

COUNTY GOVERNMENT OF KIRINYAGA



DEPARTMENT OF FINANCE & ECONOMIC PLANNING

COUNTY FISCAL STRATEGY PAPER 2023

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Kirinyaga County Fiscal Strategy Paper 2023

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FOREWORD

The CFSP is a policy document that sets out the broad strategic priorities and policy goals to guide the County Government in preparing the budget for the subsequent financial year and over the medium term.

Section 117 of PFM Act 2012 provides that 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.

CFSP specifies 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. Further, it provides financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.

CFSP 2023 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. Implementation of programs towards combating Climate Change.

The County Fiscal Strategy therefore outlines the fiscal framework to financing the 2023/24 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.

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COUNTY EXECUTIVE COMMITTEE MEMBER- FINANCE & ECONOMIC PLANNING

ACKNOWLEDGEMENTS

Preparation of the 2023 CFSP has been a collective efforts by officers in the County Entities. A lot of effort and dedication has gone to ensuring this County Fiscal Strategy Paper (CFSP) is successfully prepared as guided by the PFM Act. Profound gratitude goes to the County Executive led by H.E The Governor and Deputy Governor for visionary leadership and guidance in the County.

Special gratitude goes to the preparation coordinating team that worked tirelessly through data collection and analysis to prepare this document. Special gratitude goes to the CECs, C.Os, Directors and Technical officers for their invaluable coordination and contribution in preparation of this document.

We also recognise the tireless efforts put in by officers in the Finance and Economic Planning to ensure successful completion of the document.

And finally to all others not individually mentioned who took part in this exercise, your efforts are highly appreciated.

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CHIEF OFFICER – ECONOMIC PLANNING, BUDGETING AND PROCUREMENT

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
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 2023/24 and MTEF budget for 2023/24-2025/26.

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 include 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 Outline of the 2023 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 2023/24 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 government priorities for socio-economic transformation expounded on different thematic areas.

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 2022/23FY 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 2023/24 MTEF Budget and the Medium Term.

2.0 RECENT ECONOMIC DEVELOPMENTS 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

The Kenyan economy demonstrated remarkable resilience and recovery from COVID-19 shock due to the diversified nature of the economy and the proactive measures by the Government to support businesses. The economy expanded by 7.5 percent in 2021, a much stronger level from a contraction of 0.3 percent in 2020.

Agricultural Sector

The agriculture sector recorded a contraction of 0.6 percent in the third quarter of 2022 compared to a growth of 0.6 percent recorded in the corresponding quarter of 2021. The slowdown in performance of the sector was mainly attributed to unfavorable weather conditions that prevailed in first three quarters of 2022.

Service and Industry Sectors

The performance of the industry sector slowed down to a growth of 3.4 percent in the third quarter of 2022 compared to a growth of 8.3 percent in the same period in 2021. This was mainly on account of normalization of activities in the manufacturing sub-sector after the strong recovery in 2021. Manufacturing sub-sector expanded by 2.4 percent in the third quarter of 2022 compared to 10.2 percent growth recorded in the same period of 2021.

The activities in the services sector normalized and remained strong in the third quarter of 2022 after a strong recovery in 2021 from the effects of COVID-19 pandemic. The sector growth slowed down to 6.1 percent in the third quarter of

2022 compared to a growth of 11.4 percent in the third quarter of 2021. This performance was largely characterized by substantial growths in accommodation and food services, wholesale and retail trade, professional, administrative and support services and education sub-sectors.

Inflation

The year-on-year inflation rate eased for the second consecutive month in December 2022 but was still above the 7.5 percent upper bound target. Inflation rate eased to 9.1 percent in December 2022 from 9.5 percent in November 2022 due to a decline in food prices as a result of favorable rains and declining international prices of edible oils. However, this inflation rate was higher than the 5.7 percent recorded in December 2021. Overall annual average inflation increased to 7.6 percent in December 2022 compared to the 6.1 percent recorded in December 2021.

Food inflation remained the main driver of overall year-on-year inflation in December 2022, contributing 5.5 percentage points, an increase, compared to a contribution of 3.2 percentage points in December 2021. The increase was mainly attributed to unfavourable weather conditions and supply constraints of key food items particularly maize grain (loose), fortified maize flour, cooking oil (salad), cabbages, beef with bones and mangoes.

Fuel inflation also increased to contribute 2.2 percentage points to year-on-year overall inflation in December 2022 from a contribution of 1.7 percentage points in December 2021. This was mainly driven by increases in electricity prices due to higher tariffs and increased prices of kerosene/paraffin, diesel and petrol on account of higher international oil prices.

Interest Rates

Monetary policy stance remains tight to anchor inflation expectations due to the sustained inflationary pressures, the elevated global risks and their potential impact on the domestic economy. In this regard, the Central Bank Rate was raised from 8.25 percent to 8.75 percent in November 2022.

