



THE COUNTY TREASURY
DEPARTMENT OF FINANCE, ICT AND ECONOMIC PLANNING

2023 COUNTY FISCAL STRATEGY PAPER

**SOCIAL ECONOMIC TRANSFORMATION FOR INCLUSIVE & SUSTAINABLE
GROWTH**

FEBRUARY 2023

© County Fiscal Strategy Paper (CFSP) 2023

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FOREWORD

The 2023 County Fiscal Strategy Paper (CFSP) is the first to be prepared under the new administration and sets out the priority programs, policies and reforms to be implemented in the Medium-Term Expenditure Framework (MTEF). The document is framed against a backdrop of global economic slowdown occasioned by the ongoing Russia-Ukraine conflict, elevated global inflation, lingering effects of the COVID-19 pandemic and persistent supply chain disruptions. The need to address these challenges, strengthen resilience while building on successes realized over time forms the basis of the Bottom -up Economic Transformation Agenda that is aimed at increasing investments in the sectors envisaged to have the largest impact and linkages to the economy as well as on household welfare. The County Government will continue supporting the National Government on implementation of the Economic Recovery Agenda to promote inclusive growth.

The 2023 CFSP is anchored on the third County Integrated Development Plan (CIDP) 2023-2027 that prioritizes implementation of economic recovery strategies of the new administration to reposition the county economy on a steady and sustainable growth trajectory to transform Kiambu “*making Kiambu great again*”. The 2023 CFSP focuses on the implementation of the policies and programmes that accelerate and sustain inclusive growth, create job opportunities through “*Kazi Kwa Wote*” programmes, reduce poverty and income inequality while also expanding the revenue base. Towards this end, the County is committed to transform the county’s Agriculture; Micro, Small and Medium Enterprise (MSME); healthcare, water and environment, Housing and settlement, education and county infrastructure sectors.

The 2023 CFSP is anchored under the Governor’s manifesto, Kenya Vision 2030 and is aligned with the national objectives contained in the 2023 Budget Policy Statement (BPS) which is the National Policy document that sets out the broad strategic priorities and policy goals that guide the National and County Governments in preparing their budgets.

The fiscal policy stand over the medium term aims at supporting the social economic transformation of the County Government through the fiscal consolidation plan designed towards economic recovery to support sustained, rapid and inclusive economic growth. The policy plan is geared towards further slowing down the annual growth of debts while implementing an effective liability management strategy, without compromising service delivery to citizens. This is aimed at achieving the transformative development agenda which

is anchored on provision of core services, ensuring equity and minimizing costs through the elimination of duplication and inefficiencies, creation of employment opportunities and improving the livelihoods of people making Kiambu County great again.

The fiscal policy will target to grow revenues in the FY 2023/24 and over the medium term. As part of the economic turnaround plan, the County Government will scale up on revenue collection efforts. In order to achieve this, the County Government will undertake a combination of both revenue administrative and revenue mobilization policy reforms. To achieve revenue targets, the County will implement revenue enhancement initiatives in order to expand the revenue base and strengthen revenue administration. In addition, the County has already initiated a number of revenue reforms and will continue to invest in technology geared towards automating the existing and additional revenue streams. These reforms are expected to make revenue collection more convenient and increase Own Source Revenue which will help in financing current and future County Budgets.

On the spending side, the County Government will sustain efforts to improve efficiency in public spending and ensure value for money by eliminating non priority expenditures; scaling up the use of Public Private Partnerships financing for commercially viable projects and adhering to an end-to-end e-procurement system. To achieve this target, the County Government will continue to restrict growth in recurrent spending, endeavor to absorb more on development budget and put more effort in its own source of revenue mobilization.

In light of the above fiscal consolidation plan, the expenditure ceilings in this Fiscal strategy paper have been revised to reflect emerging realities. In this regard, all proposed departments budgets for FY 2023/24 have been scrutinized carefully to ensure quality and alignment to the Government Economic Recovery Agenda as outlined in this CFSP, the CIDP 2023-2027 and other strategic interventions of County interest. I therefore call upon all departments to adhere to the sector ceilings, and the strict deadlines provided in this document to facilitate the finalization of the FY 2023/24 and the medium-term budget proposals.

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ACKNOWLEDGEMENT

The 2023 County Fiscal Strategy Paper (CFSP) is prepared in compliance with the provisions of the Public Finance Management Act, 2012. It outlines the strategic priorities of the new administration, highlights the current state of the economy, provides macro-fiscal outlook over the medium term together with a summary of County Government spending plans as a basis for the FY 2023/24 budget. The publication of the 2023 CFSP aims to improve the public's understanding of public finance management and guide debate on economic and development matters. As we finalize the budget for the FY 2023/24 and the medium term, I wish to emphasize that the economy is operating under tight fiscal constraints. Departments are therefore urged to undertake a careful scrutiny of individual budgets execution reports to curtail growth of recurrent budgets and ensure funding priorities are accorded to the new administration's Social-Economic Transformation Agenda.

The preparation of the 2023 BPS was a collaborative effort among various County Government departments led by chief officers; we are grateful for their inputs and timely provision of information and for their cooperation during the period of the assignment. More strategic information was obtained from the National Government 2023 Budget Policy statement (BPS) and the county sector working group's reports from respective departments. It is with great humility that I take the opportunity to express my profound gratitude and deepest regards to members of the County Executive Committee and His Excellency the Governor for the visionary leadership that has enabled us chart a clear development path. We are also grateful to the core team at the County Treasury, led by Directorates of Budget and Economic Planning that tirelessly coordinated the preparation and finalization of this document and ensured it was produced on time and is of high-quality standard.

Finally, Special thanks also go to all the stakeholders for their active participation during preparation of this CFSP. We reiterate our commitment to serving you and improve on prudent public finance management, transparency and accountability on all public finance matters.

WILLIAM KIMANI

CHIEF OFFICER, FINANCE AND ECONOMIC PLANNING

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ABBREVIATIONS

ADP	Annual Development Plan
BPS	Budget Policy Statement
CADP	County Annual Development Plan
CBEF	County Budget and Economic Forum
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy paper
CIDP	County Integrated Development Plan
CIUDS	County Integrated Urban Development Strategy
CLAIMS	County Land Management Information system
CLMC	County Land Management Committees
ECDE	Early Childhood Development Education
FY	Financial Year
GIS	Geographical Information system
GDP	Gross Domestic Product
ICT	Information, Communication & Technology
IFMS	Integrated Financial Management Information System
ISUDP	Integrated Strategic Urban Development Plan
KISIP	Kenya Informal Settlements Improvement Project
MOU	Memorandum of Understanding
MSMEs	Medium and small micro Enterprises
MTEF	Medium Term Expenditure framework
MTP	Medium Term Plan
OSR	Own Source of Revenue
PAPS	Project Affected Persons
PDPs	Partial Development Plans
PFMA	Public Finance Management Act
REA	Rural electrification Authority
SACCOs	Saving and Credit Cooperative Societies
USSD	Unstructured Supplementary Service Data
VTCs	Vocational Training Centers
WB	World Bank

Fiscal Responsibility Principles for the County Governments

(1) In line with the Constitution, the Public Finance Management Act (PFMA), 2012, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. The PFM law (Section 107) states that:

(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 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 a 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 for 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 sub section (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.

Legal Basis for the Preparation of the County Fiscal Strategy Paper

The County Fiscal Strategy Paper is published in accordance with Section 117 of the Public Finance Management Act, 2012. The law states that:

1. The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly, by the 28th February of each year.
2. The County Treasury shall align its County Fiscal Strategy Paper with the National objectives in the Budget Policy Statement.
3. In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for the coming financial year and over the Medium term.
4. The County Treasury shall include in its County Fiscal Strategy Paper the Financial outlook with respect to County Government revenues, expenditures and Borrowing for the coming financial year and over the medium term.
5. In preparing the County Fiscal Strategy Paper, the County Treasury shall Seek and take into account the views of—
 - a) The Commission on Revenue Allocation;
 - b) The public;
 - c) Any interested persons or groups; and
 - d) Any other forum that is established by legislation.
6. Not later than fourteen days after submitting the County Fiscal Strategy Paper to the County Assembly, the County Assembly shall consider and may adopt it with or without amendments.
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.

1.0 INTRODUCTION

Overview

1. The County Fiscal Strategy Paper (CFSP) is a policy document that sets out the broad strategic priorities and policy goals to guide the County Government in preparing their budgets for the subsequent financial year and over the medium term.
2. The 2023 CFSP lays emphasis on adherence to the fiscal responsibility principles that demonstrates prudent and transparent management of public resources in line with the Constitution and the Public Finance Management Act (PFMA), 2012. The document is also aligned to the 2023 Budget Policy Statement prepared by the National Government.
3. Section 117 of the PFM Act, 2012, provides that the County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper (CFSP) for approval. Subsequently, the approved CFSP is submitted to The County assembly by the 28th of February each year. The County assembly shall, not later than 14 days after the CFSP is submitted, table and discuss a report containing its recommendations and pass a resolution to adopt it with or without amendments. The CECM for finance shall take into account resolutions passed by the County assembly in finalizing the budget for the FY 2023/24 and the medium term.
4. The 2023 County fiscal strategy Paper contains:
 - a. An assessment of the current state of the economy including macroeconomic forecasts;
 - b. The financial outlook with respect to County Government revenue and expenditures for the next financial year and over the medium term;
 - c. The proposed expenditure ceilings for the County Government, including those of County assembly;
 - d. The fiscal responsibility principles and financial objectives over the medium term; and
 - e. Statement of Specific Fiscal Risks.
5. Preparation of the CFSP is a consultative process that involves seeking and taking into account the views of: The Commission on Revenue Allocation; the public; any other interested persons or groups; and any other forum that is established by legislation.

2.0 RECENT ECONOMIC DEVELOPMENT AND MEDIUM TERM OUTLOOK

2.1. Global and Regional Economic Developments

6. The global economic outlook is characterized by uncertainties due to the lingering effects of Covid 19 pandemic, impact of the ongoing Ukraine- Russia conflict, elevated global inflation and persistent supply chain disruptions. Global growth is projected to slow down to 2.9 percent in 2023 from the earlier forecast of 3.4 percent in 2022.
7. The growth of the advanced economies are projected to slow down to 1.2 percent in 2023 from 2.7 percent in 2022 reflecting slowdown in the growth in the USA, Euro Area and United Kingdom. Further the growth in emerging and developing economies is projected to rise modestly to 4.0 percent in 2023 from an estimated 3.9 percent in 2022 mainly driven by recovery of activities in China with the full reopening in 2023. China's economy is projected to improve to 5.2 percent from 3.0 percent in 2022.
8. The growth in the Sub -Saharan Africa region is projected to remain moderate at 3.8 percent in 2023. This outlook reflects Nigeria's rising growth in 2023 due to measures to address insecurity issues in the oil sector.

2.2. Domestic Economic Development

9. Kenya's economy exhibited 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.
10. The growth momentum continued in the first three quarters of 2022 averaging 5.5 percent despite subdued performance in agriculture and weaker global growth. The economy grew by 6.7 percent in the first quarter and 5.2 percent in the second quarter compared to a growth of 2.7 percent and 11.0 percent in similar quarters in 2021.
11. In the third quarter of 2022, the economy grew by 4.7 percent compared to a growth of 9.3 percent in the corresponding quarter of 2021. Most sectors posted slower growth owing to the significantly high growth rates recorded in the third quarter of 2021 that signified recovery from the impact of the Covid-19 pandemic. The growth in the third quarter of 2022 was mainly supported by the service sectors particularly Accommodation and Food Service activities, Wholesale and Retail trade, Professional, Administrative and Support services, Education and Financial and Insurance activities. The growth was however slowed

by declines in activities of the Agriculture, Forestry and Fishing, and Mining and Quarrying sectors.

12. 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 the first three quarters of 2022. The decline was reflected in the decline in vegetable exports and milk intake by processors. The sector's performance was cushioned from a steeper contraction by improved production in fruits, coffee and cane.
13. 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 due to 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 growth in the industry sector was supported by positive growths in the Electricity and Water Supply sub-sector and construction sub-sector which grew by 4.7 percent and 4.3 percent, respectively.
14. 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 Rate

15. 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 with the easing of international supply chain disruptions. However, this inflation rate was higher than the 5.4 percent recorded in January 2022. Overall annual average inflation increased to 7.9 percent in January 2023 compared to the 6.1 percent recorded in January 2022.

16. While inflation has been rising and remains high in most economies, Kenya's inflation rate at 9.1 percent in December 2022 is much lower than that of some countries in the Sub-Saharan African region that have double digits' inflation

Kenya Shilling Exchange Rate

17. The foreign exchange market has largely remained stable despite the tight global financial conditions attributed to strengthening US Dollar and uncertainties regarding the ongoing Russian-Ukraine conflict. Due to the strong dollar, the exchange rate to the Kenya shilling like all world currencies has weakened to exchange at Ksh 123.9 in January 2023 compared to Ksh 113.4 in January 2022. In comparison to Sub-Saharan Africa currencies, the volatility of the Kenya Shilling exchange rate has remained relatively low at 9.3 percent against the US Dollar in January 2023. The depreciation rate of the Kenya Shilling was lower than that of Namibian Dollar, Botswana pula, South African Rand and Malawi Kwacha. The stability in the Kenya Shilling was supported by increased remittances, adequate foreign exchange reserves and improved exports receipts.

Interest rates

18. 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 and retained at the same rate on 30th January 2023. The interbank rate increased to 6.0 percent in January 2023 compared to 4.4 percent in January 2022 while the 91-day Treasury Bills rate also increased to 9.5 percent compared to 7.3 percent over the same period due to tight liquidity conditions.
19. Commercial banks' lending rates remained relatively stable in November 2022 supported by the prevailing monetary policy stance during the period. The average lending rate was at 12.6 percent in November 2022 from 12.2 percent in November 2021 while the average deposit rate increased to 7.1 percent from 6.4 percent over the same period. Consequently, the average interest rate spread declined to 5.5 percent in November 2022 from 5.7 percent in October 2021.

Money and Credit

20. Broad money supply (M3) growth was 7.2 percent in the year to December 2022 compared to a growth of 6.1 percent in the year to December 2021. This growth in December 2022 was mainly due to an increase in domestic credit, particularly net lending to the private sector. This growth was however curtailed by a decline in the Net Foreign Assets (NFA).
21. In the year to December 2022, Net Foreign Assets (NFA) of the banking system contracted by 51.9 percent compared to a contraction of 21.0 percent in the year to December 2021. The decline in NFA partly reflected a reduction in reserves at the Central Bank due to scheduled debt service, and the increase in commercial bank's borrowing from foreign sources.
22. Net Domestic Assets (NDA) recorded a growth of 16.7 percent in the year to December 2022, an improvement compared to a growth of 12.4 percent over a similar period in 2021. This growth was mainly supported by resilient growth in credit to the private sector as business activities improved. Growth of domestic credit extended by the banking system to the Government moderated to 11.6 percent in the year to December 2022 compared to a growth of 28.3 percent in the year to December 2021. Lending to other public sectors also declined during the period, mainly due to repayments by county governments and parastatals.

Private Sector Credit

23. Private sector credit improved to a growth of 12.5 percent in the 12 months to December 2022 compared to a growth of 8.6 percent in the year to December 2021. All economic sectors registered positive growth rates reflecting increased credit demand following improved economic activities. Strong credit growth was observed in the following sectors: mining, transport and communication, agriculture, manufacturing, business services, trade, and consumer durables. Monthly credit flows (month on month) have also improved from Ksh 24.8 billion in December 2021 peaking at Ksh 28.0 billion in December 2022.
24. The National Government has launched the Hustlers Fund, as an intervention to correct market failure problems that led to predatory lending. This program aims to lift those at the bottom of the pyramid through structured products in personnel finance that includes savings, credit, insurance and investment.

External Sector Developments

25. The overall Balance of Payments position improved to a surplus of USD 2,245.4 million (2.0 percent of GDP) in November 2022 from a deficit of USD 976.8 million (0.9 percent of GDP) in November 2021. This was mainly due to an improvement in the capital account despite a decline in the merchandise account reflecting increased imports of petroleum products owing to high international crude oil prices. The current account deficit was generally stable at USD 5,771.0 million (5.2 percent of GDP) in November 2022 compared to USD 5,811.6 million (5.4 percent of GDP) in November 2021. This was supported by an improvement in the net receipts on the services account and the net secondary income balance despite a deterioration in the net primary income balance and merchandise account.
26. The balance in the merchandise account declined by USD 1,238.0 million to a deficit of USD 12,186.7 million in November 2022 mainly due to increased payments on imports in spite of an improvement in the export earnings. In the year to November 2022, exports grew by 12.4 percent primarily driven by improved receipts from tea and manufactured goods despite a decline in receipts from horticulture. The increase in receipts from tea exports reflects improved prices attributed to demand from traditional markets. On the other hand, imports of goods increased by 11.7 percent in the year to November 2022 mainly due to increases in imports of oil and other intermediate goods.

Banking Sector

27. The Banking Sector remained stable and resilient in 2022 and was well capitalized with core and total capital adequacy ratios of 16.2 percent and 19.0 percent, respectively, as at end December 2022. These were above the statutory limit of 10.5 percent and 14.5 percent, respectively. To build resilience, several banks have consolidated and combined with notable expansion in the region to exploit emerging opportunities. To stop predatory lending by the Digital Credit Providers (DCPs), the Central Bank of Kenya (Digital Credit Providers) Regulations 2022 were approved on May 18, 2022, to provide for the CBK to license and oversight previously unregulated Digital Credit Providers by September 17, 2022 or cease operation. As at the end of December 2022, 10 applicants had been granted licenses. CBK will continue with the focus of building a resilient banking sector with strong business models and governance frameworks.

Capital Markets Development

28. Activity in the capital markets slowed down in December 2022 compared to December 2021 due to the outflow of investors as advanced economies tightened their monetary policy

amid recession fears. The NSE 20 Share Index declined to 1,676 points in December 2022 compared to 1,903 points in December 2021 while Market capitalization also declined to Ksh 1,986 billion from Ksh 2,593 billion over the same period.

