. Enhancing Public-Private Partnerships by encouraging private sector players to invest and participate in Fish farming.</li> </ul>
Water and Irrigation	Irrigation	<ul style="list-style-type: none"> <li>i. Irrigation infrastructure</li> <li>ii. Development of water harvesting and storage infrastructure for irrigation.</li> <li>iii. Enhancing farmer education and awareness, and improving communication and information flow.</li> <li>iv. Enhancing Public-Private Partnerships by encouraging private sector players to invest and participate in irrigation.</li> <li>v. Strengthening stakeholder participation in all irrigation projects and initiatives.</li> <li>vi. Enhancing compliance with environmental, statutory and legal requirements</li> </ul>
	Water and Sanitation	<ul style="list-style-type: none"> <li>i. Enhance user education on water and sanitation management</li> </ul>

		<ul style="list-style-type: none"> <li>ii. Enhancing Public-Private Partnerships to invest and participate in water and sanitation provision.</li> <li>iii. Strengthening stakeholder participation in all water and sanitation initiatives.</li> <li>iv. Enhancing compliance with environmental, statutory and legal requirements</li> </ul>
County Assembly	County Assembly	<ul style="list-style-type: none"> <li>i. Enhance public participation in County development</li> <li>ii. Enhance oversight</li> <li>iii. Fast track vetting and approving nominees for appointment to County public offices</li> <li>iv. Fast track approving the budget and expenditure, Bills, Acts and Development policies of the County government</li> </ul>
County Public Service Board	County Public Service Board	<ul style="list-style-type: none"> <li>i. Promote best labor practices in recruitment</li> <li>ii. Allocate, motivate and effectively utilize human resources for improved public service delivery</li> <li>iii. Promote public service integrity</li> </ul>