Commercial banks' lending rates remained relatively stable in October 2022 supported by the prevailing monetary policy stance during the period. The

average lending rate was at 12.4 percent in October 2022 from 12.1 percent in October 2021 while the average deposit rate increased to 7.0 percent from 6.4 percent over the same period. Consequently, the average interest rate spread declined to 5.4 percent in October 2022 from 5.7 percent in October 2022.

2.3 Review and Outlook for the Medium Term

2.3.1 Fiscal Performance review

Implementation of 2022/23 Budget

The County Government's total approved budget for 2022-23FY Supplementary 1 amounts to KES 7,122,548,430 Recurrent allocation of KES 4,926,920,299 and Development allocation of KES 2,195,628,131.

Own Source Revenue

The County has a projected revenue target of KES 550 Million in the FY 2022/23 Budget. During the first half of the year, July- December, the actual Own Source Revenue collected is KES 139,176,495. This indicates a performance of 25% on annual own source revenue targets. In the same period in the FY2021/22 the county had collected KES166,988,502 hence a decrease in own source revenue collection by 17%.

Table 2.1: Own Source Revenue First Half 2022/23

REVENUE SOURCE	ANNUAL TARGET	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL FY 2022-23
Single Business Permit	76,356,354	1,800,102	1,056,081	1,356,981	1,503,462	2,560,466	1,072,394	9,349,486
Market Gate Fee	40,524,261	2,501,300	2,502,450	2,378,620	3,349,399	2,337,310	3,664,219	16,733,298
Produce Cess	12,256,000	478,270	391,690	350,430	390,650	400,450	466,830	2,478,320
Weights & Measures	2,125,032	105,600	39,000	76,000	65,000	49,440	34,480	369,520
Bus Park	20,253,352	1,446,980	1,370,500	1,432,160	1,377,730	1,410,080	1,322,500	8,359,950
Street Parking	15,683,830	297,180	296,490	278,560	261,870	326,750	261,300	1,722,150
Land Administration	21,500,874	294,600	241,900	253,200	381,300	235,600	214,300	1,620,900
Property Rates	32,981,914	29,200	693,403	614,138	948,115	632,828	717,322	3,635,006
Building Plan Approvals	20,000,000	888,041	1,233,352	901,580	775,518	1,108,859	578,766	5,486,116
Advertisement	10,652,957	645,000	119,500	132,500	164,500	323,000	71,500	1,456,000
Sublet Fees	2,594,354	-	-	-	89,000	98,000	29,000	216,000
House rents/stalls	8,500,000	-	35,400	45,400	687,400	563,600	399,200	1,731,000
Conservancy Fee	10,182,181	249,830	140,170	193,220	212,400	258,010	97,450	1,151,080
Quarries	5,000,000	157,100	180,500	218,100	202,500	163,500	121,100	1,042,800
Group Registration	1,288,466	49,100	63,300	68,700	65,300	89,500	68,500	404,400
Liquor License	40,056,617	89,000	3,000	2,000	515,080	804,000	166,800	1,579,880
Veterinary Services	5,169,506	407,350	411,865	416,150	395,160	416,150	503,810	2,550,485
Kamweti ATC	3,502,600	1,323,600	140,700	130,730	210,546	203,007	147,722	2,156,305
Public Health Services	26,973,703	723,500	563,100	544,700	650,570	776,200	337,700	3,595,770
Kerugoya Referral Hospital	130,024,241	3,445,300	10,273,030	8,333,218	15,214,428	11,362,263	10,052,450	58,680,689
Kimbimbi Hospital	35,000,000	1,112,000	1,128,780	1,215,617	2,584,157	975,167	1,643,390	8,659,111
Kianyaga Hospital	15,811,275	495,700	410,610	579,724	516,004	682,264	282,850	2,967,152
Sagana Hospital	13,562,485	494,400	420,300	464,839	1,095,364	502,454	253,720	3,231,077
TOTAL FY 2022/2023)	550,000,000	17,033,153	21,715,121	19,986,567	31,655,453	26,278,898	22,507,303	139,176,495

Source: County Treasury

Additional Allocations from County Governments Additional Allocation Act 2022/23

The County Governments Additional Allocation Act 2022/23 which was assented to after Supplementary 1 2022/23. The Act contains variations in additional allocations from Supplementary 1. Necessary amendments shall be done in consequent supplementary budget during implementation of 2022/23 budget.

Equitable Share

Equitable Share will remain as targeted and as contained in County Allocation of Revenue Act (Acts. No. 19) 2022.