2.3. Impact of National Macroeconomic Variables on County Development

29. The performance of the County is mainly dependent on the global and national economic framework since the National Government transfers account for the largest share of the total revenue. The stable macroeconomic environment supports the growth of the outlook hence the dynamics of macro-economic framework have direct and/or indirect impact on the County decision and operations. The performance further depends on formulation and implementation of prudent policies by the County Government to guide service delivery.
30. The level of economic activities in the County and resources meant for development are determinants of the national performance. Low and stable inflation rate encourages more investments and reduces uncertainties thus enabling the County to invest more on development resulting in improved economic growth and stability. Similarly, low and stable interest rates stimulate higher private sector lending, especially the Small and Medium Enterprises. This encourages more spending and investments in the County leading to economic growth and improved quality of life for the residents.
31. Competitive exchange rate supports exports and encourages spending and investment which leads to economic growth. The weakening of Kenya shillings against the US dollar makes imports to be more expensive. This hampers implementation of development programs due to increased cost of imported inputs. The performance also depends on formulation and implementation of prudent policies and the County Government will continue to pursue prudent fiscal policy to ensure stability and guide service delivery.
32. The County has a huge potential in agriculture and service sectors with agriculture being the predominant economic activity that contributes the largest share of the County population's income and is also a major contributor of the Country's Gross Domestic Product (GDP). The sector has recorded a slowdown in performance mainly attributed to unfavorable weather conditions, high cost of farm inputs and animal feeds. In this regard, the County will formulate prudent policies and interventions to support the agriculture sector and other critical sectors such as service sectors.

2.4 Fiscal Performance

33. Budget execution in the first half of the FY 2022/23 progressed well. Revenue collection for the FY 2022/2023 started on a slow pace owing to the general elections held in August 2022, high fuel and food prices that have affected the cost of living and the economy. However, we are optimistic that revenue performance will improve with the new administrations now in office at both the County and National Government level. Total Revenue available to the County as at 31st December 2022 was Kshs. 6.01 billion which comprised Own Source of revenue of Kshs. 1.10 billion, exchequer released on equitable share from National government of Kshs. 3.87 billion and unspent balance of Kshs. 1.04 Billion from FY 2021-2022.
34. Budget absorption was 37.8 percent for recurrent expenditure and 6.1 percent for development expenditure. The County has continued to experience late disbursement of exchequer which adversely affected budget execution. This led to low absorption of both the recurrent and development budget. The absorption rate is expected to rise in the coming months as revenue flows both from the National Government and own sources picks up.
35. Revenues are also expected to progressively improve in the second half of the financial year following the successful elections and smooth transitions of new administrations both at the national and county governments. This has resulted in political stability which is likely to lead to improved investors' confidence. Going by the revenue performance in the first half, the revenue targets for the FY 2022/23 will be achieved.
36. On the expenditure, the County Government has embarked on expenditure rationalization by promoting fiscal discipline, allocative and operational efficiency and prioritization to improve efficiency and reduce wastage by ensuring the expenditures are on the most impactful programmes that yield the highest welfare benefits to the people of Kiambu. Expenditure management will be strengthened with continued implementation of the Integrated Financial Management Information System (IFMIS) across all the departments.

2.5 Revenue Performance

Own Source of Revenue Performance

37. Own Source Revenue (OSR) for the first half of the financial year 2022/23 was Kshs. 1.1 billion compared to Kshs. 1.3 billion realized during the same period in the financial year 2021/22. This represented an 18.3 percent decline of the OSR. This decline was attributed to the slow pace owing to the general elections held in August 2022, high fuel and food

prices that affected the cost of living and the economy. The political climate of campaigns and the general elections brought about uncertainties in terms of operations and revenue collection processes hence a decline in the revenue collected. However, it is expected that revenue performance will improve with the new administrations both at the national and county levels now in office and normal operations have started.

Table 1: Own source revenue performance

Revenue Streams	Actual Revenue as at 31st December 2021	Actual Revenue as at 31st December 2022	Variance	Percentage Growth %
Agriculture, Livestock and Fisheries Management unit	1,046,463	-	(1,046,463)	-
Physical Planning unit	273,404,352	251,921,819	(21,482,533)	(8.5)
Business Permit Management Unit	26,419,352	25,552,312	(867,040)	(3.4)
Cess Management Unit	44,419,661	28,806,248	(15,613,413)	(54.2)
Education, Culture, & Social Services Unit	6,000	209,000	203,000	97.1
Hospital Collections	312,279,783	333,038,479	20,758,696	6.2
Public Health	31,282,499	22,542,085	(8,740,414)	(38.8)
NHIF	152,825,592	147,633,246	(5,192,346)	(3.5)
Housing Management unit	11,561,701	7,669,489	(3,892,212)	(50.7)
Land rates Management unit	149,435,331	86,204,247	(63,231,084)	(73.4)
Market Management unit	3,920,115	3,460,137	(459,978)	(13.3)
Administration	5,486,554	6,021,926	535,372	8.9
Roads, Transport, Public Works Management unit	17,906,632	8,506,270	(9,400,362)	(110.5)
Slaughterhouse Management unit	17,888,796	13,865,662	(4,023,134)	(29.0)
Trade, Tourism Industry and Cooperative units	2,904,824	1,327,590	(1,577,234)	(118.8)
Vehicle Parking Management unit	139,698,708	138,974,961	(723,747)	(0.5)
Water Environment & Natural Resources Management unit	12,416,408	10,518,850	(1,897,558)	(18.0)
Liquor Licenses Management unit	99,348,161	14,421,820	(84,926,341)	(588.9)
Total	1,302,250,932	1,100,674,141	(201,576,791)	(18.3)

38. As the country's political environment stabilizes and the economy continues to recover from the COVID-19 shocks, the County anticipates an upward growth of revenue collection for the period of the financial year compared to the first half of the financial year. To enhance revenue measures, the county is installing a new integrated revenue management system to reduce revenue leakages, increasing the efficiency and effectiveness of existing revenue-generating operations and improving control through better recording and reporting. The County has also procured and installed a robust, efficient and cost-effective Hospital Management Information System (HMIS) for all public healthcare facilities to ensure a paperless and efficient records and patient information management system thus improving revenue collection over the medium term. The County will further build the capacity of revenue officers and officers involved in monitoring of revenue collection through training to equip them with relevant skills.

39. Other measures that the County government is putting in place to maintain growth of revenue over the medium term include mapping revenue sources, enforcement and targeting the community through short messages to encourage compliance.

Figure 1: Own Source of Revenue Trend



40. The County Own Source Revenue (OSR) has had a common trend of under-collection since the inception of devolution. From the figure above, the county has consistently missed its own revenue target except for the financial year 2018/19 when the actual annual collection slightly exceeded the set annual target.

41. For the financial year 2022/23, the reported figure of Kshs.1.1 Billion is the actual collection as at 31st December 2022. With the implementation of the Own Source Revenue enhancement measures, actual revenue collection is expected to increase during the remaining second half of the financial year.

42. During the period under review, the Country faced some challenges that hindered optimal collection of revenue. These challenges include; uncertainties in terms of operations and revenue collection processes brought about by the general election held in the year 2022, weak business environments, weak enforcement mechanisms of development control fees especially in the area of building plans approvals and non-compliance by traders among others. Regardless of this, revenue performance is projected to remain on an upward trajectory over the medium term.

2.6. Expenditure Performance

Table 2: Analysis of County Expenditures as at December 2022

Vote	Department	Printed Estimates	Actual Expenditure	Absorption
	Recurrent Expenditure	Amount Kshs.	Amount Kshs.	%
4061	County Assembly	1,401,698,533	355,225,063	25.3
4062	County Executive	341,580,991	97,816,604	28.6
4063	County Public Service Board	78,096,211	17,803,345	22.8
4064	Finance & Economic Planning	1,412,254,568	534,267,812	37.8
4065	Administration & Public Service	835,988,341	329,810,273	39.5
4066	Agriculture, Crop Irrigation & Marketing	463,162,497	144,864,904	31.3
4067	Water, Environment & Natural Resources	341,523,466	158,016,203	46.3
4068	Health Services	4,874,439,927	2,049,725,818	42.1
4069	Education, Culture, Youth, Sports & Social Services	971,202,219	358,316,923	36.9
4070	Youth and Sports	111,245,280	30,177,285	27.1
4071	Lands, Physical Planning & Housing	214,659,654	86,467,055	40.3
4072	Trade, Tourism, Industry & Co-Operative	145,502,334	46,173,904	31.7
4073	Roads, Transport & Public Works	394,755,347	175,354,446	44.4
	Total Recurrent	11,586,109,368	4,384,019,635	37.8
	Development Expenditure			
4061	County Assembly	100,000,000	9,661,240	9.7
4062	County Executive	-	-	-
4063	County Public Service Board	-	-	-
4064	Finance & Economic Planning	203,861,778	7,000,000	3.4
4065	Administration & Public Service	31,000,000	-	-
4066	Agriculture, Crop Irrigation & Marketing	887,778,887	178,966,532	20.2
4067	Water, Environment & Natural Resources	310,580,000	9,127,984	2.9
4068	Health Services	821,636,481	19,127,089	2.3
4069	Education, Culture, Youth, Sports & Social Services	248,007,975	4,485,450	1.8
4070	Youth and Sports	175,538,853	-	-
4071	Lands, Physical Planning & Housing	280,000,000	10,986,085	3.9
4072	Trade, Tourism, Industry & Co-Operative	386,098,578	1,913,180	0.5
4073	Roads, Transport & Public Works	1,439,374,561	56,455,361	3.9
	Total Development	4,883,877,113	297,722,921	6.1
	Total Recurrent + Development	16,469,986,481	4,681,742,556	28.4

Source: Kiambu County Treasury

43. The total expenditure for the first half of financial year 2022/2023 was Kshs 4.68 billion representing an absorption rate of 28.4 percent. During the period under review, Recurrent Expenditure was Kshs. 4.38 billion representing an absorption rate of 37.8 percent while Development Expenditure of Kshs. 297.7 million, representing an absorption rate of 6.1%. Under recurrent expenditure, the department of Water, Environment, Energy and Natural Resources department recorded the highest absorption at 46.3 percent while the department of County Public Service Board had the lowest absorption at 22.8 percent.

44. Under development expenditure, the department of Agriculture, Livestock and Fisheries had the highest absorption at 20.2 percent while the departments of Youth and Sports; and Administration and Public Service had nil absorption.
45. The under absorption in both recurrent and development budget was occasioned by delay in county operations during the transition period to the new administration and delayed disbursement of revenues from the National Government (NG). With the new administration now in office, normal operations have kicked off and therefore the absorption rate is expected to rise in the second half of the financial year.

2.7. Fiscal Policy

46. The fiscal policy stand over the medium term aims at supporting the social economic transformation of the County Government through a growth friendly fiscal consolidation plan designed towards economic recovery to support sustained, rapid and inclusive economic growth. The policy plan is geared towards further slowing down the annual growth of debts while implementing an effective liability management strategy, without compromising service delivery to citizens. This is aimed at achieving the transformative development agenda which is anchored on provision of core services, ensuring equity and minimizing costs through the elimination of duplication and inefficiencies, creation of employment opportunities and improving the livelihood of people to make Kiambu County great again.
47. The fiscal policy will target to grow revenues in the FY 2023/24 and over the medium term. As part of the economic turnaround plan, the County Government will scale up on revenue collection efforts. In order to achieve this, the Government will undertake a combination of both revenue administrative and revenue mobilization policy reforms. To achieve revenue targets, the County will implement revenue enhancement initiatives in order to expand the revenue base and strengthen revenue administration. In addition, the County has already initiated a number of revenue reforms and will continue to invest in technology geared towards automating the existing and additional revenue streams. These reforms are expected to make revenue collection more convenient and increase Own Source Revenue which will help in financing current and future County Budgets.
48. The County Government continues to implement initiatives to boost revenue performance and enhance compliance. These revenue supporting initiatives have been implemented at

considerable cost and will over the medium term help improve revenue performance. The initiatives include;

- Installation of a new integrated revenue management system to curb leakage
- Enhancing staff capacity by training revenue officers and officers involved in monitoring of revenue collection
- Equipping of Sub Counties' offices with office equipment to facilitate collection of revenue
- Targeting the community through short messages to encourage compliance. The Introduction of systems that will send reminders via texts to the residents reminding them to pay as per the deadlines set.
- Implementation of a cashless system of revenue collection. The County executive stopped the use of cash handling by the revenue collectors to reduce chances of theft and increase accountability
- Strengthening Audit function in auditing of revenue collection.
- Sensitizing the public to pay by educating them on the correlation between paying the revenues due and the service delivery by the county government.
- Providing easier access to payment points in marginalized areas. This will be achieved by providing mobile revenue collection offices in the areas to encourage residents to pay as they will be closer to them.
- Introduction of physical planning enforcement teams that will visit all construction sites ensuring that all have complied with the laws and that all amounts due have been paid.
- Introduction of the updated valuation roll that will improve land rates revenue collections by great margins.

49. Adequate mobilization of OSR is the key to counties' improved ability to provide various public goods and services to eradicate poverty and achieve development goals. In the face of rising public debt and increasing expenditure needs, OSR mobilization is key to enabling counties to bridge funding gaps occasioned by inadequate disbursements from the national government. Additionally, the enhancement of OSR mobilization can improve fiscal autonomy through more predictable access to revenue, thereby allowing the County to have greater control over their development agenda. The success of devolution in Kenya is dependent on the existence of a sound revenue system in the country including OSR.

50. Revenue enhancement in the County Government plays a major role in meeting their financial responsibilities as well as financing the budgets and budgetary priorities as per the provisions of the Constitution of Kenya (2010) and County Government Act (2012). Over the years, the County Government of Kiambu has not been realizing its own source revenue targets thereby affecting implementation of the budget, programs and development projects. This has been occasioned by lack of openness and accountability in collection, reporting, poor administration, improper organizational structures, weak revenue monitoring and evaluation system, corruption among others.
51. The County will continue improving on the existing revenue streams collection efficiency through automation of the revenue processes as well as widen the revenue base. Mobilization of additional revenue through enforcement and administrative reforms including the automation of systems will continue to remain the key focus in the medium term. Emphasis will primarily focus on increasing our own source revenue by inducting an all integrated system that will curb all loopholes in revenue collection.
52. The County Government does not intend to directly increase revenue by hiking taxes but rather expand the revenue collection base. However, it is important to note that the National Government works hand in hand with County Government and in doing so there may be instances where new fees and charges are introduced through National Legislation that may affect Counties. The County Government will continuously adopt any said laws as shall be prescribed. The County Government main focus is to shift from high burden revenue streams with little potential and high collection cost that out-way the netted income Vis - a - Vis high management risk, to revenue streams with low risk and higher returns.
53. The main challenges identified that have hampered revenue collection include; shortage of revenue collection staff, lack of adequate facilitation towards revenue collection activities, political interference in undertaking duties, absence of robust enforcement mechanism, manipulation of revenue generation systems, frequent system downtime, forgeries, impersonation, lack of databases, bureaucracy and centralization of services, lack of synergies and proper interdepartmental coordination among others.
54. To curb the challenges faced and seal loopholes in the various revenue streams, the county government has adopted revenue enhancement strategies and implementation plans with timelines. The strategies; emphasis in creation of synergies between and among all the relevant departments, regular reporting and follow up of forgeries and prosecutions on cases

of impersonations, setting of realistic targets, decentralization of services to sub-county and ward level, close staff supervision, establishment of databases, adoption of cashless payment systems, regular audit and maintenance of systems, revision of stringent rules and regulations among many others.

55. Further, the County government has created full autonomy for the directorate in charge of revenue. To this end, adoption of a cashless payment system, installation of an integrated revenue system and appointment of a chief officer in charge of revenue has been done so as to enhance efficiency in revenue collection and administration.
56. On the spending side, the County Government will sustain efforts to improve efficiency in public spending and ensure value for money by eliminating non priority expenditures; scaling up the use of Public Private Partnerships financing for commercially viable projects and rolling out an end-to-end e-procurement system. Adjustments will be made to fiscal aggregates to reflect revisions in the macroeconomic projections as well as revenue performance. To achieve this target, the County Government will continue to restrict growth in recurrent spending, endeavor to absorb more on development budget and put more effort in its own source of revenue mobilization.
57. Further, the County Government will focus on expenditure rationalization by;
- i. **Promoting fiscal discipline, allocative and operational efficiency.** The County will align County expenditures with total revenues and allocate budget to programmes, projects and activities that will have a high positive impact on the society. The County will also ensure the delivery of high quality services at reasonable cost.
 - ii. **Allocation of resources to priority areas.** The County Government is committed to transform the county by allocating more resources to healthcare, agriculture, water, education, transport infrastructure and housing
 - iii. **Service delivery.** In order for the county government to offer timely and quality services, it's important to note that quality service delivery requires not only technical expertise but also political will, community engagement and adequate financial resources. To achieve this, the County Government has embraced and will continue to encourage public participation to ensure that services are tailored towards meeting the people's needs, Collaborating with other agencies and organizations such as public private partnership (PPP) with the national government through various ministries and parastatals such as KURA, state

department of housing and urban development and KENHA to carry out some of the earmarked major projects/programmes within the County. Investing in technology such as automation of revenue collection to improve efficiency in revenue collection to ensure there is quality service delivery, Providing staff training and development opportunities to ensure that county employees have the skills and knowledge needed to deliver high-quality services.

58. The above reforms on the revenue and expenditure side, will ensure the budget is fully financed and there is no fiscal deficit.

3.0 SOCIAL ECONOMIC TRANSFORMATION FOR INCLUSIVE &SUSTAINABLE GROWTH

3.1. Preamble

59. The County Fiscal Strategy Paper 2023, is the first to be prepared under the New Administration and sets out the priority programs, policies and reforms of the Administration that will be implemented in the Medium-Term Expenditure Framework (MTEF). The document is framed against a backdrop of global economic slowdown occasioned by the ongoing Russia-Ukraine conflict, elevated global inflation, lingering effects of the COVID-19 pandemic, and persistent supply chain disruptions.
60. In the background of these challenging times, Kenya’s economy remains resilient with an impressive economic performance of 7.5 percent in 2021 largely on account of bold economic policies and structural reforms as well as sound economic management implemented overtime. However, the momentum has been disrupted again by the Russia-Ukraine conflict that has seen disruption in global trade with increased fuel, fertilizer and food prices. For the first time in five years the inflation rate in Kenya is above the Government target range mainly driven by supply side constraints occasioned by external shocks. Aside from these shocks, the Kenyan economy is confronted by various bottlenecks including recurrent drought affecting agricultural productivity; declining manufacturing productivity; skewed access to finance for business and development; rigidities in business regulatory framework; weak governance; and fiscal risks including stalled public projects, pending bills; and high debt service that has hindered the economy from achieving its full potential.
61. The need to address these challenges, bolster resilience while building on successes realized overtime forms the basis of the Kenya Kwanza Government’s Economic Recovery Agenda anchored on the Bottom-Up Approach. The County Government will continue supporting the National Government on implementation of the Economic Recovery Agenda to promote inclusive growth. The 2023 CFSP focuses on the implementation of the policies and programmes that accelerate and sustain inclusive growth, create job opportunities, reduce poverty and income inequality while also expanding the tax revenue base. Towards this end, the new administration is Committed to transforming the county’s Agriculture; Micro, Small and Medium Enterprise (MSME); healthcare, water and environment, Housing and settlement, education and county infrastructure sectors.
62. The County will undertake development projects, improve service delivery and restore dignity in the county to ensure it will be the best place to work, live and conduct business

“Making Kiambu Great again”. The current administration is keen to cooperate and align its programmes with the national government for efficiency and effectiveness in pursuit of transforming the economy of the county.

63. Towards this end, the County Government will undertake the following targeted strategic interventions to support the realization of the County’s socio-economic transformation agenda and achieve a resilient and sustainable economic recovery:
- i. Enhance investment in key economic sectors for broad based sustainable recovery by promoting agricultural transformation, growth in manufacturing, environmental conservation and water supply, sustainable land use and management;
 - ii. Scale up development of critical infrastructure in the county such as roads, water and ICT to create an enabling environment for doing business.
 - iii. Expand access to quality social services in health, education and appropriate social safety nets for the vulnerable population;
 - iv. Support the youth, women and persons living with disability through establishment of County Government funded empowerment program through training and availing non-interest loans (revolving fund) to them;
 - v. Implement various policy, legal and institutional reforms to enhance efficiency of public service delivery.
64. Through the various priority economic policies, structural reforms, fiscal consolidation plan and Sectoral expenditure programs outlined in this 2023 CFSP the County Government is taking determined steps to address these challenges, bolstering resilience to shock as part of the strategy for socio-economic transformation and inclusive growth. Over the medium term, the County Government through the County Integrated Development Plan (2023-2027) will prioritize implementation of economic recovery strategies to reposition the economy on a steady and sustainable growth trajectory.

3.2 Core Thematic Areas

65. The County Government will implement policies and structural reforms and promote investment in five core thematic areas that are expected to have the highest impact at the bottom of the income earnings. These are: Agriculture Productivity; Micro, Small and Medium Enterprise (MSME) Economy; Housing and Settlement; Healthcare; and Digital Superhighway and Creative Economy.

3.2.1. Agricultural Transformation and Inclusive Growth

66. The economy remains highly dependent on the agriculture sector, contributing on average 25 percent of the GDP directly, forming approximately 65 percent of Kenya's total exports and has the highest employment multiplier in the economy. Kiambu is an agricultural County that contributes to the Kenyan GDP, however, agricultural productivity has been declining largely occasioned by the prolonged drought as a result of failed rain and high farm input prices such as fertilizers. The County will continue to support farmers through interventions such as; distribution of certified seeds to farmers, potato plantlets/mini-tubers, fruit trees and pesticides. This will increase agricultural productivity.
67. Over the medium term, the County Government will develop policy, legal and regulatory frameworks and agricultural planning and financial management to provide an enabling environment for agricultural productivity. In particular, the Government will:
- a) Support all farmers in the 60 wards to access quality agricultural farm inputs such as certified maize seeds, fertilizer and pesticides among others and also ensure that farmers have access to extension services in order to improve farming skills. The County Government is committed to improving production of maize and coffee among other crops through continued provision of subsidized fertilizer. The County has also introduced the Village Based Advisors (VBA) programme that trains groups of farmers on correct use of fertilizers and seeds. These farmers will in turn pass the knowledge acquired to their colleagues in the villages. The County also brought together coffee and dairy farmers under umbrella associations to achieve economies of scale through purchase of inputs, processing and marketing.
 - b) Support irrigation by construction of Individual based water pans, community water pans, procure and install drip kits, carryout community irrigation projects and train farmers on irrigation technologies. This will guarantee food security and move the county from the dependency on rain fed agriculture and vulnerability to drought and the effects of climate change;
 - c) Procure milk coolers and pasteurizers for small dairies as well as implement the subsidized A.I program, vaccines and sera and other veterinary services to support dairy farming. Additionally, The County is also planning to distribute piglets to farmers and distribute Indigenous chicken to youth who have largely remained unemployed and have been further disadvantaged by the Covid-19 pandemic effects on the economy. This will support dairy farmers in the county who continue to struggle with the high cost of feed and challenges of storage, preservation of milk

and access to markets. This will further booster economic turnaround, improve food security and create jobs;

- d) On Fisheries Development and management, the county will enhance skills on through provision of extension services, aquaculture development, management and development of capture and recreational fisheries and market development
- e) Work with local research institutions and both the public and private sectors to scale up seed multiplication for all crops access and improve value addition; and
- f) Enhance agricultural market access and support agricultural insurance programmes.

3.2.2 Transforming the Micro, Small and Medium Enterprise (MSME) Economy

68. The Micro, Small and Medium Enterprise (MSME) Economy contributes very significantly to the economy, employing about 85 percent of non-farm jobs. Access to credit is a stimulant that enhances growth in the MSME economy. However, high interest rates crowd out the private sector and the MSMEs. The County Government is committed to ensure Kiambu residents access affordable credit. Towards this end, the County will commit resources every year to provide MSMEs with accessible, affordable, county-backed loans and financing at minimum interest rates.

69. As part of the process, the County Government shall mirror the national government "Hustlers Fund " at the County level as an intervention to correct market failure problems at the bottom of the pyramid and to further cushion the MSMEs at the county against high cost of credit. This program aims to lift those at the bottom of the pyramid through structured products in personal finance that includes savings, credit, insurance and investment.

70. Further, the County envisions a Kiambu People's Bank that will offer tailor made business solutions to our MSMEs in terms of credit financing, training and other innovative business interventions. The County will also undertake construction, renovation and equipping of markets as well as trading places such as sheds to provide a conducive environment for traders and make trading licenses affordable. To enhance MSMEs infrastructure and capacity building, the County Government will work with the National Government to create frameworks that provide secure trading places in the cities and towns. The County Government will also establish smart Business Development Centers in every ward, create cottage industries, Thika smart industrial park, and business incubation centers, undertake mapping of MSMEs and conduct training to MSMEs.

3.2.3 Housing and Settlement

71. According to the 2019 Census by the Kenya National Bureau of Statistics, the Population of Kiambu is over 2.4 million with over 60% of this population living in urban areas. This has continued to exert much pressure on supply for decent housing due to the increased demand for urban housing. Article 43 (1) b of Kenya's constitution provides that every Kenyan has "*a right to accessible and adequate housing and to reasonable standards of sanitation.*" Supporting this, Kenya's Vision 2030 acknowledges the need for adequacy and decent housing for all, if Kenya is to be a middle -income country as per the said vision and is in tandem with Sustainable Development Goal no.11, on "making cities and human settlements inclusive, safe, resilient and sustainable" which targets to ensure access to adequate, safe and affordable housing and basic services in upgraded informal settlements.
72. Housing and Settlement as a key pillar in the Government's 'Economic Recovery Agenda focuses on lowering the cost of construction and improving access to affordable housing finance while creating jobs and entrepreneurial opportunities to all Kenyans. In this regard, the Government will not only provide land and bulk infrastructure, but also implement measures to unlock the challenges that inhibit investment in the housing sector. This programme is being implemented by the County in partnership with the National Government through the Ministry of Transport, Infrastructure, Housing and Urban Development, National Housing Corporation, private developers and other stakeholders in the building sector. In line with this partnership, approximately 10,000 housing units of different typologies ranging from one to three bedroom apartments will be constructed in various towns in the County during the FY 2023/24 – FY 2025/26.
73. In-order to improve the quality of life for all and within the informal settlements, the County in partnership with the National Government through the Kenya Informal Settlements Improvement Project (KISIP) will undertake land tenure regularization through surveying and planning of the informal settlements as well as issuance of 500 titles during FY 2023/24 and relocate more than 2000 Projected Affected Persons (PAPs) for the Affordable Housing Project. The county will also undertake infrastructure improvements such as Roads, Drainage, Sewerage, Street lights & Solid Waste Management in 2 Informal Settlements within the County during FY 2023/24.
74. The County Government will also implement policies to strengthen the informal sector by building their capacities to produce high quality of construction materials. The county is working on a program to upgrade all towns in the county. The program will see the county government install cabro making machines in at least two polytechnics in all the twelve sub

counties. The county intends to contract youth, provide them with supplemented raw materials to enable them to start production of cabro and then purchase the cabros at a subsidized price, and use them to rehabilitate all streets and pathways in the county. This will ensure the young people will have gainful employment.

75. Further, the department will ensure sustainable urban growth and development through; upgrading of informal settlements and county residential houses and construction of housing units under affordable housing programmes. In addition, the directorate of housing will prepare county housing bills and regulations, and construct official residences for the; Governor, Deputy Governor and the Speaker.

3.2.4 Healthcare

76. Access to quality and affordable healthcare is critical for socio-economic development. It is estimated that Kenyan families spend a total of Ksh 150 billion in out-of-pocket expenditures on health services a year. For this reason, the County Government in collaboration with the National Government will continue to implement the Universal Health Care plan that will lift this punitive burden from the shoulders of Kiambu residents. The strategy will involve revitalization of primary healthcare by laying more emphasis on preventive and Promotive strategies.
77. The County Government in collaboration with the National Government has made great strides in ensuring that every Kenyan has access to quality and affordable healthcare under the Universal Health Care plan (UHC). As part of this, the County Government is in the process of enrolling more members to the National Health Insurance Fund (NHIF) to enable them access healthcare services under the UHC programme. This mass registration exercise seeks to provide affordable, accessible and sustainable medical cover to all residents in the County. This will also ensure that all people access the needed health services of sufficient quality and experience financial risk protection. The county has envisioned putting one million families under the universal health coverage (UHC) program by April, 2023.
78. Further, the County Government will promote investment to expand existing health infrastructure, improve procurement of medical supplies to ensure availability of medical supplies in all health facilities, and continue to hire additional medical personnel to match the needs of the expanded facilities.
79. The medium term budget will prioritize scaling up of interventions aimed at enhancing equitable access to high impact healthcare services. Priority will also be given to the implementation of the Sustainable Development Goals (SDGs) that calls for efforts to move beyond meeting basic human needs in order to promote dynamic, inclusive and sustainable

development as per Kenya's Vision 2030. The emphasis of the sector will therefore be geared towards the reduction of the health financial burden to the households and attainment of the highest standard of health care for sustained long-term growth and development. Priority in resource allocation will be based on the following:- Scaling up Universal Health Coverage (UHC); Improving quality of healthcare through the revamping and expansion of health infrastructure; Building capacity in human resources for health at all levels of the healthcare system; Ending AIDS, TB, Malaria and NCDs as a public health threat by 2030; Increase access to County referral health facilities and specialized services, including mental health and other specialized health services; Strengthening health research; Enhance norms and standards and regulations in Kiambu County.

80. In order to build a better human resource for healthcare, the County Government will work with the national Governments to build a centralized system. Measures will be put in place to address the challenge of inadequate human resources in the public hospitals and the poor industrial relations between health professionals. This will address the inequity in distribution of health professionals and will enable doctors to get equal treatment in capacity building, and solve the shortage in health specialists in the county health services. In partnership with the National Government, the County Government will also mainstream community health workers and make them the foundation of the country's healthcare system.

3.2.5 Digital Superhighway and Creative Economy

81. Kenya is a strong leader in the Information, Communication and Technology space. Appropriate policy framework, constitutionally protected freedoms of expression, media, information and communication has cemented the country's position as a regional and continental hub of innovation overtime. Despite this feat, there is tremendous potential for the country to become a global leader, employing hundreds of thousands of young people and generating immense wealth if the young people are facilitated to plug into the global digital economy. For this reason, the County Government will promote investment in the digital superhighway and the creative economy in order to further enhance productivity and overall competitiveness.
82. Over the next 5 years, the County will improve the ICT infrastructure through construction and equipping of ICT incubation centers in all wards, develop data centers, install integrated management systems and networks, undertake Information security audits and prepare County ICT roadmap and policy. The County also aims to install a digitized "*Hudumia Wana Kiambu*" platform for enhanced service delivery. This will entail digitization and

automation of all critical County Government processes throughout the County, with a view to bringing County Government services online at greater convenience to citizens.

83. In the creative economy, Kiambu County has a highly talented youth on a diverse spectrum of creative work. The digital revolution, reinforced by good connectivity has opened up opportunities for this sector to be a significant economic actor in its own right. Additionally, the creative industry can add value to Kenya's exports such as fashion, leather products and craft industries can employ millions of Kenyan youths. To realize these benefits, the County Government will establish more arts and culture infrastructure, including theaters, music auditoriums and art galleries, and extensive refurbishing of facilities to expand spaces for artistic and cultural expression and production. Further, the County will work with stakeholders to expand the space for creativity and to identify the incentives, capacity building and other support required from the County to scale up cultural production and the creative economy.

3.3 Sectoral Transformation for Broad Based Sustainable Economic Growth

84. The County Government's economic turnaround plan will be underpinned by sound and innovative policy and structural reforms across all socio-economic sectors, efficient infrastructure, climate-change mitigation mechanisms, and will foster strict compliance with the Constitution and the rule of law.

3.3.1 Infrastructure Development for Inclusive Growth

85. The County Government continues to build a strong transport system to enhance connectivity in the county through roads in order to ensure businesses thrive in an enabling environment, and realize significant progress from manufacturing and agro - processing. This will in turn support growth in the other sectors of the economy such as commerce, tourism and other services. In view of this, the County Government has put in place deliberate efforts to scale up a robust network of high -quality roads to enable Kiambu people enjoy the benefits of expanded infrastructure assets, interconnectivity and competitiveness leading to improvement and better ranking in the ease of doing business in the county.
86. Kiambu County has a total of 7,917.43 Km of roads network. 249 Km of road are yet to be opened. 1,156.813KMs of these roads are paved and 6,760.62km unpaved. The County envisages providing sustainable mobility for all by inclusion of non-motorized traffic lanes for human traffic as well as reduction of air pollution to road users. The County is committed to improving the existing road network in the rural areas to enable farmers, and

other small-scale traders to move wares to market centers. Apart from upgrading the existing road network, the County Government will build new road networks to open up those areas that have in the past been left behind in road development. Roads are the most important infrastructure in the county. Overtime, the County Government has pursued projects that have doubled the number of paved roads. However, the need for roads remains immense in all wards which require either construction or rehabilitation. Over the medium term, the County Government is committed to continue to invest in road infrastructure and completing all roads under construction. The County Government will also prioritize upgrading and maintaining rural access roads.

87. Going forward, during the FY 2023/24, the County Government has committed to construct 25 kilometers of major roads to Bitumen standards; 3 motorable bridges; 260 kilometers of Roads to gravel standards and 2 Bus parks/bus bays and parking's. The county plans also to maintain 300 kilometers of roads to motorable status; construct 2 km of storm water drains and 10 kilometers of non -motorized walkways; and construct 10 footbridges. Additionally, the county intends to install 300 street lights and 69 flood masts.

3.3.2 Water Supply and Environmental Conservation

88. Environmental conservation and access to adequate supply of clean water is fundamental for the achievement of socio-economic development as envisioned by the Kenya Vision 2030. Indeed, the County policy envisions a clean, secure and sustainable environment and targets access to clean water and basic sanitation for all residents in Kiambu. Towards this end, the County Government continues to prioritize sustainable exploitation, utilization, management and conservation of the environment as well as protection of water catchment areas.
89. In collaboration with the Water Service Providers, the County developed a Water Investment Plan (2021-2025) to guide and plan the development of water-related infrastructure. Through financing from the county and other donors, the county will continue to ensure boreholes are drilled, equipped and operationalized. It will further develop spring sources and a composite filtration unit (CFU) to offer more water supply. The county shall further procure to lay across the County pipes to increase access to water services in unserved areas as well extend water coverage county-wide. This will ensure additional people having access to clean, secure and adequate water.
90. The County Government has also prioritized the implementation of environmental and solid waste management conservation programs which shall include; construction of public sanitation facilities and rehabilitation to increase access to public sanitation; develop

policies, plans, strategies, and bills; establish eco-schools, hold awareness campaigns, and conduct environmental training and research on solid waste management; ensure environmental compliance and enforcement. Further, the County shall construct a waste recovery, procure and repair solid waste management equipment and machineries among others.

91. To increase forest cover and sustainable management of natural resources, the County Government shall develop the natural resources and forestry policy which will guide environmental conservation efforts in the county. Building on this, the County Government will continue to raise seedlings in schools, health facilities and churches. Create Green public spaces by maintaining parks, gardens, and public areas. Further, the County plans to create a database for green spaces and update the database on quarries and minerals, conserve water catchment areas and grow trees.
92. In order to deliver locally-led climate resilience actions and strengthen National and 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 supporting counties to put 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.
93. To promote the use of renewable energy, mitigate against climate change and reduce vulnerability to the impacts of climate change, the County plans to formulate policies, bills, and regulations on renewable energy and climate change, increase the uptake of different sources of renewable energy county-wide as well as increase awareness of renewable energy and climate change to Kiambu residents on how to switch to clean cooking technologies.

3.3.3 Empowering Youth, Women and Persons with Disabilities

94. The most pressing challenge in Kiambu and Kenya at large is the lack of jobs for the youth. The County government is committed to solving this challenge by dedicating resources to youth empowerment programmes and supporting businesses owned by youth, women and persons living with disabilities. To address this challenge the County will continue to build youth capacity through training on entrepreneurial skills and exchange programmes.

95. During this financial year 2020/21, the County signed two memoranda of understanding (MOUs) with Kenya Commercial bank and MasterCard foundation on a partnership through a programme dubbed “The Kiambu County Jiinue Fund” which was aimed at providing women and youth with funds for their businesses and to promote welfare through self-employment and enterprise development among the youth, PWDs, women, business groups an access to affordable capital to either begin or sustain businesses during and after the Covid crisis at low interest rates. Since May 2022 KCB bank has been able to disburse 227M to 631 applicants.
96. The County rehabilitated polytechnics within the County in order to increase access to technical and vocational courses that further assist the youths by empowering themselves economically in future. The County also held AGPO sensitization and entrepreneurship training to the county youth and developed the 2018-2023 draft strategic plan and youth and sports policies that are awaiting approval.
97. Going forward, the County Government is leveraging partnerships with businesses and other private organizations to create opportunities for the youth through entrepreneurship programs. The County Government will also continue to commit resources to Youth Opportunities and Employment Programs that shall seek to develop skills and create employment for youth. The county government through the program will open a school in Ndumberi, Business Development Service Centers (BDSC), whereby the county will identify youth interested in entrepreneurship and train them on how to run businesses such as carwash, salons, barber shops etc. The County Government will also create a conducive environment for micro, small and medium sized enterprises (MSMEs) to thrive as they are the pillar to create jobs for our youth and women.