Expenditure Analysis

a) Recurrent Expenditure

Total cumulative recurrent expenditure for Q2 of 2022/23 FY amounted to KES 1,410,774,007 which represents 28.6% of the total recurrent budget estimates. The major contributor to the first quarter expenditure is the County Health services sector. Total Q2 recurrent expenditure for this sector amounts to KES 626,996,611. This indicates a 44.4% of the total Q2 recurrent expenditure in the county. This also represents a 29.7% expenditure against total approved recurrent expenditure for this department.

The second quarter for 2022/23 FY has recorded a KES 873,290,775 (38%) decrease in recurrent expenditure compared to a similar period in 2021/22FY.

First Half Recurrent Expenditure per Department 2022/23 FY

Table 2.2 First Half Recurrent Expenditure per Department 2022/23 FY

		Budget 2022/23 FY Recurrent	First Half Expenditure 2022/23 FY
	ENTITY	AMOUNT	AMOUNT
3961	County Assembly	681,635,622	310,315,229
3962	County Executive	548,984,508	142,403,794
3963	Finance and Economic Planning	608,652,670	129,888,476
3964	Agriculture, Livestock and Fisheries	232,902,628	42,534,451
3965	Environment, Water and Natural Resources	130,489,239	34,671,254
3966	Education	388,233,405	53,868,347
3967	County Health Services	2,111,605,163	626,996,611

3968	Lands, Housing and Urban Development	33,968,028	11,739,484
3969	Transport and Infrastructure	74,733,368	36,314,099
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	42,839,441	10,394,370
3971	Gender and Youth	51,668,210	6,364,630
3972	Sports, Culture and Social Services	21,208,017	5,283,262
	TOTAL	4,926,920,299	1,410,774,007

Source: County Treasury

b) Development expenditure

Development expenditure for the period under review amounted to KES 384,287,360. This is a decrease in expenditure compared to a similar period in 2021/22FY which recorded development expenditure amounting to Kshs 508,383,831.

Table 2.3: Development Expenditure First Half 2022/23

		Approved Budget 2022/23FY Development	First Half Expenditure 2022/23 FY
	ENTITY	AMOUNT	AMOUNT
3961	County Assembly	38,417,240	31,205,899
3962	County Executive	251,446,624	66,391,923
3963	Finance and Economic Planning	19,210,510	-
3964	Agriculture, Livestock and Fisheries	420,106,201	27,156,162
3965	Environment, Water and Natural Resources	72,836,666	-
3966	Education	4,300,000	-
3967	County Health Services	782,650,068	161,244,002
3968	Lands, Housing and Urban Development	78,079,534	-
3969	Transport and Infrastructure	464,481,288	98,289,374

3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	13,500,000	-
3971	Gender and Youth	42,133,334	-
3972	Sports, Culture and Social Services	8,466,666	-
	TOTAL	2,195,628,131	384,287,360

Source: County Treasury

2.4 Medium Term Economic Outlook

National Outlook

Nationally, the economy continued to expand, albeit at a slower pace than the 7.5 percent recorded in 2021. Real GDP grew by 5.5 percent in the first three quarters of 2022 (6.7 percent in quarter one, 5.2 percent in quarter two and 4.7 percent in quarter three) supported by the ongoing recovery in the services sector, driven by accommodation and food services, wholesale and retail trade, finance and insurance, education and transport and storage.

The economy is expected to grow by 5.5 percent in 2022 and recover in 2023 to 6.1 percent and maintain that momentum over the medium-term (in terms of fiscal years the economic growth is projected at 5.8 percent in the FY 2022/23 and 6.1 percent in the FY 2023/24. This growth will be supported by a broad-based private sector growth, including recoveries in agriculture while the public sector consolidates.

County Outlook

The County's economic growth will largely be shaped by performance in 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 will further be strengthened 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, rice,. 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 Agenda of economic recovery through continued investment in Agriculture, Transformation of MSME, Healthcare, Digital Superhighway and Creative Economy.

Risk to the Economic Outlook

Risks facing the country's economy will also affect the county's economic performance. These factors includes; Risks emanate from climate change resulting in unfavourable weather conditions. This could affect agricultural production and result to domestic inflationary pressures. However, the government continues to allocate more resources to sustainable farming methods by providing more connections for irrigation water.

Other risks from external front includes; possible worsening of the Russia - Ukraine conflict which could heighten the risk of oil and commodity price volatility and elevated inflationary pressures; lingering effects of COVID-19 (coronavirus) pandemics.

3.0 ACCELERATING EMPOWERMENT FOR ALL INCLUSIVE ECONOMIC GROWTH AND PROSPERITY.

Overview of Strategic Priorities

Resource allocations in various sectors will be anchored in the Third County Integrated Development Plan (2023-27). 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 Agenda of socio-economic and inclusive growth.

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

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

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

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

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

Priority V: access to quality and affordable education

Priority VI: Manufacturing and Value-Addition

Priority VII: Environment and Climate Change

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

The County Economy remains highly dependent on the agricultural sector directly contributing averagely 47.8% of Kirinyaga County Gross Product (GCP Report 2021). However, agricultural productivity in the country has been declining largely occasioned by the prolonged drought as a result of failed rain and high global fertilizer prices resulting in severe food shortage.

In collaboration with National Government, the county will support all farmers to access quality inputs such as seeds, fertilizer. This will increase agriculture productivity.

The government will support the crop and animal value chains in the implementation of Wezesha Program. The county will continue to support the dairy, poultry, aquaculture, apiculture, pig rearing, Tomato, rice, Banana, avocado value-chains around the county. The objective is to increase productivity and profitability to local farmers. Under the Wezesha framework, farmer groups around these value chains will continue to be supported to increase production.

To ensure that farmers improve farming skills, provision of Agricultural Extension services will continue to be implemented across the county.

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

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.

To improve health outcomes and reach of healthcare services, the Government will leverage on information technology to drive responsiveness and efficiency. This strategy will involve fully rolling out of Hospital Information Management System which is currently being implemented at Kerugoya Referral Hospital.

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

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.

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

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

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.

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 (ECDE) in the county will continue to get supported through provision of learning and playing equipment, provision of conducive learning environment through construction of classrooms, renovation of old classrooms.

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

Priority VI: Manufacturing and Value-Addition

The County Government is working closely with stakeholders, support from the National Government towards setting up of a Climate Smart Agro Industrial City at Sagana Industrial Park. Upon actualization, the industrial park will attract investors in areas of agro-processing, manufacturing. These investments will create job opportunities for women and youth.

Priority VII: Environment and Climate Change

Environmental conservation and response to the impacts of climate change has become a key aspect of the Government's socio-economic transformation agenda. Provision of a cleaner and safer environment is consistent with the

Constitutional obligations. To actualize this, the Government will continue to mainstream issues of environment conservation, climate change mitigation and adaptation, halt and reversal of deforestation, biodiversity loss and land degradation.

Together with the National Government and other stakeholders, the county will work towards implementation of reforestation program towards realization of the National target of attaining the national tree cover from the current 12 percent to 30 percent by 2030.

In order to deliver locally-led climate resilience actions and strengthen County Governments' capacity to manage climate risks, the National Government in collaboration with Development Partners developed an innovative Financing Locally-led climate Action (FLLoCA) Program. The Program is designed to encourage cross-agency collaboration and vertical linkages from community level up to national level in addressing climate change. The programme is being implemented in the County to assist in putting in place participative climate change policy and legislative frameworks in order to be able to access pooled finance to support implementation of locally-led climate actions.

4.0 FISCAL POLICY AND MANAGEMENT

The fiscal framework for the FY 2023/24 Budget is based on the County Government's policy priorities and framework set out in 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

Budget Year	Development Allocation	Percentage to Total Allocation
2017-18	1.71 Billion	30%
2018-19	1.82 Billion	30.8%
2019-20	1.835 Billion	30%
2020-21	2.624 Billion	39%
2021-22	3.17 Billion	41%
2022-23	2.195 Billion	31%

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 2023/24 FY Budget and Medium Term Expenditure Framework

5.1.1 Medium Term Fiscal Projections

Revenue Projections

Kirinyaga County is expected to receive equitable share allocation of KES 5,414,050,668 as proposed by the National Treasury in 2023 Budget Policy Statement. Own Source Revenue (OSR) projections set at KES 500 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

	Projections		
	2023-24 FY	2024-25 FY	2025-26 FY
Revenue (Total)	6,527,017,168	5,914,050,668	5,914,050,668
Equitable Share	5,414,050,668	5,414,050,668	5,414,050,668
Own Source Revenue	500,000,000	500,000,000	500,000,000
Additional Allocations	612,966,500		
Expenditure (Total)	6,527,017,168	5,914,050,668	5,914,050,668
Recurrent	4,568,912,017	4,139,835,468	4,139,835,468
Recurrent as percentage of Total budget	70%	70%	70%
Development	1,958,105,150	1,774,215,200	1,774,215,200
Development as percentage of Total budget	30.00%	30.00%	30.00%

Source: County Treasury

Additional Allocations

In FY 2023/24, the National Treasury proposes to allocate KES 11,016,000,000 as additional allocations from the National Government share of revenue. This will be applied to the following programs; Construction of County Headquarters to eligible counties, Leasing medical equipment program. In this allocation, National Government has set aside KES 4,700,000,000 towards Aggregated Industrial Parks Programme.