3.3.4 Education in Early Childhood and Village Polytechnics

98. Education is the ultimate means of ensuring an equitable society. As part of its economic turnaround and inclusive growth strategy, the County Government will facilitate impartation of the necessary skills and competencies to learners in preprimary regardless of background. The County Government continues to make sustained investments in education for early childhood and village polytechnics. This has increased access to quality basic education and improved the outcomes of our Early Childhood Development Education (ECDE) centers and village polytechnics.
99. During the period 2019/20 – 2021/22 MTEF period under review, key achievement of the department included; Access to learning across the country was increased by constructing and renovating new and existing ECDEs and VTCs which were later equipped with modern

equipment and computer labs. The County improved sanitation by constructing ablution blocks in ECDEs and VTCs. Additionally, the county improved the quality of education and increased enrolment and retention of school going children by; assessing and accrediting VTCs and ECDEs, developing quality assurance reports, recruiting instructors in VTCs, recruiting and promoting teachers in ECDEs and implementing the Uji Programme to improve nutrition among the school going children.

100. Going forward, the County Government will continue to prioritize the education sector and allocate resources to enhance access to early childhood education and vocational training, develop Legal Frameworks, infrastructure development as well as construction and equipping of village polytechnics. Plans are also underway to construct 160 new ECDE classrooms which will each have an office, sleeping area and a modern kitchen to facilitate feeding programs. As a county we must ensure that no child is left behind in the acquisition of skills and knowledge that shape their future. The County will empower youth, women, PWDs and other special interest groups and also implement GBV programs in the medium term.

3.2.5 Governance and Public Service

101. In its effort to ensure efficiency and effectiveness of public spending, the County Government will continue to strengthen expenditure control through necessary measures and prudent public financial management reforms. To facilitate the attainment of priority programmes and projects, the County Government will focus on implementation and completion of ongoing and stalled priority projects and programmes. As a measure of accountability, the County Government will adhere to strict project timelines and budgets through ground inspection of projects and robust public engagements. This will enable redirecting of resources to other fundamental and critical sectors of the economy and the available resources will be directed to high priority areas especially programmes that support critical sectors such as Education, infrastructure, Health and Agriculture.
102. The success of programmes and projects implementation in the County will depend on prudent management of the available public resources. In order to promote good governance and transformative leadership for socio -economic development of the County and country, the County Government will encourage the residents of Kiambu to engage more in social audits of infrastructural projects being implemented so as to ensure value for money and enhance accountability in the use of public resources.
103. The County staff are indeed the engine that drives our County. The staff will continue to embrace teamwork and focus their capacities towards improved service delivery based

on integrity, accountability and transparency; as well as ensure prudent application of allocated resources. Further, the County leadership will continue to host County Executive Management Meeting to deliberate on effective and efficient service delivery strategies for better implementation of programmes and projects.

104. The County Government will continue to progressively streamline the County Administrative structures for better services. Equally, building the capacity of the municipal administration and fully operationalizing their mandates will be key in order for the municipalities to render the expected services.

3.2.6 Sports, Culture and Arts

105. The County Government recognizes sports and the arts as a mega industry that can employ millions of youth and help grow the economy. Kenya sporting prowess portends tremendous opportunity to build a sports economy value chain that includes hosting of international sporting events, training facilities and manufacturing of sports apparel and equipment.

106. During the period under review the county was able to support and mold talent. In addition, the County partnered with Football Kenya Federation whereby it facilitated affiliation of 180 teams to participate in leagues and competition hence increasing community teams' involvement in active competition.

107. To support the sports industry, the County Government in the 2023/24- 2025/26 MTEF period through sports programme envisions to upgrade stadiums to national standards, construct changing rooms and washrooms and rehabilitate playing fields. In addition the county will train inducted managers, referees, coaches and first aiders, fully sponsor sports teams around the county and establish sports academies. As part of the inclusive growth plan, the Government will champion a grassroots football development program that will see the National Government work with County Governments to invest heavily in youth football. Arrangements are at an advanced stage to launch a Bottom-up football tournament to be contested by under-19 teams from all 47 Counties.

4.0 BUDGETS FOR FY 2023/24 AND THE MEDIUM TERM

4.1 Fiscal Framework Summary

108. The fiscal framework for the FY 2023/24 and the medium-term budget is based on the County Government’s policy priorities and macroeconomic policy framework set out in Chapter II and Chapter III. The County Government will continue with the fiscal consolidation plan by containing expenditures and enhancing mobilization of revenues. In this regard, departments will be encouraged to adopt efficiency in allocation of resources through cost budgeting to restructure and re-align with the County Government priority programmes that will have high impacts on improving the livelihoods of the people of Kiambu and reduce non-priority spending without compromising service delivery.

4.2 Revenue Projections

109. The resource envelope for FY 2023/24 is projected at Kshs. 21.03 Billion which constitutes Kshs. 7.98 Billion Own Source Revenue, Kshs. 12.22 Billion as Equitable share, Kshs. 0.79 Billion as expected funds on additional allocation to counties transfers from the National Government. Revenue from the national government is as per the County Allocation Revenue Bill, 2023 and Kshs. 35.5 million from other County donors. The total County revenue projection for the financial year 2023/24 have been summarized in table 3 below;

Table 3: Revenue Projections

REVENUE PROJECTION FY 2023/2024-2025/26						
	Actuals	Approved Estimates	Supplementary 1 Estimates	Projected Revenue		
	FY 2021/2022	FY 2022/2023	FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026
Equitable Share	10,780,123,663	11,717,525,720	11,717,525,720	12,227,552,449	12,349,827,973	12,473,326,253
County Government Additional Allocations	298,984,800	589,239,254	427,670,488	792,893,312	729,947,704	729,947,704
Unspent Balances B/F	870,686,826	0	1,041,432,882	-	-	-
Own Source Revenue	3,149,853,580	4,127,321,507	4,427,321,507	7,980,140,717	8,131,171,665	8,220,137,859
Other Revenues from Donors	41,616,128	35,900,000	48,089,432	35,500,000	35,500,000	35,500,000
TOTAL REVENUE	15,141,264,997	16,469,986,481	17,662,040,029	21,036,086,478	21,246,447,342	21,458,911,816

Source: Kiambu County Treasury

4.3 Expenditure Projections

110. The total County Government expenditure for FY 2023/24 is projected at Kshs. 21.03 Billion of which Kshs. 14.31 billion is allocated to recurrent expenditure (68 percent) and Kshs. 6.72 billion allocated to development expenditure (32 percent).

4.4 Overall Deficit and Financing

111. The County Government has allocated resources for spending that are proportionate to the revenues expected in the FY 2023/24. The County budget shall be financed through transfers from the National Government and Own Source of Revenue. The FY 2023/24 fiscal framework is therefore fully financed.

4.5 FY 2023/24 and Medium-Term Budget Priorities

112. The FY 2023/24 and the Medium Term Budget framework builds up on the County Government's efforts to stimulate and sustain economic activity, mitigate the adverse impact of COVID-19 pandemic on the economy and reposition the economy on a sustainable and inclusive growth trajectory. This will be achieved through implementation of programmes supporting economic recovery and additional priority programs of the County Government. The County Government is committed to implementing priority programmes under the 2023/24 ADP to achieve the aspirations of the people of Kiambu as outlined in the 2023-2027 CIDP while taking into account the need to enhance our resources during the programming period. The County Government will in this regard develop a framework for delivery of better quality services based on strong links between resources, budgeting, monitoring and clear expectations for delivering planned outcomes.

113. The County government will continue to offer support to agricultural production through enhancement of land productivity and crop management. Under the crop and irrigation programme, the county will procure and distribute food crop fertilizer, certified seeds and seedlings, fruit trees seedlings and support small scale irrigation.

114. In addition, the County Government under the Trade Development and Promotion programme endeavors to inspire growth and innovation in the Micro, Small and Medium Enterprises (MSME) sector and boost economic growth through establishing Kiambu County people's investment bank, Kiambu County hustlers fund and capacity build MSMEs, construct and renovate markets within the county, link traders to export markets & e-commerce, establish smart business centers, industrial parks, cottages industries and incubation and start-up centers.

115. The county has envisioned putting one million families under the universal health coverage (UHC) program by April, 2023. The cover will cater for both inpatient and outpatient services. Once the registration process is complete, the data shall be consolidated and in partnership with organizations that the county has approached Kiambu will become

the first county in the country to realize a true UHC programme. A proper UHC program will reduce disease burden on the people through availability of quality affordable and accessible health care.

116. These priority programmes aim at bringing down the cost of living; eradicating hunger; creating jobs; and providing the greater majority of our citizens with much needed social security while expanding their own source revenue base.

117. Additionally, public spending will be directed towards the most critical needs of the county with the aim of achieving quality outputs and outcomes with optimum utilization of resources. Further, the departments will be encouraged to adopt efficiency in allocation of resources through cost budgeting and reviewing projects to restructure and re-align with the County Government priority programmes and reduce non-priority spending

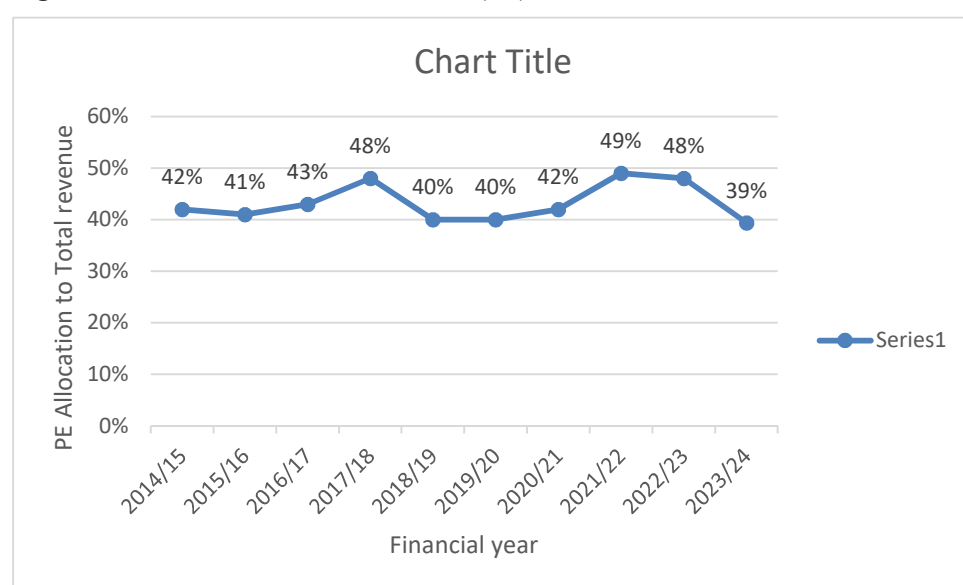
4.6 Budgetary Allocations for the FY 2023/24 and the Medium-Term

118. The total budget for FY 2023/24 is projected at Kshs. 21.03 billion. The allocations to the thirteen departments of the County Government is summarized in Table 4.

4.6.1 Allocation to Personnel Emolument

119. Expenditure to personnel emolument is projected at Ksh 8.28 billion (39.4 percent of the total county revenue) for the 2023/24 financial year. Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government’s expenditure on wages and benefits at 35 percent of the County’s total revenue. This therefore implies that the county government expenditure on personal emolument is above the legal threshold. The figure below shows the trend in PE expenditure since the 2014/15 financial year.

Figure 2: Trend in Personal Emolument (PE)



Source: Kiambu County Treasury

4.6.2 Allocation to County Established Funds

120. Section 116 (1) of the Public Finance Management Act, 2012 provides that a County Executive Committee member for Finance may establish other public funds with the approval of the County Executive Committee and the County Assembly. The County treasury has made allocations to the county established funds as indicated in table 5.

Table 5: Allocation to County Established funds

Fund Name	Amount
Kiambu County Education Bursary Fund	200,000,000
Kiambu Emergency Fund	30,000,000
Kiambu Alcoholic Drinks Control Fund	82,000,000
Facility Improvement Fund(FIF)	2,400,000,000
Jiinue Fund	50,000,000
Total	2,762,000,000

Source: Kiambu County Treasury

4.6.3. Conditional Grants

121. In FY 2023/24, the County Treasury proposes to allocate Ksh 0.79 Billion as additional allocations from the National Government share of revenue and proceeds of loans and grants as seen in Table below. The additional conditional allocations are meant to support specific national policy objectives to be implemented by County Governments.
122. These are funds agreed upon by the national assembly and the senate and contained in the County Government Additional Allocation Act (CGAAA) and comprise of;
- i. Additional allocations from the national government and development partners required for functions transferred to counties from the national government pursuant to article 187 of the constitution.
 - ii. Additional allocations provided for under Article 202(2) of the constitution,
 - iii. Additional allocations in the form of loans and grants from development partners
123. The proposed additional conditional allocations shall be disbursed to counties based on the objectives, criteria for selecting beneficiary counties and distribution mechanisms determined in the Project Appraisal Documents, intergovernmental agreements and respective financing agreements between the National Treasury and development partners. Therefore the estimated amounts will be adjusted accordingly in light of the assessments and agreement as shall be passed in the Act.

County Government Additional Allocations FY 2023/2024-2025/26				
	Actuals Revenue	Printed Estimates	Supplementary 1 Estimates	Proposed Estimates
	FY 2021/2022	FY 2022/2023	FY 2022/2023	FY 2023/2024
County Government Additional Allocations	298,984,800	589,239,254	427,670,488	792,893,312
IDA(World bank) National Agricultural & Rural Inclusive Growth Project (NARIGP)	203,149,442	402,836,649	222,775,969	67,404,748
IDA(World bank) National Agricultural Value Chain development Project (NAVCDP)	-	0	70,000,000	250,000,000
DANIDA	10,368,041	20,897,250	40,869,334	30,340,125
IDA(World bank) FLLoCA- County climate institutional support (CCIS) Grant	-	0	22,000,000	11,000,000
IDA(World bank) FLLoCA- County climate Resilience Investment Grant	-	0	-	125,000,000
Sweden-Agricultural sector Development support programme -ASDSPII	3,000,000	30,340,365	23,255,565	5,083,952
KISIP 11	-	50,000,000	40,456,908	40,456,908
Transforming Health System for Universal Health Care	8,735,717	11,433,390	-	-
KDSP level 2	73,731,600	73,731,600	-	-
Industrial Park & Aggregation Centers Grant	-	0	-	250,000,000
Transfer for Library services	-	0	-	13,607,579
OTHER REVENUES FROM DONORS	41,616,128	35,900,000	48,089,432	35,500,000
MSF Belgium	37,066,728	26,400,000	34,438,832	26,400,000
Nutrition International	4,549,400	9,500,000	13,650,600	9,100,000

Source: Kiambu County Treasury

4.7 Resource Allocation Framework

124. Resource allocation and utilization in the 2023/2024 financial year and the medium term will be guided by County Integrated Development Plan (2023-2027), County Annual Development Plan (2023-24) and MTEF sector reports FY 2023-24 in order to ensure effective utilization of public funds. The baseline estimates reflect the current department spending levels in their programmes. In the recurrent expenditure category, non-discretionary expenditures take first charge. These include payment of salaries and pensions.
125. Development expenditures have been allocated on the basis of the needs assessment as represented by stakeholders and people of Kiambu during the public participation, Economic Recovery Agenda and the CIDP 2023-2027 priorities. The following criteria was used in apportioning capital budget:
- a. **On-going projects:** emphasis was given to completion of on-going capital projects and in particular infrastructure projects with high impact on poverty reduction, equity and employment creation;
 - b. **Counterpart funds:** priority was also given to adequate allocations for donor counterpart funds which is the portion that the Government must finance in support of the projects financed by development partners;
 - c. **Post COVID-19 Recovery:** Consideration was further given to interventions supporting Post COVID-19 recovery; and
 - d. **Strategic policy interventions:** further priority was given to policy interventions covering social equity and environmental conservation among others as guided by the national Government.

4.7.1 Criteria for Resource Allocation

126. The following criteria was used as a guide for allocating resources:
- i. Linkage of programmes to support Economic Recovery Agenda
 - ii. Linkage of the programmes with the objectives of CIDP 2023-2027;
 - iii. Degree to which a programme addresses job creation and poverty reduction;
 - iv. Degree to which the programme addresses the core mandates of the departments; expected outputs and outcomes of the programme.
 - v. Cost effectiveness and sustainability of the programme;

- vi. Extent to which the Programme seeks to address viable stalled projects and verified pending bills; and
- vii. Requirement for furtherance and implementation of constitution.

127. The budget estimates will be scrutinized and should additional resources become available in the process of firming up the resource envelope; the County government will redirect them to fund strategic priorities that may have been left out due to resource constraints.

4.7 Public Participation and Involvement of Stakeholders

128. Public participation and involvement of stakeholders in the medium-term budget process is a constitutional requirement. In fulfillment of this requirement, the County Government convened Sector Working Groups (SWGs) to develop the sector reports which formed inputs in the fiscal strategy paper. The County conducted public hearings to form inputs in the fiscal paper, the FY 2023/24 and medium-term budget were held on the 15th to 16th of February, 2023. *Annex 2* provides a summary report on priorities and policy issues raised during the Public Hearings.

4.8 Risks to the 2023/24 Budget Framework

129. The potential financial risks the County Government may face in relation to its budget and finances for the FY 2023/24 include;

- i. **Economic risks** include changes in economic conditions that can affect the revenue and expenditure projections, such as changes in interest rates, inflation, or unemployment. The high fuel and food prices that affect the cost of living and the economy affect the business environment. If the economic conditions are not conducive the county risks under-performance on its own source of revenue. The economy is projected to experience an exceptionally strong but uneven recovery hence affecting the businesses operating within the county. While a rebound is expected in most economies, full recovery is not assured due to possible increasing debt levels and rising inflationary pressures.

The County has therefore put more efforts to increase its own source revenue through revenue raising measures such as; improving on the existing revenue streams collection efficiency through automation of the revenue processes, widen the revenue collection base, mobilization of additional revenue through enforcement and administrative reforms, automation of systems by inducting all

integrated system that will curb all loopholes in revenue collection, equipping revenue officers with supervisory skills and having a strong and disciplined enforcement team. As a result, the county is on course on OSR collection.

- ii. The County's **wage bill is high** and has continued to pose a risk to the budget framework. Over time, the need for technical and critical staff has occasioned the county to inevitably recruit more staff which has largely contributed to the increasing wage bill. The recent promotion of county staff as per the task force recommendation has also contributed to the increased wage bill as well as CBAs upward revision of salaries and allowances for staff such as health workers.
- iii. **Implementation risks** include the potential for errors, delays, or other issues in the implementation of budget policies, such as issues with procurement or program management. Unpredictability and timeliness of fund transfers from the National Government poses a risk to proper implementation of the County's budget. In FY 2021/22 and in the current financial year, this risk was worsened by delays in the release of resources from the National Government due to transition of administrations after the successful general elections held in August, 2022. In this regard, the County government has continued to implement strategies aimed at increasing its own source of revenue collection to finance the budget and have procurement plans in place.

4.8.1 Specific Fiscal Risks

Court Cases

- iv. The County Treasury considers using their best professional judgment, that the ongoing pending court matters may have material financial implications, but are not certain enough to include the financial implications in the budget estimates for FY 2023/24 and medium term.