Further, the National Treasury proposes KES 33,192,137,407 as additional allocations from proceeds of loans and grants from development partners to County Governments. County Treasury Projects to receive a total of 612,966,500 in 2023/24. The funds will support the following programs; National Agricultural and Rural Inclusive Growth Project (NARIGP); National Agricultural Value Chain Development Project (NAVCDP); DANIDA Grant; Financing Locally- Led Climate Action (FLLoCA) Program; Agricultural Sector Development Support Programme (ASDSP) II.

The legal instruments that will be used to allocate and disburse additional allocations to the county governments is the County Governments Additional Allocations Act which will be released later during 2022/23FY.

5.2 Financial Year 2023-24 and Medium Term Budget Priorities

5.2.1 National Priorities

The national government's Budget Policy Statement shows that national priority sectors will be geared to economic recovery agenda to promote inclusive growth. The priority programmes are classified under two categories; core pillars and the enablers which aimed at creation of a conducive business environment for socio-economic transformation. Under the core pillars, the Government seeks to increase investments in five sectors envisaged to have the biggest impact on the economy as well as on household welfare. These include Agriculture; Micro, Small and Medium Enterprise (MSME); Housing and Settlement; Healthcare; and Digital Superhighway and Creative Industry. To make these programme

feasible, the Government will implement strategic interventions under the following key enablers: Infrastructure; Manufacturing; Blue Economy; the Services Economy, Environment and Climate Change; Education and Training; Women Agenda; Social Protection; Sports, Culture and Arts; and Governance

5.2.2 County Priorities

The County Government will continue to implement priority programs as envisioned in Third CIDP (2023-27) 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 2023-27, county empowerment program for wealth creation.

The following criteria is used in determining development allocation

1. **Ongoing Projects:** Emphasis will continue to be given to completion of on-going 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.

5.3 Details of Sector Priorities

5.3.1 Overview

Budgetary allocations for the 2023/24 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 Third County Integrated Development Plan (CIDP) 2023-27. The key resource allocation will therefore focus on the following areas;

- i. Transformation of livelihoods through sustained investments in the agricultural sector for increased productivity and profitability.
- ii. Sustained investments in accessible health care to ensure a productive population.
- iii. Sustained investments in roads and urban infrastructure developments to support economic growth.
- iv. Continued solid waste management and accessibility to clean and safe water.
- v. Access to quality and affordable education.
- vi. Environment and Climate Change.

5.3.2 Details of Sectoral Priorities

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;

Automation of revenue collection- through the ICT department, the county embarked on ensuring efficiency in offering revenue services through automation. This has seen milestones achieved on revenue services including; Unified billing; Real-time revenue reporting; Customer notification of revenue events via sms and email; Increased payment channel e.g. mobile money; Bank integration thus ease and timely reconciliation of accounts.

Information dissemination- ensuring access to information, ICT department has continuously maintained and upgraded the county website, Sub-domain creation for different county departments.

Faster delivery of services and enhanced digital inclusivity- provision of Operational ICT Infrastructure.

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.

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;

During the period under review the directorate registered good progress in various area. There was an increase in crop acreage for the main value chains including avocados and macadamia, through establishment of one macadamia factory and initiation of construction of 4 modern aggregation centres for horticultural produce more so avocados.

The acreage under avocado increased by over 200 ha. Two seedling production nurseries were also constructed in Mwea and Kamweti. The directorate registered 13000 farmers who are benefiting from the National value chain support project by the National Government. Under the same theme, 23750 bags of assorted fertilizers were acquired by farmers through facilitation by the field staff from the National Government subsidized fertilizer system.

Extension services continued being provided in various methodologies like field days demonstrations, FFS, core farmer led field schools and field visits. Through the NARIGP project, farmer groups were supported to start propagation nurseries for avocados and tomatoes. It is anticipated that the nurseries will supply high quality planting materials and reduce the costs of the same for our farmers. The directorate continues supporting the groups with technical backstopping to ensure sustainability of these income generating activities.

To reduce production costs there by increasing profitability margin, the department promoted households under the Wezesha program through establishment of an animal feeds production factory at Kiaga where the farmers have been sourcing quality and subsidized animal feeds for poultry and dairy value chain. To boost the production capacity of the factory, the county has set aside budget to install two semi-dual automatic machines with capacity of producing 310 bags of 70kg per day. This in addition to the current 110 bags per day.

To promote the dairy value chain, our Wezesha program is working closely with the four dairy cooperatives namely Podago, Rukingo, Kirima and Rung'eto to improve their capacity for milk collection and value addition. We have provided them with milk coolers, yoghurt processing machines, power back-up generators and milk haulers. The department shall promote the existing cooperatives value add their milk through packaging their own milk in order to improve and enhance market access which will in turn increasing earnings for our dairy farmers.

Through the same program the dairy farmers are able to access subsidized A.I. services in collaboration with Kenya Animal Genetic Resources Center (KAGRC). So far a total of 85,000 cows have been served and we are seeking to double the figure in the coming years. The program aims at upgrading animal breeds for better milk production from the current average 5 liters per cow per day to 12 liters per cow per day.

In the coffee sector the county has included seven coffee cooperatives in our Wezesha program namely Mutira, Mwirua, Kabare, Ngiriambu, Rung'eto, Baragwi and Karithathi. The department has initiated coffee revitalization program aimed at improving coffee produce management, processing and improve market access. This will be achieved through acquisition and installation of modern eco-pulping machines for cherry processing and improve other related infrastructure such as coffee drying beds.

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

Major achievements for MTEF (2019/20-2021/22FY) includes;

Construction and equipping of 300 bed capacity in Kerugoya county referral hospital. The complex has created more space for expansion of health services. 10 new Dispensaries were constructed completed at 100% but only 5 were operationalized (Umoja, Kianjiru, Kiamwathi, Kamwana, Kiumbui). The new dispensaries have made services accessible to the people. This has contributed to better performance of various health indicators; skilled deliveries increase from 79.8% in 2017 to 101.4% in 2021, fully immunized children from 88% in 2017 to 99.7% in 2021

Four laboratories were opened and operationalized (Joshua Mbai, Kangu, Karimaini, Riakithiga Dispensaries) Completion and operationalization of the Inpatient Eye Unit in Kerugoya county referral hospital and eye unit at Kianyaga sub-county hospital.

Completion and Operationalization of radiology department in Sagana Sub-County Hospital.

Construction of Isolation ward in Kerugoya County referral hospital complete at 100% where TB patients are managed and monitored closely.

Through the support of AMREF and THS-UCP, the improved the number community units from 74 to 116 which has improved community engagement and involvement in health service delivery at the community level.

There is also notable increment of pregnant women attending at 4 ANC visit from 40.9% (2017) to 59.6% through CHVs referrals for the defaulters.

The department also benefitted with equipment and machineries; 1 washing machine, 3 ambulances, 6 generators. 1 incinerator, 3 ventilators, 2 ICU units and 1 cold room. The department has also increased the scope of services offered in the county by establishing renal unit, cancer centre and CT scan which has really reduced the cost of travel while seeking these services in other counties for the clients.

In the next MTEF, the department will continue to offer curative and preventive measures towards achieving the following objectives;

- Reducing the maternal mortality ratio to less than 70 per 100, 000 births
- Prevent deaths of perinatal, neonatal and children under 5 years of age
- End the epidemics of AIDS, tuberculosis, malaria, neglected tropical diseases and other communicable diseases.
- Reduce the high burden of non-communicable disease and fatalities for the affected persons
- Reduce morbidity and mortality of conditions related to environmental health and sanitation
- Strengthen the prevention and treatment of substance use including narcotic drug abuse and harmful use of alcohol
- Ensure access to sexual and reproductive health-care services including family planning, information and education, as well as, integration of reproductive health into national strategies and programmes
- Strengthen access to essential health services at all levels of care.

- Support research and development of vaccines and medicines for communicable and non-communicable diseases which affect the county as one of the counties in the developing country, Kenya.
- Enhance the recruitment, development, training and the retention of health work force in the county.
- Strengthen community health interventions by creating more units and empowering community health volunteers.
- Ensure financial sustainability of health services and Protection of all from the financial risks of ill health.

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. At the beginning of 2017 only 3 markets had been upgraded ie, Kagio fresh produce, Kerugoya fresh produce and Kagumo fresh produce markets. At the end of this plan period County Government of Kirinyaga has been able to upgrade 15 more markets which are; Kiamutugu open air market, Kianyaga open air market, Wang'uru open air market, Makutano open air market, Sagana open air market, Kibingoti open air market, Kagio clothes market, Kagio cereals market, Kagumo and Kerugoya phase II markets, Kutus open air market, Kibingo open air market and Githure Kathoge and Makutano aggregation markets.

Further supporting manufacturing through provision of coffee roasting, grinding and packaging machinery to support value addition in coffee value chain.

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

5.3.2.6 Roads, Transport, Public Works, Housing and Infrastructure Development

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 improve urban infrastructure by having smooth all weather surface for a motorway or pedestrian walkway, the County Government undertook car parking spaces and street improvement project in five major towns of Kirinyaga where 8,500 Square Meters (SM) were done in Kianyaga town, 19,500 SM in Kutus town, 35,630 SM in Kagio town, 12,500 SM in Kerugoya town and 11,000 SM in Wang'uru town however the works in Wang'uru are expected to rise to about 25,000 SM once the project is complete. The total area paved by the end of the plan period 2018-2022 will be 101,100 SM at a cost of KES 500 million. The project has increased the county parking slots and improved the towns drainage system in addition to providing traders and investors with a conducive environment to do business. This is all geared towards transforming the county's urban centers into economic hubs.