Pending Bills

- v. The County Government had accumulated a total of Kshs. 2.31 Billion as pending bills as at 30th June 2018 for the period 2013 to 2018 as presented to the Office of Auditor General (OAG) for special Audit. Out of which, bills worth Kshs. 1.831 Billion were found to be eligible, while bills worth Kshs. 0.481 billion were found not to be eligible. The County Government managed to settle Kshs. 1.63 Billion of the eligible pending bills as at 30th June 2021.

Further, a pending bill committee was gazetted in the financial year 2020/2021 to review the audited ineligible bills. Kshs.151.98 million of ineligible pending bills was settled during the period and Kshs. 131.58 Million was cleared by the committee after their review and provision of sufficient documents for payment.

As at 30th June 2022, the County executive had accumulated outstanding bills worth Kshs. 5.73 billion. Out of pending bills to external suppliers is Kshs. 3.62 billion which includes the ineligible pending bills of 789 million whereas Kshs. 2 Billion are pending inter-entity transfer to Kiambu County Government entities. Included in the accumulated pending bills of Kshs. 5.73 billion is Kshs.0.67 billion worth of bills which were not presented due to lack of documents for audit to the special audit team in June 2020 but the bills were carried forward in the balances. The county paid a total of 872 million as at 30th June 2022 to suppliers and payment of inter-entity transfers (FIF) to hospitals.

The County Government under the new administration is committed to clear all pending bills indiscriminately. In the current financial year, the County has set aside Kshs. 1.12 billion for payment of pending bills. The departments have to shelve some of their programmes budgeted during the financial year in order to pay the pending bills. These payments will be spread throughout the financial year as committed to the office of OCOB by paying a minimum of Ksh. 100 million per Equity exchequer release. The County treasury also plans to ensure a minimum of 50% pending inter county entity transfers are remitted to the various entities.

Going forward in the medium term, the County will be allocating Kshs. 1.8 billion annually to pay pending bills. This will be possible by applying stringent measures which have been put in place to safeguard public resources including austerity measures and taming corruption. In addition, the County Government has put in place measures to mitigate the problem of pending bills by strictly spending within the approved budget.

Statutory Remittances

- vi. According to Local Authorities Pension Trust (LAPTRUST), the County of Government of Kiambu approximately owes Kes. 442.4 Million to the pension body which have accumulated over the years. These debts are both historical pension contribution debts and post devolution pension liabilities that were reviewed by the pension body as at March, 2022. However, these pension liabilities have not been verified by the County and therefore not reflected in the pending bills stock hence

posing a great risk that these liabilities may not be prioritized for payment. In addition, the County Governments' Retirement Scheme Act (2019) which was expected to provide clarity on the County pension was challenged in court thus hindering the effective implementation of this legal framework.

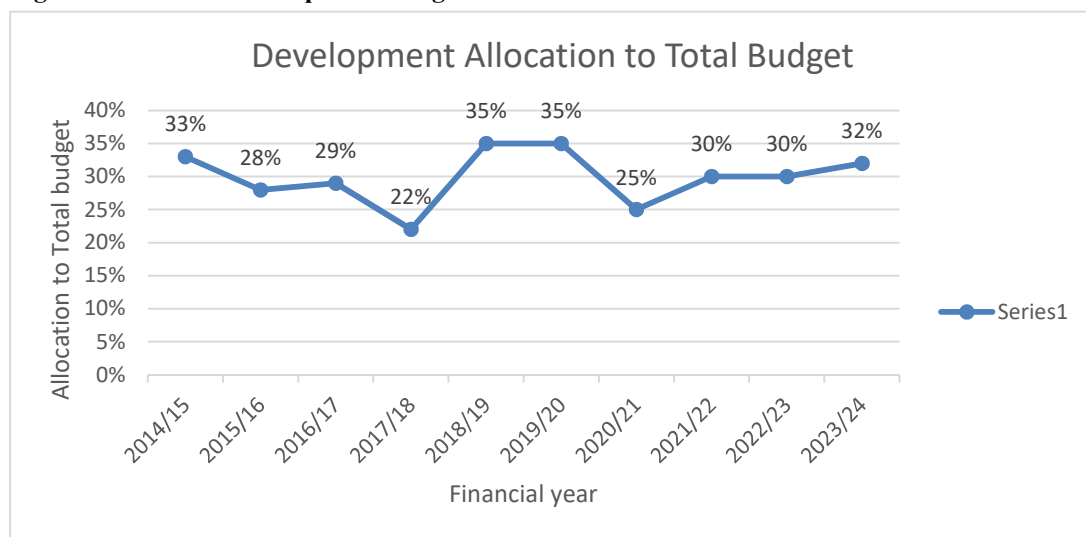
Going forward in the medium term, the county treasury shall take stock of all the pension liabilities and ensure proper recording in the stock of County pending bills. In addition, the county shall prioritize settling of these liabilities to ensure County staff do not retire without a pension. The court case on the County Governments' Retirement Scheme Act, 2019 needs to have a speedy resolution in order to have a legal framework in place to provide for the implementation of the pension fund for the County Governments.

4.9 Compliance with Fiscal Responsibility Principles

130. In managing the county government’s public finances, the County Treasury shall enforce the following fiscal responsibility principles as provided for in Section 107(2) of the Public Finance management Act, 2012;

- i. The county government’s **recurrent expenditure shall not exceed the county government’s total revenue**; in compliance with this requirement, the proposed recurrent expenditure is 68 percent of the total projected revenue
- ii. Over the medium term a minimum of **thirty percent of the county government’s budget shall be allocated to the development expenditure**; Consistent with this requirement, the County Government’s allocation to development expenditures in the proposed fiscal outlays presented in this CFSP stands at 32 percent of total expenditures to development in FY 2023/24 and over the medium term.

Figure 3: Trend in Development Budget Allocation



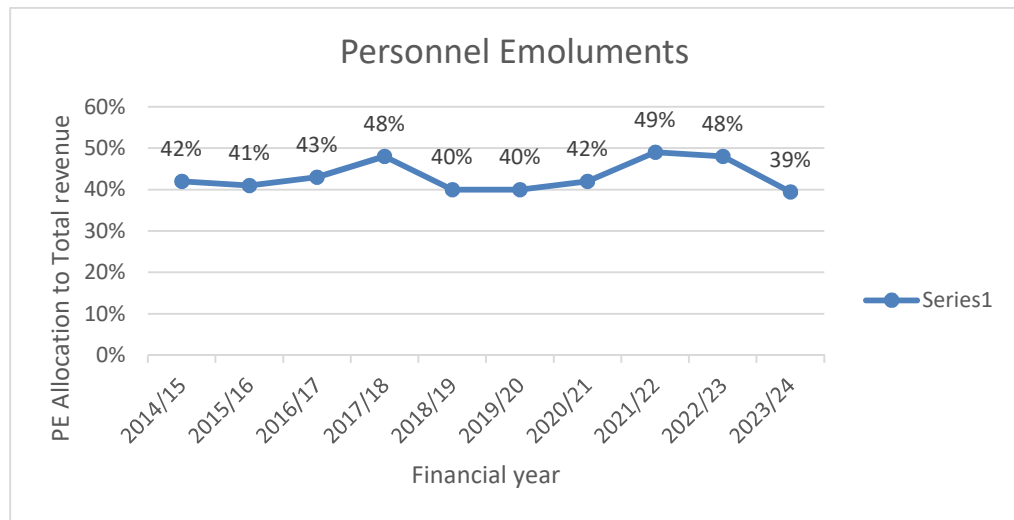
Source: Kiambu County Treasury

iii. Compliance with the requirement for expenditure on wages

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. To comply with this regulation, the County Government projected expenditure in FY 2023/24 on Personal Emolument (PE) is Kshs. 8.28 Billion representing 39.4% of the total revenue. This is higher than the legal provision threshold of 35 percent. Going forward in the medium term, the County

Government is committed to bringing the proportion of the expenditure on wages down so as to comply with the legal requirement.

Figure 4: Trend in employee compensation to total budget



Source: Kiambu County Treasury

iv. Compliance with County public debt shall never exceed twenty (20%) percent of the County government's total revenue

Section 140 of the PFM, Act 2012 authorizes a County Executive Committee Member for Finance to borrow on behalf of the County Government only if the terms and conditions for the loan are set out in writing and are in accordance to Article 212 of the Constitution and Sections 58 and 142 of the PFM, Act of 2012 among other conditions. It is in this regard that the Commission on Revenue Allocation (CRA) in collaboration with the World Bank Group (WBG) and other stakeholders initiated the County Creditworthiness Initiative (CCI) for Kenya, to provide technical assistance to County Governments in bridging the creditworthiness gap and assist them access financing through the capital market for purposes of public infrastructure development and service delivery.

The County does not intend to borrow in the FY 2023/24 and has therefore adhered to the principle of debt not exceeding 20 percent of the County government's total revenue.

v. Prudent Management of Fiscal Risks; Fiscal risks will be managed prudently to ensure a reasonable degree of predictability with respect to the level of tax rates, charges and tax bases. The County Treasury submitted to the County Assembly the 2022 Finance Bill which was approved and gazetted into Finance

Act 2022. The Finance Act will serve as the legal basis for collecting Own Source of Revenue.

5.0 DEPARTMENT ALLOCATIONS AND PRIORITIES

131. Allocation of Departmental ceilings over the medium has been informed by the following guidelines;

- In the recurrent expenditure category, non -discretionary expenditures take first charge. This includes payment of salaries and wages projected at 47 percent of the expected total revenue receipts.
- Conditional grant from development partners also takes first charge
- Also included in the criteria used for apportioning the capital budget is on -going projects and intervention on investment projects in priority areas that support social development, economic growth and transformation of the County.

5.1 County Assembly

132. Kiambu County Assembly (KCA) is a legislative arm of the Kiambu County Government composed of 86 members, 60 of whom are elected and 26 nominated to represent special interest groups. Its mandate is to represent the County residents, make laws and carry out oversight activities.

133. Some of the key achievements realized during the MTEF period 2019/20 - 2021/22 include; approval of County Finance bill, County Annual Development Plans and supplementary Budget. In addition, the County Assembly developed work plans for the various Assembly Committees and departments, and also reviewed, considered and tabled reports from various committees. It further constructed 4 ward offices and maintained 60 ward offices, reviewed and harmonized guidelines and policies, as well as preparation of financial and non-financial reports.

134. During the MTEF period 2023/24 -2025/26, the County Assembly has prioritized three programmes namely; General Administration Planning and Support Services, Legislation and Oversight services together with Representation services. Under general administration planning and support services, performance, productivity and service delivery will be enhanced through staff training, completion of ward offices and leasing offices for specially elected MCAs, as well as policy formulation/review. To enhance effective legislation and oversight for good governance, the County Assembly will pass bills and motions, approve county budgets, and train MCAs. Under representation services, Offices will be equipped and staffed for both Elected and Nominated MCA's.

135. In order to implement the prioritized programmes, the County Assembly has been allocated a budget of Ksh.1.56 billion in FY 2023/24, Ksh. 1.58 billion and Kshs 1.60 billion in the FY 2024/25 and 2025/26 respectively. This comprises Ksh. 1.44 billion, Ksh. 1.45 billion and Ksh.1.47 billion for recurrent expenditure for the same period.

5.2 County Executive

136. The County Executive provides overall policy and leadership direction in the management of public affairs and coordinates policy formulation, implementation, and monitoring and evaluation. In addition, it facilitates enactment of county legislation and oversees all public agencies in the execution of budget. It also facilitates public service delivery by overseeing and managing the human resource function in the entire county as well as the implementation of the county's vision and mission. The department further mobilizes resources for funding government programmes at the county level, oversees prudent financial management and promotes transparency and accountability in the use of public resources. Additionally, it oversees implementation of inter-counties relations and links all other sectors to the rest of the counties in Kenya.

137. During the MTEF period 2019/20 - 2021/22, the county executive provided policy direction and guidelines through cabinet meetings, issuing policy guidelines and statements, cabinet circulars, and security interventions. It further developed County government policies and cabinet papers and drafted bills for submission to the County Assembly for approval. Additionally, it operationalized service delivery administrative structures by implementing the County legislation as well as managing and coordinating the functions of the County administration and its department

138. The challenges faced during the implementation period 2019/20-2021/22 were; inadequate funding which affected service delivery, emergence and spread of Covid 19 pandemic where funds were reallocated to cater for Covid 19 interventions and containment measures, weak monitoring and evaluation system and low levels of awareness of the county plans, Acts and policies by the community.

139. In 2023/24 - 2025/26, MTEF period, the county executive plans to implement two programmes namely; General administration planning and support services and government advisory services. These programmes will focus on providing effective and efficient public service delivery for enhanced governance and accountability through issuance of policy guidelines to departments, generation of memos and agendas, performance contracting and enhancing public participation and civic education. To

enhance good corporate governance and compliance with the law, regulation and procedures, the county executive will offer representation services and strengthen inter-County relations by developing inter-County dispute resolution mechanisms and the link between the County and the national government.

140. To implement these programmes, the county executive has been allocated Ksh.386.7 million, Ksh.390.5 million and Ksh.394.4 million recurrent budget in FY 2023/24, FY 2024/25 and FY 2025/26 respectively.

5.3 County Public Service Board

141. The County Public Service Board (CPSB) core mandate is to; establish and manage Kiambu County public service system, facilitate recruitment, selection, training, development and promotion of staff, establish and abolish offices in the County, exercise disciplinary control and provide regular reports to the county assembly on the executions and the functions of the departments. The CPSB also promotes County public service values and principles of governance, facilitates the development of coherent and integrated human resource planning, advises the county on human resource management and development, and makes recommendations to the SRC on behalf of the county regarding remuneration, pensions and gratuities for County public service employees.
142. During the 2019/20-2021/22 MTEF period, CPSB made some achievements that included: motivation of staff to enhance their productivity and efficiency in service delivery through rolling out a comprehensive medical cover for all the County staff under the National Hospital Insurance Fund, promotion of staff, addressing industrial disputes on labor related grievances as advanced by the various workers Unions and provision of policy direction in human resource management where a County Staff Establishment was developed and adopted by the County Executive. The Board also provided human resource advisory in terms of schemes of service and career guidelines, managed staff complaints and disciplinary cases, promoted values and principles, held human resource advisory meetings, sensitization and various capacity building forums.
143. The CPSB experienced various challenges in the 2019/20-2021/22 MTEF plan period that include: inadequate funding and absence of financial autonomy forcing the board to scale down and suspend many important Human Resource activities which ultimately curtail service delivery, and existence of huge disparities in remuneration between the employees of the former local defunct authorities and those hired by the current devolved

government. Emergence of Covid-19 Pandemic also derailed the operations of the Board. Since there were limited physical meetings.

144. In the 2023/24 - 2025/26 MTEF period, the department plans to implement the programme of General Administration, Planning and Support Services. The programme will focus on improving service delivery through recruitment, promotion and training of staff, resolving disciplinary cases, updating of competence inventory and developing an Integrated Human Resource Information Management System. The department also plans to carry out sensitization forums on promotion of values and principles, human resource advisory meetings and stakeholders engagement forums; and compliance to regulatory framework.
145. To enable the department to implement the prioritized programme, CPSB has been allocated KSh 85.2 million, KSh. 86.1 million and KSh.86.9 million as recurrent budget in FY 2023/24, FY 2024/25 and FY 2025/26 respectively.

5.4 Finance ICT and Economic Planning

146. The department has eight directorates namely; Revenue, Finance, Budget Accounting Services, Supply Chain Management, ICT, Internal Audit, and Economic Planning. The department is mandated with preparation of; development plans, annual estimates on revenues and expenditures and supplementary estimates, and policy analysis on fiscal issues. It also ensures that external resources (grants, loans, donations) are effectively mobilized, and utilized as well as disbursement of funds and prudent public debt management. The department also ensures enforcement of revenue laws; collection and accounting for all rates, taxes, fees and charges; collection of statistical data needed for Planning purposes; county budget implementation, monitoring and evaluation.
147. During the MTEF period FY 2019/20 - 2021/22, the department made some key achievements which include; timely preparation of all County Annual Development Plans, Annual budget estimates, supplementary budgets, county fiscal strategy papers, monitoring and evaluation reports and county budget review and outlook papers. The department also ensured; alignment of prioritized expenditure to available resources, improvement in budget execution, increased absorption of development expenditure, preparation of internal audit reports and successful budgeting processes.
148. Some of the challenges faced by the department in the 2019/20-2021/22 MTEF period, include; delayed disbursement of exchequer by the national government, missed own source revenue targets to fund priority areas, huge pending bills which affected funding of

priority programmes, weak public private partnership framework, slow implementation of County Acts due to political and civil societies interference and reallocation of funds to cater for the Covid-19 interventions.

149. During the 2023/24-2025/26 MTEF period, the department plans to implement 3 programmes namely; general administration planning & support services, public finance management services and ICT services. The programmes will focus on improving service delivery and prudent management of public resources through; training of staff of various cadres, preparation of budgets, audit reports, cash flow management, preparation of expenditure reports and procurement plans. The programmes will also ensure coordination of planning, policy formulation and tracking of results through; monitoring & evaluation, timely preparation of policy documents, plans & reports, allocating more budget towards development projects and engaging the public in financial matters. Additionally, the department plans to have a well-developed ICT infrastructure through; development of modern solar powered data centers and ICT incubation centers, adoption of integrated management systems and equipping of office blocks with internet and CCTVs.
150. To implement the prioritized programmes, the department has been allocated Ksh 1.71 billion in FY 2023/24, Ksh. 1.73 billion in FY 2024/25 and Ksh.1.75 billion in FY 2025/26. This comprises Ksh. 1.46 billion, Ksh. 1.47 billion and Ksh.1.48 billion for recurrent expenditure and Ksh.257.9 million, Ksh 260.5 million and Ksh 263.1 million for development expenditure for the same period.

5.5 Administration and Public Service

151. The department has six directorates namely: Administration, Alcoholic Drinks Control, Inspectorate, Monitoring & Compliance, Betting & Gaming Control, and Human Resource Management & Human Resource Development. The core mandate of the department is to provide services to the public and ensure there is good coordination of various structures within the county. It is responsible for efficient management and development of the human resources in the county such as capacity building of staff and determination of optimal staffing levels. Further, the department; ensures enforcement and compliance of the public to various county laws, curbs alcohol & substance abuse and irresponsible betting & illegal gaming
152. In the FY 2019/20 - 2021/2022 MTEF period, the department made some key achievements that include; Improved service delivery through; completion of Kiambu sub county offices, deployment of staff of various cadres in the sub counties, carrying out

capacity building on various members of staff, processing of staff benefits, staff promotions and medical cover. It ensured reduction of incidences of illegal, counterfeit alcohol and substance abuse through crackdown and prosecution of illegal brewers, carrying out awareness forums and undertaking rehabilitation of persons dependent on alcohol. It also enhanced compliance of public to county laws and applicable national legislations through enforcement of; revenue collection within urban areas, building regulations, Alcoholic Drinks Control Acts and control of hawking activities within CBDs. Further, the department enhanced reduction of irresponsible and illegal betting and gaming through awareness forums, crackdowns and issuance of betting and gaming licenses.

153. During the 2019/20 -2021/22 MTEF period, the department faced various challenges which included; inadequate financial resources, accumulated bills affecting the implementation of the development projects, presence of Covid-19 pandemic that negatively affected service delivery and untimely disbursement of funds by the National Government to the County Government

154. In the 2023/24 - 2025/26 MTEF period, the department has planned to implement 3 programmes namely; general administration, planning and support services, alcohol, drugs and substance abuse control and rehabilitation and human resource management and development. The programmes will focus on improving service delivery through; construction, renovation, and equipping of offices, construction of ablution blocks, purchase of motor vehicles, mainstreaming of climate change in the sub county offices, capacity building of staff and processing of staff medical cover and welfare benefits. The programmes will also focus on reduction of alcohol and substance abuse through; crackdowns, awareness forums and rehabilitation services. Additionally, the programmes will ensure enforcement of county laws through rebranding of the inspectorate unit and ensure responsible betting and gaming through awareness forums, crackdowns and licensing of betting and gaming premises.

155. In order to implement the programmes, the department has been allocated Ksh 949.6 million Ksh. 959.1 million and Ksh. 968.7 million in FY 2023/24, FY 2024/25 and FY 2025/26 respectively. This comprises Ksh. 841.7 million, Ksh. 850.2 million and Ksh. 858.7 million for recurrent expenditure and Ksh.107.8 million, Ksh 108.9 million and Ksh 110.0 million for development expenditure for the same period.

5.6 Agriculture Livestock and Cooperative Development

156. The department comprises five directorates namely: Crop and Irrigation, Agribusiness and Marketing, Livestock & Veterinary, Fisheries Development and Cooperative Development. In addition, there are two institutions; Agricultural Training Centre at Waruhiu and Agricultural Mechanization Service in Ruiru. The department's overall goal is to attain food and nutrition security, promote innovative and sustainable agriculture for job creation and ensure there is equitable distribution of wealth across the County. It is also a key player in social and economic development of the County as well as delivery of national development agendas namely; the Kenya vision 2030, and the Sustainable Development Goals (SDGs).
157. During the MTEF period 2019/20-2021/22, the department implemented six programmes aimed at increasing production and productivity, enhancing food and nutrition security and increasing income. Key achievements realized include; procurement and distribution of 424.12 tons of certified seeds (maize and bean seeds) to farmers across the county, procurement and distribution of 68,175 Hass avocado trees and 4,999 banana seedlings as well as procurement of 84,000 potato mini-tubers. In addition, the department in collaboration with different stakeholders trained 180,405 farmers on modern farming technologies across the County. Further, the department in collaboration with NARIGP constructed 70 KMS of soil and water conservation structures, 120 small scale water pans for demonstration, installed 20 solar-powered systems besides constructing six Sustainable Land Management (SLM) structures namely; Kamwamba SLM in Gatundu North Sub-County, Githaruru SLM in Gatundu south Sub-county, Renguti SLM in Kikuyu Sub-county, Kamae SLM in Lari Sub-county, Kibera SLM in Limuru Sub-county, and Gatharo SLM in Lari Sub-county. It also initiated the Kamwamba irrigation project in Gatundu North serving Chania and Mang'u wards with 6,000 direct beneficiaries. Additionally, the department through the directorate of agribusiness procured and distributed 27,650-50 Kgs bags of coffee and food fertilizer to farmers, trained 1,020 farmers/agri-entrepreneurs on value addition technologies along banana value-addition, yogurt making and vegetable preservation as well as training 840 farmers and 225 staff on coffee production management and value addition. To enhance production of quality and safe products, the department trained 136 agro-dealers on quality inputs besides training 200 service providers and value chain actors (VCAs) on entrepreneurship.

158. Under livestock resources management and development, 2 FMD, 2 LSD, 2 Anthrax and one anti-rabies vaccination campaigns were held across the county. Additionally, 74,284 doses of AI were inseminated through the Free AI program, 18,000 indigenous one-month old chicks procured and distributed to farmers in collaboration with Kenchic and FAO and 10,400 poultry farmers trained on improved poultry production. Further, 40,000 value chain actors trained on climate smart technologies in collaboration with ASDP and NARIGP and sensitized 3,600 farmers on drug residues in milk, eggs and meat to enhance food safety. In collaboration with Aquaculture, Business Development Program (ADBP), the department also stocked 185,400 fingerlings (Tilapia and Catfish) in selected ponds, conducted 72 farmers training on modern aquaculture technologies, and equipped 740 farmers with modern aquaculture technologies.
159. During the implementation of the programmes, the department faced various challenges which included; accumulated pending bills affecting the implementation of the development projects, erratic weather conditions as a result of climate change affecting production, shortage of extension officers due to retirement, inadequate transport to facilitate extension services, re-allocation of development funds to cater for COVID-19 interventions and rapid urbanization in the County leading to decreased agricultural land.
160. In the FY 2023/24- 2025/26 MTEF period, the department intends to implement four programmes namely; General administration planning and support services, Crop development, irrigation and marketing services, Livestock and fisheries development and management and cooperative development and management. These programmes aim to increase production and productivity, enhance food and nutrition security, and promote economic empowerment. To enhance productivity and land and crop management, the department under crop and irrigation directorate will procure and distribute food crop fertilizer, certified seeds and seedlings, fruit trees seedlings and support small scale irrigation. Farmers will also be trained on best crop varieties for various Agro-Ecological Zones (AEZ) and Agro-ecological farming, best practices for harvest and post-harvest handling and packaging, production of fruits, vegetables, herbs and spices and urban as well as peri-urban farming. The department will enhance provision of quality extension services by upgrading Waruhiu ATC, promote value addition and ensure production of quality and safe produce.
161. The department through the directorate of livestock will control and manage livestock diseases where it will hold vaccination campaigns, rehabilitate and equip veterinary

laboratories, issue livestock movement permits and train farmers on disease control. To enhance food safety, bovine, poultry and rabbit slaughter-house will be completed and equipped, slaughterhouses inspected and licensed and training farmers, vendors and consumers on drug residues in livestock products. In addition, the directorate will offer A.I services both sexed semen and conventional, procure and distribute piglets and indigenous chicken to farmers, construct a pork factory, procure and install bulk milk coolers, and avail milk pasteurizers to farmers. Under fisheries, the department will procure fingerlings and stock them in rivers/dams/ponds, procure subsidized aquaculture kits, equip farmers with modern technologies, and establish/develop aquaculture demonstration centers.

162. The department under cooperative development will train cooperative management committees and cooperatives members, carry out cooperatives audits, inspections and risk assessments, register new cooperatives, and facilitate the formation of cooperatives federations, cooperatives in ASALs and sector specific cooperatives. It will also promote good governance, digitize operations in cooperative societies as well as mapping cooperative societies.

163. To enable the department to implement the prioritized programmes, it has been allocated Ksh. 1.49 billion in FY 2023/24, Ksh. 1.44 billion in the FY 2024/25 and Ksh. 1.45 billion in the Financial Year 2025/26. This comprises Ksh. 501.7 million, Ksh. 506.7 million and Ksh. 511.7 million for recurrent expenditure and Ksh. 927.7 million, Ksh 937 million and Ksh 946.3 million for development expenditure for the same period.

5.7 Water, Environment, Energy and Natural Resources

164. The Department of Water, Environment, Energy and Natural Resources (WEENR) comprises four directorates namely; Water & Sanitation, Natural Resources & Forestry, Environment & Waste Management, and Renewable Energy & Climate Change. The aim of the sector is to ensure provision of water and sanitation services, environmental protection and management, conservation of natural resources, reduction of carbon emissions and enhance resilience to impacts of climate change.

165. During the 2019/20-2021/22 MTEF period, the department implemented five programmes namely; General administration planning and support services, water resources management and sanitation, environment management, protection and compliance, natural resources forest conservation and management and climate change mitigation and adaptation. In collaboration with the WSPs, the directorate developed the

Kiambu County Water Investment Plan (2021-2025) to guide and plan the development of water-related infrastructure. Through financing from the county, AWWDA, NAMSIP, and the WSPs, boreholes were drilled, equipped, and/or operationalized, spring sources developed, and a composite filtration unit (CFU) developed and installed providing an additional 21,354m³/day. In addition, over 694 Kms of pipelines were procured and laid across the county to increase access to water services in unserved areas, extending water coverage county-wide

166. To increase water storage for the water utilities, a number of storage tanks were constructed or rehabilitated totaling an additional 2,513m³ financed by the county, WSPs, and AWWDA. In a bid to combat the Covid-19 pandemic, the department in collaboration with the Kenya Water and Sanitation Civil Societies Network (KEWASNET) and the WSPs installed 240 hand washing points targeting 24 schools and 150 hand washing points in markets, bus parks and public spaces
167. To reduce non-revenue water (NRW) in the WSPs, the directorate offered technical support in mapping and digitizing the water and sanitation services infrastructures and supplied 2,042 meters to the WSPs. In addition, the WSPs increased access to sewerage services by laying and extending sewer pipelines across the county. To increase access to public sanitation facilities (PSF), PSF was constructed and dilapidated toilets were rehabilitated. The WSPs also increased water and sewer connectivity by having an additional 15,278 water and 2,172 sewer connections. On average, this benefitted a population of at least 76,390 people connected to water and 10,860 connected to sewer.
168. To increase environmental awareness, 63 trainings were conducted and five eco schools established. The county increased its capacity to manage waste (collection, transport and disposal) in terms of human resources and equipment which was realized through procurement and servicing of all solid waste disposal equipment and machinery. Kiambu and Gioto dumpsite were also decommissioned during the review period. The directorate procured one excavator, one bulldozer (KOMATSU) and a high pressure washing machine through JICA besides holding major clean ups across the county, conducting environmental trainings, and holding environmental awareness campaigns.
169. In a bid to conserve the environment and natural resources, the directorate raised and transplanted 420,248 tree seedlings and implemented transitional forestry-devolved for forestry devolved functions. It also mapped, secured and conserved water sources and catchment areas through awareness creation, as well as planting trees in water catchment

and riparian areas. It further facilitated the process of collecting revenue by issuing quarrying invoices and certificates and improved aesthetic value in the county by developing, maintaining recreational parks, gardens, roundabouts and other green spaces in Thika, Ruiru, Kiambu and Kikuyu sub counties. To better manage forestry within the county, there is a draft policy of the Kiambu County Sustainable Forest Management and Tree Growing Policy in place.

170. To enhance climate change mitigation and adaptation, the directorate mapped and undertook energy needs assessment in learning institutions, health facilities and informal settlements, undertook a sustainability audit in 10 sub counties, and developed the Kiambu County Climate Change Bill, 2021 which was enacted in November, 2021 in to an Act. It also developed draft Kiambu County Climate Change Fund, Regulations, 2021, formulated Draft County Climate Change Policy, and undertook sensitization workshops on climate change mainstreaming in county development plans, budgetary processes and operations for county staff. Further formulation of the County Energy Plan (CEP) was initiated under the Sustainable Energy Technical Assistance (SETA) project, and coordinated and participated in the 7th Annual Devolution Conference which was on climate action.
171. During implementation, the department faced the following challenges; Lack of a database management system at a sector level, understaffing, inadequate budgetary allocation and inadequate civic education
172. In the MTEF period 2023/24-2025/26, the directorate of water and sanitation plans to, provide adequate, affordable, safe, clean water and sanitation services by mapping and digitization of water infrastructures and assets and supporting water utilities and developing policies and legislations. It also plans to lay pipelines and map connections, offer institutional strengthening to improve the performance of WSPs, drill and equip boreholes and operationalize boreholes. In addition, it will rehabilitate intake and increase the amount of water injected into the supply system, lay assorted pipelines and procure and supply plastic tanks to institutions and special groups. It will also construct 5 ground elevated 1000m³ storage tanks with a capacity of 500m³ of water and construct public sanitation facilities and rehabilitate to increase access to public sanitation.
173. To enhance a clean environment, the directorate of environment and solid waste management plans to develop policies, plans, strategies, and bills, establish eco-schools, hold awareness campaigns, and conduct environmental training and research on solid waste management. It also plans to ensure environmental compliance and enforcement. Further,

it will construct a waste recovery and procure and repair solid waste management equipment and machinery. The directorate will also repair and install GPS on machinery, construct a waste segregation unit, organic waste composting hub and manual and organic waste management hub. Additionally, tipping platforms will be constructed and procure hours for creating tipping sites and maintaining access roads. Plans to construct skip platforms, procure waste collection skips. The directorate will also repair skips, purchase bottle banks, fabricate waste receptacles and purchase color coded waste collection bins and sacks.

174. To increase forest cover and sustainable management of natural resources, the natural resources and forestry directorate plans to develop NRF policy, strategies, and plans, and raise seedlings in schools, health facilities/churches and maintain parks, gardens, and public areas. Further, the directorate will create a database for green spaces, update the database on quarries and minerals, conserve water catchment areas and grow trees.
175. To promote the use of renewable energy, mitigate against climate change and reduce vulnerability to the impacts of climate change, the directorate plans to formulate policies, bills, and regulations on renewable energy and climate change. It also plans to increase the uptake of different sources of renewable energy county-wide, and increase awareness of renewable energy and climate change to Kiambu residents and how to switch to clean cooking technologies.
176. To enable the department to implement the prioritized programmes, it has been allocated Ksh. 890.8 million in FY 2023/24, Ksh.899.7 million in FY 2024/25 and Kshs.908.7 million in FY 2025/26. This comprises Ksh. 435.2 million, Ksh. 439.6 million and Ksh. 444 million for recurrent expenditure and Ksh.455.58 million, Ksh 460.1 million and Ksh 464.7 million for development expenditure for the same period.

5.8 Health Department

177. Health services department has four directorates namely; Planning and Administration, Curative and Rehabilitative Services, Public Health and Sanitation Services and Nursing Services. The mandate of the department is to provide curative and preventive health services by strengthening the available health services to all. The department is a key player in implementing Universal Health Coverage (UHC) for all.
178. During the MTEF period 2019/2020- 2021/2022, the department made some key achievements. Under administration planning and support service the achievements met

include; renovation of ; Lusigetti, Igegania level 4 hospital, Limuru health center OPD, and laboratory units at Gatundu level 5 hospital and Muchatha dispensary, completion of; Kiambaa health center, walkways at Ruiru level 4 hospital, ablution block at Kamuchege dispensary and Karia health center and provision of 6 specialized trauma evacuation ambulances.

179. The department held various performance management and review meetings as per the policy guidelines and established the County Health Stakeholders forum. Most stalled projects were also completed during this review period and bed capacity in most facilities expanded. Supplies and equipment were also purchased to respond to COVID 19 pandemic. 13 functional procurement committees were put in place, and assessment and preparation of bill of quantities for all the planned projects was done. Support supervision was undertaken by CHMT to 56 facilities during infrastructure assessments and COVID-19 supervisions and through health infrastructure/CHMT visits.
180. Health care service delivery in Kiambu County was enhanced under curative and rehabilitative programme through providing all health facilities with the required non-pharmaceutical, cleansing and sanitary commodities. The county has fully functional dental clinics in Thika level 5 with assorted medical specialists, which also acts as an internship center for dental surgeons. Others are in Kiambu L5, Lari L4, Tigoni L4, Wangige L4, and Kiharaa. A new fully equipped dental unit was also commissioned in Ruiru level 4 through PPP with NIBS College. In addition, a palliative care center at Ruiru level 4 was set up and equipped. 85% of Laboratories received lab reagents and small lab equipment such as Pulse Ox meters. Primary Diagnostic Services are now offered with Digital X-ray machines in Kigumo level 4 while in Wangige level 4, new wings were opened with quality assurance systems in the laboratories.
181. Integrated health services were scaled up in Tigoni level 4 hospital which is no longer a covid 19 isolation unit. Oxygen concentrators have been availed in level 5s and Tigoni level 4. The county pharmaceutical store in Ruiru was constructed, which will also be used as a production unit for non-pharmaceuticals such as sanitizers. Under County Pharmaceutical service, there was 80% average level of stocking of essential tracer medicines in county health facilities and non-pharms especially the PPES provided to health care workers Under the Reproductive health services, 106% of deliveries were conducted by skilled birth attendants while 32.3% of women of reproductive age received family planning out of an annual target of 50%. It is worth noting that although the facility

based maternal mortality ratio was 45.2, 100% of all maternal deaths were audited. 33.5% LLITNs provided to target pregnant women and 40% of women of Reproductive age received family planning while 99.2 % HIV positive pregnant mothers received preventive ARVs and 87.9 % of pregnant women supplemented with iron and folic.