Rural roads are considered the lifeline of rural communities since they ensure transportation of material, goods and men leading to diversification of agricultural activities and boosts rural economies. During the CIDP period 2018-2022, the County Government initiated the Nyorosha Barabara Mashinani initiative where a total of about 5,000 kms were graded compared to about 2,800 kms at the start of the CIDP 2018-2022 implementation period which represents an increase of 178.5%. About 800 kms were graveled compared to about 420 kms done by the end of the previous CIDP and this represents an increase of

190.5%. This has enhanced access to income opportunities in different county areas. The County has also constructed 10 bridges connecting people and homes across rivers such as Nyamindi. These include Mahiga-ini, Gachuria Moyo, Mukure and Kandakame among others.

In order to create a pleasant environment for late/night traders, prevent illegal works and anti-social activities for instance crime, the County Government installed an additional sixteen (16) 20M high floodlights masts in various strategic county locations from the initial 81 high mast floodlights. Better lighting will deter offenders and help spur economic activities in both county rural and urban areas.

For the longest time, Kirinyaga County has been served by only one fire station at Kerugoya although it does not meet the modern firefighting standards. To help the County achieve an inclusive multi-disciplinary and multi-sectoral approach in firefighting, factor climate variations into fire and rescue services and disseminate information on fire safety, the County has begun the construction of a modern fire station at a cost of Kshs72 Million in Kutus town which is over 50% done and is expected to be completed by end of 2022/23 Financial Year.

In the next MTEF period, the department will focus to achieve the following objectives;

- Cabro paving in various towns and shopping centres across the county.
- Grading and gravelling on our access roads
- Improved Maintenance of street and security lighting infrastructure across the county.
- Improved County fire and emergency response - Completion of the modern fire station at Kutus Town
- Streamlined revenue collections system from bus and Matatu parking.
- Affordable Housing Program
- Development and implementation of County Housing Policy
- Establishment of Appropriate Building technology (ABT) centers
- Integration of the main sewer system with the County Estates.

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.

At the beginning of the plan period in 2017, the national number of pre-primary schools was 25,381 public and 16,398 private. At the County level, there were 198 public and 216 private pre-primary schools. The enrolment of ECDE children was 12,868 in public schools and 10,625 in private schools. On the other hand, the number of teachers was 447 in public schools and 489 in private schools.

At the end of the plan period, in the County, the number of public schools were 199 while the private schools were 216. The children enrolment stood at 15,939 in public schools being an increase of 23.9%, while in private schools, the number was 11,525 being an increase of 8.5%.

In the period 2018 – 2022, a total of 21 classrooms and workshops were constructed, 12 classrooms were renovated, and 130 lecture seats and 20 drawing tables were procured to facilitate improvement in quality of training being offered. During the same time, 6 new dormitories were constructed, 3 were renovated and a total of 84 double decker beds procured. This has led to increase in enrolment by more than 250 trainees.

9 pit latrines and toilets, 4 bio-digester systems, drilling of 1 borehole and water connection have gone a long way in improving sanitation in our VTCs and reducing spread of water-borne diseases. Construction of gates in 3 institutions and fencing of 6 VTCs were fenced thereby enhancing security of trainees and equipment in the institutions. Completion of 4 office blocks has enhanced service delivery in the institutions and ensured records are properly and securely kept. Additionally, construction of 1 auto-garage, and 3 masonry shades have gone a long way in improving quality of training in the VTCs.

Construction of new infrastructural projects, renovations, and furnishing with equipment has led to increase in enrolment from 1357 trainees in 2017 to 1793 in 2022 by 32% during that period. Completion rate over the period is over 60% of enrolment, amid variety of challenges being experienced by VTCs. After closure of educational institutions in 2020 due to the outbreak of Covid-19, many trainees dropped out early pregnancies and other others became casual labourers. They eventually and did not report back to complete their training and this led to drop in enrolment. Meanwhile additional 5 new VTCs have been established during the same period of time making a total of 16 VTCs in Kirinyaga County.

In the past five years, the County Government has disbursed Ksh. 290 million to needy children in secondary and tertiary institutions

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

Under 'Wezesha Mama' programme, the county established Kaitheri Apparel Factory in Kerugoya to engage women in making school uniforms and hospital linen. We have also established a Gender-Based Violence and Recovery Centre

in Kerugoya. In order to support school going children to have a dignified life, free sanitary pads distribution programme to help reduce our girls' absenteeism from school which has so far benefited over 20,000 girls in the county. Further, in order to supported youth empowerment, the county has supported youth groups to engage in economic activities by supplying them with 4 Washing Machines, 1 welding machine which have economically benefited over 500 youths. Further on youth empowerment, support to acquire driving licences, support boda boda groups by constructing sheds towards improving their business. To support women empowerment and improve livelihood of welfare groups, the county has supported these groups and benefited over 300 beneficiaries.