182. Adequate sanitation facilities in school were scaled up during routine school health visits and sensitization on sanitation done before establishment of the school clubs and training commenced. Deworming was undertaken during the Malezi Bora weeks & school health programme and 39 cases of measles and other outbreaks were screened. On the HIV program, all HIV identified mothers at ANC were initiated on ART, 100% of exposed Infants were issued with Prophylaxis and all those exposed to HIV Acquisition and sought PEP services were given PEP. Site assessments for Methadone DFD sites were done and reagency training for Sub county Tots and activation of 4 facilities. Screening/ referral services to 125,979 persons by the CHVs was done with 303 existing CHUs in the County, 3085 CHVs trained and kits provided to 225 CHVs.
183. The department faced several challenges that include: COVID-19 pandemic that exposed the vulnerability of the health system and the challenges faced in ensuring continuity of essential health services. Non-communicable diseases (NCDs) such as cancer, hypertension, heart diseases and diabetes are on a rising trend exerting pressure on the health systems, childbirth related conditions which continue to pose significant challenges especially inadequacy of emergency services for delivery, under-utilization of existing antenatal services and inadequate skills and competences of health workers in this area. There is also low uptake of reproductive health services in the county due to; social, cultural, political influence, lack of information coupled with misinformation and inadequate supply of RH commodities in the health system. High out of pocket expenditure on health continues to be a major issue, and public spending which is skewed towards high-end curative services which are both inefficient and inequitable. There is also a severe shortage of human resource in health where many officers are exiting the service through retirements, deaths, resignations, or search for greener pastures.
184. In FY 2023/24 - 2025/26 MTEF period, the department has planned to implement six programmes namely; General administration planning and support services, preventive health services, curative health services, county pharmaceutical services, reproductive health and county health policy development and management. Under these programmes, the department will focus on; procuring and servicing both ambulances and utility vehicles,

constructing and equipping of new facilities and rehabilitating the existing ones, construction of new ablution blocks and perimeter fences, establishment of customer care service units, procurement of health data collection tools, adoption of queue management systems, installation of incinerators, development of health facilities master plan, upgrading of hospitals with modern libraries for filling inpatient case notes, drilling and solarizing of health facilities boreholes, establishment of dental units within the health centers, provision of health centers with; radiology units, phase 3 electricity, CCC/PMTCT sites and HPT store

185. The department will also ensure hygiene and sanitation within the health facilities, offer staff with various training skills, fence public cemeteries, procure protective gears, destroy various breeding sites for mosquitoes and rodents, inspect and license food premises, procure water treatment chemicals, establish food laboratories, assessment of factories and various institutions to ensure compliance with health and safety standards, vaccination of people against various infections, establishment of CHCS, provision of UHC, deworming and screening of school children, establishment of washing facilities in schools, provision of LLIN to infants and expectant mothers, sensitization campaigns on HIV prevention and provision of protective materials, establishment of lactation stations, establishment of various health committees, provision of vitamin A supplementation, establishment of health care waste management programs, increase the proportion of pregnant women receiving iron supplements and improve screening on various infections and HPV vaccination.
186. Further the department will procure equipments such as MRI, CT scans, x ray machines and others, provide services such as physiotherapy and occupation therapies, procure various pharmaceutical materials such as medical supplies and BP machines, install water purification plants and HVAC systems, automate HPT HMIS/LMIS for inventory and supply chain management, undertake performance review meetings, undertake staff and patient satisfaction surveys, undertake sensitization against teenage pregnancies, sensitize and increase access to modern family planning methods, increase access of iron supplements to expectant women, work towards reduction of newborns with low birth weight, increase access of pregnant women to ANC, provision of protective ARVs to pregnant mothers and screening women of reproductive age for cervical cancer.
187. To enable the department to implement the prioritized programmes, it has been allocated Ksh 7.69 billion in FY 2023/24, Ksh. 7.77 billion and Ksh 7.85 billion in FY 2024/25 and FY 2025/26 respectively. This comprises Ksh. 6.73 billion, Ksh. 6.8 billion

and Ksh.6.87 billion for recurrent expenditure and Ksh.961.63 million, Ksh 971.2 million and Ksh 980.9 million for development expenditure for the same period.

5.9 Education, Gender, Culture and Social Services

188. The department is composed of four directorates namely; Early Childhood Development Education (ECDE), Vocational Training Education (VTC), Gender & Culture and Social Services. The mandate of the department is to increase access, equity, quality and relevance of Vocational Training and early childhood development education, promote, conserve and manage the county's cultural heritage and the creative industry, promote and advocate for child protection, special interest groups, gender and disability mainstreaming and empowerment.
189. During the 2019/20-2021/22 MTEF period, the department implemented four programmes namely; General administration, Planning and Support Services, Early Childhood Development Education (ECDE), Vocational Training Education, Gender & Culture and Social Services. To improve service delivery, one office was renovated and equipped. Access to learning across the country was increased by; constructing and renovating new and existing ECDEs and VTCs which were later equipped with modern equipment and computer labs. The department improved sanitation by constructing ablution blocks in ECDEs and VTCs. Additionally, the department improved the quality of education and increased enrolment and retention of school going children by; assessing and accrediting VTCs and ECDEs, developing quality assurance reports, recruiting instructors in VTCs, recruiting and promoting teachers in ECDEs and implementing the Uji Programme to improve nutrition among the school going children. The department also enhanced gender and cultural values by; mapping cultural resources, training women, PWDs and SIGs, procuring and distributing sanitary briefs to the needy, holding cultural festivals, and conducting training on GBV to community leaders and other stakeholders. Further, the department helped the needy in the society by; providing bursary to needy students across the county, rehabilitating and assisting street families and supporting the vulnerable and old persons with blankets, foodstuffs and other essential items.
190. The department however faced the following challenges during implementation of the programmes; Inadequate funding thus not being able to meet its financial requirements, emergence Covid-19 pandemic, an upsurge in SGBV cases putting a huge burden on departmental resources and the existing safe houses, an overwhelming number of needy and vulnerable cases whose livelihoods were cut short by Covid 19 and negative attitude

towards vocational training which limits the VTC intake despite the fact that they lack any other formal education.

191. In the MTEF period 2023/24- 2025/26, the department has prioritized three main programmes namely: General Administration, planning and support services, Early Childhood and Vocational Training Development and Gender, Culture and Social services Promotion. Under the programmes, the department plans on constructing and equipping offices, construct, refurbish and equip ECDEs and VTCs, upscale the school feeding programme, employ teachers and trainers in both ECDEs and VTCs, introduce ICT integration in both ECDEs and VTCs, construct production units, motor vehicle repairs and centers of excellence in VTCs, disburse bursary grant and upscale social welfare programs to improve the livelihoods of the needy and vulnerable. Additionally, the department also plans to rehabilitate and conserve cultural and heritage sites, map, document and conserve other cultural resources in the county, promote the creative industry, upscale gender and disability and child empowerment programs.

192. To implement the prioritized programmes, the department has been allocated Ksh 1.54 billion in FY 2023/24, KSh. 1.56 billion and KSh. 1.58 billion in FY 2024/25 and FY 2025/26 respectively. This comprises Ksh.1.19 billion, Ksh. 1.2 billion and Ksh.1.21 billion for recurrent expenditure and Ksh.354.68 million, Ksh 358.2 million and Ksh 361.08 million for development expenditure for the same period.

5.10 Youth Affairs, Sports and Communication

193. The department comprises three directorates namely; Youth Affairs, Sports and Communication. This Department plays its tactical role in the County's transformation and economic development through: promotion and development of youth and sports for a vibrant sporting industry and empowered youth. This is achieved through implementation of four programmes namely; General administration planning and support services, Sports, Youth Affairs and Communication.

194. During the MTEF period 2019/20-2021/22, the department nurtured and promoted talent by facilitating staff teams to participate in KICOSCA in Kericho and Embu where the teams performed exceptionally well. In addition, the department partnered with Football Kenya Federation whereby it facilitated affiliation of 180 teams to participate in leagues and competition hence increasing community teams' involvement in active competition. Additionally, the directorate of youth affairs launched Jiinue fund in partnership with KCB bank to promote welfare through self-employment and enterprise development among the

youth, PWDs and women where Ksh 227 has been disbursed to 632 applicants. Further, the directorate of communication prepared documentaries for all the departments, highlighting the milestones achieved and the key achievements by these departments. The department also prepared newspaper supplements, a county handbook, and a county magazine and produced a documentary.

195. During this period, the department experienced some challenges which include; emergence of Covid-19 pandemic, where the ministry of health directed all sporting activities and gathering be halted, shortage of funds since development funds were reallocated to cater for Covid-19 interventions and lack of facilitation to monitor and evaluate programmes and projects
196. In the 2023/24- 2025/26 MTEF period, the department under the programme of General administration planning and support services plans to construct/renovate and equip offices, and construct indoor arenas. Through the sports programme, stadiums will be upgraded to national standards, changing rooms and washrooms constructed as well as rehabilitation of playing fields. In addition, the directorate of sports will train inducted managers, referees, coaches and first aiders, train and support players participating in KICOSCA games and inter-county competitions, fully sponsor sports teams around the county, and establish sports academies. The directorate of youth affairs through the youth empowerment programme will; facilitate youth trainings to equip young people with technical skills such as entrepreneurship, marketing skills, value addition etc. It will also train young people on exchange programs, train on government opportunities (AGPO) and skill enhancement programs. In addition, it will provide financing to young people, women and PWDs businesses. Communication directorate will increase awareness of services provided by the County through printing of newspapers and newspaper supplements, purchasing communication equipment, establishing communication desks in various sub-counties, producing documentaries and improving social media presence and coverage.
197. In order to implement the prioritized programmes, the department has been allocated Ksh 331.4 million, Ksh. 334.7 million and Ksh. 338.1 million in FY 2023/24, FY 2024/25 and FY 2025/26 respectively. This comprises Ksh. 145.4 million, Ksh. 146.8 million and Ksh.148.3 million for recurrent expenditure and Ksh. 186.0 million, Ksh 187.9 million and Ksh 189.8 million for development expenditure for the same period.

5.11 Lands Housing, Physical Planning, Urban Development and Administration

198. This department has five directorates namely Physical Planning, Housing and Community Development, Survey and Geo -informatics, Valuation and Asset Management, Municipal Administration & Urban Development. The department mandates are; provision and implementation of spatial plans, development of a GIS/LIS database for spatial data management and determination of property boundaries, provision of efficient land, property valuation and management for effective county asset documentation and rating, promotion and facilitation of development of decent housing in sustainable environments, implementation and review of various land policies, administration and management of urban areas and cities within the county.
199. In the 2019/20 - 2021/22 MTEF period, the department made some key achievements. Provided a conducive working environment for staff through renovating headquarters offices at Red -Nova. Improved land administration and management of the land resource through; increased revenue, acquiring a modern survey equipment for GIS & Satellite images and easing the access to county land data through; titling programme in Thika informal settlement, Ruiru Kiu Block 6 Mwihoko LR/No. 10902/10 & 11, and Ndeiya Karai Settlement Scheme. The department also provided safe, decent and affordable housing through; construction of 40 two-Bedroom units in Thika Municipality, renovation of 6 one-bedroom rental units in Kikuyu Municipality and facilitating the private sector to construct over 1000 affordable houses in the county. To enhance the living conditions and end land disputes in the informal settlement, the department facilitated surveying, titling and issuance of 30 block titles to over 1000 residents of Umoja Informal Settlement. To provide an overall spatial framework for the county, the directorate of physical planning notably prepared; 150 Part Development Plans (PDPs) for public land, Draft Kiambu County Spatial Plan, 12 draft Integrated Strategic Urban Development Plans (IUSDP) for Kikuyu, Kimende, Githunguri, Kiambu, Limuru, Gatundu Town, Juja, Ruiru, Karuri, Nairobi-Thika Transport Corridor, Kamwangi and Wangige. The department also facilitated development control through processing of 10,000 development applications and enhanced compliance through issuance of 10,000 development enforcement notices, completed Umoja Informal settlement, streamlined rating process and improved revenues through Gazettement of the Kiambu County Valuation and Rating Act (Regulations). There was also an increment in annual land rates revenue collection where the County achieved 20,000 new ratable properties into the county rating register. It also identified and verified county assets relating to devolved functions under the IGTRC & CALC reports. Inspection

and Valuation of properties for acquisition, court/litigation, rates exemption purposes and validation of valuation reports for the water companies was also carried out. Further the department improved urban infrastructure through; upgrading of 80km roads to bituminous standards, rehabilitating 50km NMT facilities and 80km of storm water drainage. The department also; improved security by installing 25 high mast and 1500 solar street lights, connected 30Km sewer reticulation, undertook landscaping & beautification of 2 urban parks and 3 major roundabouts and enhanced solid waste management through purchase of solid waste equipment (60 skips, 6 skip loaders, 6 tippers and 6 back loads).

200. In the 2019/20-2021/22 MTEF period, the department faced several challenges that include; insufficient Survey equipment, delay in data sharing from the Ministry of Lands, Unreliable electronic development application processing management system (EDAMS) and internet connections, poor coordination and collaboration between departments, lack of Personal Protective Equipment (safety helmets, high visibility jackets) for field officers, suspension of the new rating regime via executive order, implementation of a system that is not comprehensive in regards to property rating data and encroachment on road way-leaves, delay in relocation of utility services in projects implementation, lack of proper mechanism for handling complaints and dispute from Project Affected Persons (PAPs) leading to delay of dispute resolutions, Delayed response to requests from other Government agencies where there issues of overlap of scope of works (e.g. KENHA, KERRA, Nairobi Water & Sewerage Company, etc.), Inadequate civic education on government policies and programme, huge pending bills affecting budget process, inadequate office space in the sub counties and high cost of building materials thus affecting social and affordable housing

201. In the FY 2023/24 - 2025/26 MTEF period, the department intends to implement six programmes namely; General Administration, planning & support services, Land Administration Survey and GIS, Housing & Community Development, Physical planning, valuation & Asset management and Municipal Administration & Urban development. To improve service delivery, the department intends to construct, equip and maintain offices, motivate and appraise staff, and service vehicles. It will also survey and map public land, issue title deeds, resolve land disputes and review boundaries, digitize land records and procure modern survey equipment. Further, the department will ensure sustainable urban growth and development through; upgrading of informal settlements and county residential houses and construction of housing units under affordable housing programmes. In addition, the directorate of housing will prepare county housing bills and regulations, and

construct official residences for the; Governor, Deputy Governor and the Speaker. To provide a spatial framework for the county and guide development, the directorate of physical planning will prepare Part Development Plans (PDPs) for market centers and other public lands, and zoning plans. It will also conduct valuation and capture new properties. Under municipal administration and urban development, the directorate will upgrade municipal infrastructures through construction of roads, storm water drainage and sewer systems, installation of street lights, street beautification, public parks and amenities, rehabilitation of bus parks, construction of fire stations as well as procurement of disaster management equipment.

202. In order to implement the prioritized programmes the department has been allocated Ksh. 858.8 million in FY 2023/24, Ksh 867.4 million and Ksh 876.1 million in FY 2024/25 and 2025/26 respectively. This comprises Ksh. 439.6 million, Ksh. 443.9 million and Ksh. 448.4 million for recurrent expenditure and Ksh. 419.2 million, Ksh 423.4 million and Ksh 427.7 million for development expenditure for the same period.

5.12 Trade Industrialization, Tourism and Investment

203. The department comprises four directorates namely: Trade, Industrialization, Tourism, and Investments. The core mandate of the department is to promote investments in trade, industries, and tourism sectors, by providing an enabling environment for sustainable socio-economic development in the County. This is done through the implementation of five programmes namely; General Administration, Planning and Support Services, Trade Development and Promotion, Industrial and Entrepreneurial Development, Tourism Development and Promotion, and Investment Development.

204. During the MTEF period 2019/20-2021/22, the department through Trade Development and Promotion Programme constructed and renovated 7 markets, constructed 4 market ablution blocks and 23 bodaboda sheds. Additionally 19,676 weights, 7,805 weighing instruments and 2,536 trade measuring instruments were verified and stamped. Out of the verification exercise, a revenue of Ksh. 10,945,020 was collected as verification fees. Through the Industrial and Entrepreneurial Development Programme the department constructed two modern kiosks (20 modern stalls) in Ruiru and trained over 40 MSMEs groups on entrepreneurship skills. The department also trained 12 MSMEs groups on value addition skills. To promote tourism, the directorate of tourism facilitated the completion of the construction of an ablution block and fencing of 14 falls and the construction of 8 public

washrooms at Mathore viewpoints. The directorate further identified 15 new tourism attraction sites for documentation and marketing. The department collected Kshs 3,353,525 as revenue from tourist attraction sites. Through the Cooperatives Development and Management Programme the department trained 5307 cooperative members, 666 cooperatives committee members and participated in 26 cooperatives sensitization forums. The department also carried out 44 risk assessments, 12 inspections and audited 423 cooperative societies generating Kshs 4,487,300 as revenue to the County government.

205. The department faced the following challenges during the implementation period 2019/20-2021/22; Low adoption of modern technology, e.g. under-utilization of online marketing opportunities and low use of ICT in the sector, lack of storage for perishable products in the markets leading to losses for the traders, inadequate budgetary allocation to cater for the planned projects and activities and delay in release of the Exchequer which slowed down the development of the sector. Additionally, low value addition and inadequate organized marketing framework for local produce posed a challenge to the competitiveness of local producers. The COVID-19 pandemic also disrupted service delivery and the implementation of development projects due to diversion of development funds to cater for Covid -19 mitigation measures. Under-developed tourism and inadequate marketing of the tourist attraction sites has also slowed down the growth of the tourism sector in Kiambu County, challenges of good governance in cooperative movement which slowed down the growth momentum in the Cooperative sector as well as the collapse of some cooperatives societies.

206. In the 2023/24-2025/26 MTEF period, the department plans to construct and renovate markets, install cold rooms in the market, construct market ablution blocks and bodaboda sheds, link traders to export markets & e-commerce, issue business licenses, verify trade measurements, and hold legal metrological awareness forums. The department will also establish; smart business centers, industrial parks, cottage industries and incubation/start-up centers, hold trade exhibitions and expos, and create circular/green economies to promote recycling. It will further construct; prototype modern kiosks, modern Juakali sheds, car wash stations and shoe shiner sheds. Additionally, the department will establish Kiambu County people's bank, Kiambu County hustlers fund and train MSMEs. The department will also develop tourism promotional material, upgrade tourist attraction sites and promote modern culture tourism activities. In addition, the department will develop an investor's guide, identify feasible projects for partnership via the PPP framework, hold

investment forums/events and formulate investment legislation and policy framework for investment promotion.

207. To implement these programmes, the department has been allocated Ksh 996.6 million in FY 2023/24, Ksh 1.0 billion in FY 2024/25 and Ksh 1.01 billion in FY 2025/26. This comprises Ksh. 128.4 million, Ksh. 129.6 million and Ksh.130.9 million for recurrent expenditure and Ksh.868.2 million, Ksh 876.9 million and Ksh 885.7 million for development expenditure for the same period.

5.13 Roads Transport Public Works and Utilities

208. The Roads, Transport, Public Works and utilities department consists of four directorates namely: Roads, Transport, Public Works and Utilities. The department plays a key role in planning, development & maintenance of county roads & transport infrastructure, management of public transport and bus parks, planning, development and maintenance of all County public works buildings and installations of county lighting, promotion of renewable energy, fire prevention and emergency and disaster response. Its main objective is to provide safe, efficient and effective transport infrastructure and services whilst achieving associated benefits and meeting the goals of environmental integrity, social equity and economic efficiency.

209. During the MTEF period 2019/20 - 2021/22, the department registered numerous achievements which include; construction of 15 km of major roads, maintenance and grading of 600 km of roads through grading, bush clearing and drainage works, rehabilitation and construction of 760 km of roads, construction of 1 bus park and construction of 3 bridges, construction of 17 foot bridges, installation of 27 flood masts and 192 street lights.

210. In the given MTEF period, the department faced several challenges that include; presence of huge pending bills, non-willingness of contractors to do business with county government due to non-payments, inadequate funding, encroachment of road reserves and inadequate technical capacity especially in fire men /women

211. During the MTEF period 2023/24- 2025/26, the department has planned to implement four programmes namely: General administration, planning and support services, public works & infrastructure maintenance and roads & transport. Under these programmes the department plans to undertake; development of service charters, capacity building of staff on various skills such as disaster management, construction of; various roads to different

standards, motorable bridges, footbridges, non-motorized roads, bus parks and parking bays. The department also plans to maintain; roads to motorable status, storm water drains, non-motorized walkways, bridges and rehabilitate different roads to gravel standards. The department will further carry out installation and maintenance of flood masts and street lights, construct and solarize fire stations.