To support the PWDs, the county embarked on enhancing mobility and functionality by providing various equipment which has reached 90 beneficiaries, improving access to information for visually impaired by provision of braille materials.

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

Distributed sports kits to over three hundred (300) clubs across the county. In order to support sports facilities, the county embarked on rehabilitating stadia such as Kerugoya, which is 80% complete and Kianyaga playing grounds. The

National Government rehabilitated Wang'uru Stadium to International level, the county also embarked to develop talent in sports for our youth through supporting sports championships in various disciplines e.g football, volleyball, and athletics and cross country.

Construction of social halls in various wards in mwea- Nyangati, Tebere, Thiba, Gathigiriri to support social cohesion in the community.

5.3.2.10 Environment, Water, Irrigation, Natural resources, energy and Climate Change

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.

Implementing locally led climate actions program to combat effects of climate change.

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, Physical Planning and Urban Development

On the onset of the county integrated development plan 2018-2022, variety of activities were disorganized in the physical space across the county. The lacked basic planning framework and insufficient land for public purpose. The department utilize the opportunity to deliver plans and Programmes geared towards proper utilization of land resource. The department initiated preparations of County spatial plan and Kerugoya-Kutus municipal plan that opened up the county to service providers and development partners like World Bank, SUED and KUSP. These activities have increased the value of land tremendously and there is evidence of organized use of land in urban areas.

Through numerous interventions, the county residents have enjoyed improved access to service areas, security of tenure and well managed development of towns and villages. Affordable housing schemes project to provide a home to over 100 households. The department has acquired parcel of lands to develop infrastructure in line with government agenda.

Kerugoya-Kutus Municipality lacked basic public utilities like car parks, public gardens, drainage systems, sewer systems modern markets and public washrooms. Only 15% of the municipality population had access to these facilities. At the end of the planning due to construction of ample car parks, modern markets, drainage systems, sewer system and urban image regeneration over 50% of the population enjoy these facilities.

Going forward, the department will seek to implement the following activities;

- a) Completion of Kerugoya/Kutus Municipal Urban Economic Plan
- b) Completion of County Physical Development Plan
- c) Completion of titling process of Kiini/Thigirichi/527
- d) Re-planning of Informal Settlements
- e) Establishment of a GIS Lab
- f) Completion of a modern fire station
- g) Acquisition of land for various access roads
- h) Acquisition of land for various markets
- i) Compensation of Mwea/Mutithi/Strip
- j) Acquisition of GPS mobile mappers
- k) Acquisition of Total Station Survey Machine

5.4 Departmental Ceilings

Table 5.2: County Indicative Ceilings for 2023-24

<i>ENTITY</i>	APPROVED BUDGET FY 2022/2023		PROJECT ALLOCATIONS	
	<i>% of Total REC</i>	<i>% of Total DEV</i>	<i>REC</i>	<i>DEV</i>
County Assembly	13.80%	1.70%	13.80%	1.70%
County Executive	11.10%	11.50%	11.10%	11.50%
Finance and Economic Planning	12.40%	0.90%	12.40%	0.90%
Agriculture, Livestock and Fisheries	4.70%	19.10%	4.70%	19.10%
Environment, Water and Natural Resources	2.60%	3.30%	2.60%	3.30%
Education	7.90%	0.20%	7.90%	0.20%
County Health Services	42.90%	35.60%	42.90%	35.60%
Lands, Housing and Urban Development	0.70%	3.60%	0.70%	3.60%
Transport and Infrastructure	1.50%	21.20%	1.50%	21.20%
Trade, Co-operatives, Tourism Industrialization and Enterprise Development	0.90%	0.60%	0.90%	0.60%
Gender and Youth	1.00%	1.90%	1.00%	1.90%
Sports, culture & Social Services	0.40%	0.40%	0.40%	0.40%
TOTAL				

6.0 CONCLUSION

The FY 2023/24 and the medium term budget will be prepared on background of a recovering of domestic economy. The Kenyan economy demonstrated remarkable resilience and recovery to the COVID-19 shock due to its diversified nature and the proactive measures by the National Government to cushion the vulnerable, support businesses and accelerate economic recovery.

Effective and efficient utilization of funds will be crucial in ensuring that the county deliver on its functions. Noting the tight resource envelop, the County 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.

Economic growth in the county will continue to be supported by implementation of strategic interventions as will be contained in Third Generation County Integrated Development Plan 2023-2027.

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 departmental ceilings annexed herewith will guide the departments in preparation of the 2023-24 FY.