212. In order to implement the prioritized programmes, the department has been allocated KSh 2.56 billion in the FY 2023/24, KSh 2.59 billion in the FY 2024/25 and KSh 2.62 billion in the FY 2025/26. This comprises Ksh. 510.8 million, Ksh. 515.9 million and Ksh.521 million for recurrent expenditure and Ksh. 2.05 billion, Ksh 2.07 billion and Ksh 2.1 billion for development expenditure for the same period.

ANNEXES

Annex 1: Revenue Projections FY 2023/24 and the Medium Term

REVENUE PROJECTION FY 2023/2024-2025/26						
	Actuals Revenue	Approved Estimates	Supplementary 1 Estimates	Proposed Estimates	Projected Revenue	
	FY 2021/2022	FY 2022/2023	FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026
TOTAL GRANTS	11,079,108,463	12,306,764,974	12,145,196,208	13,020,445,761	13,079,775,677	13,203,273,957
Equitable Share	10,780,123,663	11,717,525,720	11,717,525,720	12,227,552,449	12,349,827,973	12,473,326,253
County Government Additional Allocations	298,984,800	589,239,254	427,670,488	792,893,312	729,947,704	729,947,704
IDA(World bank) National Agricultural & Rural Inclusive Growth Project (NARIGP)	203,149,442	402,836,649	222,775,969	67,404,748	150,000,000	150,000,000
IDA(World bank) National Agricultural Value Chain development Project (NAVCDP)	-	0	70,000,000	250,000,000	250,000,000	250,000,000
DANIDA	10,368,041	20,897,250	40,869,334	30,340,125	30,340,125	30,340,125
IDA(World bank) FLoCA- County climate institutional support (CCIS) Grant	-	0	22,000,000	11,000,000	11,000,000	11,000,000
IDA(World bank) FLoCA- County climate Resilience Investment Grant	-	0	-	125,000,000	125,000,000	125,000,000
Sweden-Agricultural sector Development support programme -ASDSPII	3,000,000	30,340,365	23,255,565	5,083,952	-	-
KISIP 11	-	50,000,000	40,456,908	40,456,908	50,000,000	50,000,000
Transforming Health System for Universal Health Care	8,735,717	11,433,390	-	-	-	-
KDSP level 2	73,731,600	73,731,600	-	-	-	-
Industrial Park & Aggregation Centers Grant	-	0	-	250,000,000	100,000,000	100,000,000
Transfer for Library services	-	0	-	13,607,579	13,607,579	13,607,579
Unspent Balances B/F			1,041,432,882			
OWN SOURCES OF REVENUE STREAMS	3,149,853,580	4,127,321,507	4,427,321,507	7,980,140,717	8,131,171,665	8,220,137,859
Agriculture Livestock & Fisheries Management Unit	3,128,053	8,000,000	8,000,000	11,796,213	11,914,175	12,033,317
Physical Planning Management Unit	634,319,888	1,016,555,032	1,016,555,032	1,895,645,457	1,889,831,452	1,895,645,457
Business Permit Management Unit	249,817,482	277,788,593	277,788,593	450,650,500	455,157,005	459,253,418
Cess Management Unit	92,137,523	135,666,722	135,666,722	156,921,249	158,490,461	159,916,876
Education Culture ICT & Social Services Unit	231,500	31,000	31,000	650,000	656,500	662,409
Housing Management Unit	18,501,521	25,635,308	25,635,308	35,450,000	35,804,500	36,126,741
Land Rates Management Unit	353,175,454	483,464,554	583,464,554	1,686,633,742	1,703,500,079	1,718,831,580
Market Management Unit	6,688,473	50,039,568	50,039,568	15,525,226	15,680,478	15,821,603
Others	14,226,075	20,000,000	20,000,000	8,374,145	8,457,886	8,534,007
Roads Transport Public Works Management Unit	65,556,232	79,307,496	79,307,496	180,310,302	182,113,405	183,752,426
Slaughterhouse Management Unit	32,551,886	55,530,867	55,530,867	71,599,762	72,315,760	72,966,601
Trade Tourism Industry & Cooperatives Unit	4,733,717	42,723,554	42,723,554	11,646,309	11,762,772	11,868,637
Vehicle Parking Management Unit	286,712,501	419,824,990	419,824,990	602,132,055	608,153,376	613,626,756
Water Environment & Natural Resources Mgt Unit	69,096,418	77,273,663	77,273,663	102,805,757	103,833,815	104,768,319
Liquor management unit	212,248,226	433,681,180	433,681,180	350,000,000	353,500,000	356,681,500
Health Services Management Unit	1,106,728,631	1,001,798,980	1,201,798,980	2,400,000,000	2,520,000,000	2,569,648,213
Hospital Collections(FIF)		650,000,000	801,798,980	1,300,000,000	1,365,000,000	1,410,028,213
NHIF Rebates		300,000,000	350,000,000	1,000,000,000	1,050,000,000	1,054,200,000
Public Health		51,798,980	50,000,000	100,000,000	105,000,000	105,420,000
OTHER REVENUES FROM DONORS	41,616,128	35,900,000	48,089,432	35,500,000	35,500,000	35,500,000
MSF Belgium	37,066,728	26,400,000	34,438,832	26,400,000	26,400,000	26,400,000
Nutrition International	4,549,400	9,500,000	13,650,600	9,100,000	9,100,000	9,100,000
TOTAL REVENUE	15,141,264,997	16,469,986,481	17,662,040,029	21,036,086,478	21,246,447,342	21,458,911,816

Annex 2: Summary of Proposed Interventions to Issues raised during the Public Participation

SECTOR	PROPOSED INTERVENTIONS
Finance ICT and Economic Planning	Construct ICT hubs and establishment of public hotspots
	Digitize County records and services
	Review land rates(urban, peri-urban and rural) in the entire County
Administration and public Services	Conduct civic education and citizen engagements
	Construct and equip rehabilitation centers
	Crackdown of bars and illicit brew Sensitize public on effects of alcohol, drug and substance abuse.
Agriculture, Livestock and Cooperative Development	Provide quality animal feeds to livestock farmers
	Train/capacity build farmers on modern technologies
	Subsidize seeds and fertilizers
	Adopt new farming technologies
	Promote value-addition
	Provide extension services
	Cultivate drought resistance crops
	Complete ongoing irrigation projects
Support agriculture innovation/incubation hubs	
Water Environment Energy and Natural Resources	Reduce post-harvest losses
	Promote value-addition
	Solid waste Management
	Construct sewer lines in urban centers with no sewer coverage
Health Services	Drill and operationalize boreholes
	Supply clean and safe water to all County residents
	Laying of pipes and maintenance of existing ones
	Water harvesting
	Provide adequate medicines drugs and equipment in all health facilities
Education, Culture and Social Services	Construct and equip health facilities
	Upgrade/expand existing health facilities
	Renovate/ refurbish existing hospitals
	Employ qualified staff and empower community health workers
	Complete all stalled projects
Youth Affairs, Sport and Communication	Construct and equip social halls
	Increase bursary allocation and distribute it fairly to needy students.
	Implement school feeding programs in ECDEs
	Construct and equip Vocational Training Centers and Early Childhood Development Educational centers.
Trade Industry Tourism and Investments	Renovate, expand and equip existing VTCs and ECDEs
	Construct resource centers/libraries
	Erect memorial monuments to honor Maumau heroes and heroines
	Preserve culture heritage and hold cultural events
Lands, Housing Physical Planning Urban Development & Administration	Talent search and nurturing
	Undertake youth mentorship programme
	Conduct youth training on entrepreneurial and life skills
	Construct stadiums and play fields
	Conduct sporting activities/tournaments
Roads Transport Public Works and utilities	Establish fund for disability sports
	Construct and upgrading of markets,
	Construct modern markets, modern kiosks and bodaboda sheds
Roads Transport Public Works and utilities	Promote access to affordable credit facilities
	Promote cottage industries
	Reclaim all public lands
Roads Transport Public Works and utilities	Timely building approvals
	Digitize land registry
Roads Transport Public Works and utilities	Construction and maintenance of county access roads, bridges and bus parks
	Installation of Street lights
	Decongest towns by constructing slip roads

Annex 3: Summary of Sectors and Programmes

Sector Vote	Sector Name & Programmes
4061	County Assembly
	General Administration, Planning and Support Services
	Legislation, oversight and representation services
	Representation services
4062	County Executive
	General Administration, Planning and Support Services
	Government Advisory Services
4063	County Public Service Board
	Administration and Human Resource Planning
4064	Finance, ICT & Economic Planning
	General Administration, Planning and Support Services
	Public Finance Management Services
	ICT Services
4065	Administration & Public Service
	General Administration, Planning and Support Services
	Alcoholic Drinks Control and Rehabilitation
	Human Resource Management and Development Services
4066	Agriculture, Livestock & Cooperative Development
	General, Administration, Planning and Support Services
	Crop Development, Irrigation and Marketing services
	Livestock and Fisheries Development and Management
	Co-operative Development and Management
4067	Water, Environment Energy & Natural Resources
	Administration, Planning and support services
	Water Resources Management And Sanitation services
	Natural Resources ,Forest Conservation and Management
	Environmental Management and compliance
	Climate Change Mitigation and Adaptation
4068	Health Services
	Administration, Planning and Support Services
	Preventive and Promotive health services
	Curative and rehabilitative Health Services
	County Pharmaceutical Services
4069	Education, Culture & Social Services
	General Administration, Planning and Support Services
	Early Childhood and Vocational Training Development
	Gender, Culture and Social Services Promotion
4070	Youth Affairs, Sports & Communication
	General Administration, Planning and Support Services
	Youth Empowerment
	Sports
	Communication
4071	Lands, Housing Physical Planning Urban Development & Administration
	General Administration & support services
	Land Use Management, Valuation & Rating and Physical Planning
	Housing and Community Development
	Urban Areas Development and Administration
4072	Trade, Industrialization, Tourism & Investment
	Administration, Planning and Support Services
	Trade Development and Promotion
	Industrial and Entrepreneurship Development
	Tourism Development and Promotion
	Investment Development and Promotion
4073	Roads, Transport ,Public Works & Utilities
	Administration, Planning and Support Services
	Infrastructure Development and Maintenance
	Energy, Disaster Management, Fire, Safety and Rescue



**COUNTY GOVERNMENT OF KIAMBU
COUNTY ASSEMBLY OF KIAMBU**

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May 16, 2023

CERTIFICATE

APPROVAL OF THE 2023 COUNTY FISCAL STRATEGY PAPER

I, JOHN MWIVITHI MUGIE..... Clerk of the County Assembly, do hereby certify that pursuant, to the provisions of Section 117 of the Public Finance Management Act 2012, Regulation number 26 of the Public Finance Management (County Government) Regulation, 2015 and Standing Order 243, the House by a **resolution** passed on May 16, 2023 adopted the report of the Select Committee on Budget and Appropriations.

APPROVED RESOLUTIONS

I. Policy Recommendations

- i. That, the County Treasury should in future adhere to seek the views of the Commission on Revenue Allocation pursuant to Section 117(5) of the PFM Act, 2012 that states "*In preparation of the CFSP, the County Treasury shall seek and take into account the views of the Commission on Revenue Allocation before submission to the County Assembly.*"
- ii. That, to enforce commitment control, Departments should submit a quarterly projection of details of commitments by sub-programme/project to the County Treasury. The Treasury should ensure that its cash releases are aligned to those specific commitments;

- iii. That, the County Government continuously engage the National Government Agencies that are involved in revenue allocation to consider devolving more resources to the County that are commensurate to the cost-of-service delivery;
- iv. That, the County Treasury should commit to strictly adhere to the expenditure ceilings that will be approved in this report in order to avoid expanding the deficit while at the same time protect the key growth sectors;
- v. That, the County Government reviews the compendium of County Projects and ensure adequate counterpart funding and provision of funds for stalled projects before finalization of the budget estimates for the FY 2023-2024;
- vi. That, the County Executive should come up with strategies on how to reduce the County wage bill to 35% from 47% as provided for in section 107 of the PFM Act;
- vii. That, the County Government should put up measures to streamline management of casual workers and help manage the high wage bill. Additionally, the County Public Service Board *shall* play its role and regulate the engagement of persons on contract, volunteer and casual workers, staff of joint ventures and attachment of interns pursuant to Section 74 of the CGA, 2012;
- viii. That, the County Government through the Council of Governors initiate proposals to re-consider additional funding for the health sector;
- ix. That, the County Government considers pursuing staff rationalization programme aimed at ensuring that the recruitment of officers is solely done on critical areas of need;
- x. That, the County Government rolls out the staff performance management system to ensure that there is value for money paid as wages and further ensure productivity is achieved using minimal staffing needs;
- xi. That, the County Treasury develops a policy to enable the reduction of unproductive and non-targeted tax waivers and tax breaks in order to protect revenue. This should be submitted to the Assembly alongside the Budget Estimates for the FY 2023/2024 as well as the Finance Bill, 2023;
- xii. That, during finalization of the budget estimates for the FY 2023-2024, the County Treasury should provide the fiscal framework for the level of taxes anticipated into pre and post periods of FY 2023-2024, and in the medium term to guide on any own source revenue measures analysis and forecasts; and,

Signature: _____


Clerk of the County Assembly

- xiii. That, the financial year 2023-2024 budget estimates be submitted to the Assembly in a program-based format pursuant to Section 129 (2) (b) of the PFM Act, 2012 read together with regulation 26 (4) of the PFM (County Governments) Regulations, 2015 including a list of projects and their location. This should be reconcilable with the development ceilings.

II. Financial Recommendations

- i. That, the ceilings of each arm of government for the FY 2023-2024 be capped as follows:
- i. County Assembly – **Kshs. 1,569,783,227.00**
 - ii. County Executive – **Kshs. 19,466,303,251.00**
- ii. That, the Assembly approves the County’s own source of revenue for Financial Year 2023-2024 of **Kshs. 7,980,140,717;**
- iii. That, the aforementioned overall ceilings totaling to **Kshs. 21,036,086,478** comprise of the following:
- i. **Kshs. 14,311,353,742.00** for recurrent expenditure at 68% of the total budget;
and
 - ii. **Kshs. 6,724,732,736.00** For development expenditure at 32 % of the total budget.
- iv. That, these recommendations together with schedule I **SHALL** from the basis of the 2023-2024 Estimates of Revenue and Expenditure.

Signature: _____


Clerk of the County Assembly

Schedule 1: Budgetary Allocations for 2023 CFSP and the Medium Term

	Approved 2022-2023	Supplementary I - 2022-2023	Proposed 2023 CFSP	BAC Recomen.	Final 2023 CFSP Ceilings	Projections 2024-2025	Projections 2025-2026
RECURRENT	Amount	Amount	Amount	Amount	Amount	Amount	Amount
County Assembly	1,401,698,533	1,528,012,830	1,114,698,533	1,442,783,227	1,442,783,227	1,457,211,059	1,471,783,170
County Executive	341,580,991	341,580,991	361,702,495	386,702,495	386,702,495	390,569,520	394,475,215
Public Service Board	78,096,211	78,096,211	80,250,971	85,250,971	85,250,971	86,103,481	86,964,516
Finance ICT & Economic Planning	1,412,254,568	2,101,996,028	1,202,168,458	1,460,168,458	1,460,168,458	1,474,770,143	1,489,517,844
Administration and Public Service	835,988,341	835,988,341	836,796,444	841,796,444	841,796,444	850,214,408	858,716,553
Agriculture Livestock and Cooperative Development	463,162,497	453,291,686	496,777,238	501,777,238	501,777,238	506,795,010	511,862,960
Water Environment, Energy and Natural Resources	341,523,466	373,523,466	375,293,793	435,293,793	435,293,793	439,646,731	444,043,198

Health Services	4,874,439,927	5,371,557,842	5,873,034,385	6,738,034,38	6,738,034,385	6,805,414,729	6,873,468,876
Education Culture and Social Services	971,202,219	1,071,202,219	1,000,301,460	1,195,301,460	1,195,301,460	1,207,254,474	1,219,327,019
Youth, Sports & Communication	111,245,280	126,576,514	126,406,534	145,406,534	145,406,534	146,860,599	148,329,205
Land Housing Physical Planning Municipal & Urban Development	214,659,654	252,135,610	217,602,109	439,602,109	439,602,109	443,998,130	448,438,111
Trade, Industrialization , Tourism and Investment	145,502,334	145,502,334	123,408,607	128,408,607	128,408,607	129,692,693	130,989,620
Roads Public Works Transport & Utilities	394,755,348	394,755,347	435,828,021	510,828,021	510,828,021	515,936,301	521,095,664
Total	11,586,109,368	13,074,219,419	12,244,269,048	14,311,353,742	14,311,353,742	14,454,467,279	14,599,011,952
Development	Approved 2022-2023	Supplementary I – 2022-2023	Proposed 2023 CFSP	BAC Recomen.	Final 2023 CFSP Ceilings	Projections 2024-2025	Projections 2025-2026



County Assembly	100,000,000	100,000,000	-	127,000,000	127,000,000	128,270,000	129,552,700
County Executive	-	-	-	-	-	-	-
Public Service Board	-	-	-	-	-	-	-
Finance ICT & Economic Planning	203,861,778	158,762,592	257,966,018	257,966,018	257,966,018	260,545,678	263,151,135
Administration and Public Service	31,000,000	31,000,000	52,860,000	107,860,000	107,860,000	108,938,600	110,027,986
Agriculture Livestock and co-operatives Development	887,778,887	855,527,906	747,735,737	927,735,737	927,735,737	937,013,094	946,383,225
Water Environment Energy and Natural Resources	310,580,000	310,580,000	455,580,000	455,580,000	455,580,000	460,135,800	464,737,158
Health Services	821,636,481	621,636,481	821,636,481	961,636,481	961,636,481	971,252,846	980,965,374
Education Culture and Social Services	248,007,975	268,007,975	354,688,453	354,688,453	354,688,453	358,235,338	361,817,691

Youth Sports & Communication	175,538,853	175,538,853	186,071,184	186,071,184	186,071,184	186,071,184	187,931,896	189,811,215
Land Housing Physical Planning Municipal & Urban Development	280,000,000	241,293,664	294,281,719	419,281,719	419,281,719	419,281,719	423,474,536	427,709,282
Trade Industrialization Tourism & Investment	386,098,578	386,098,578	368,264,492	868,264,492	868,264,492	868,264,492	876,947,137	885,716,608
Roads Public Works Transport & Utilities	1,439,374,561	1,439,374,561	1,708,648,652	2,058,648,652	2,058,648,652	2,058,648,652	2,079,235,139	2,100,027,490
Total	4,883,877,113	4,587,820,610	5,247,732,736	6,724,732,736	6,724,732,736	6,724,732,736	6,791,980,063	6,859,899,864
Grand Total	16,469,986,481	17,662,040,029	17,492,001,784	21,036,086,478	21,036,086,478	21,036,086,478	21,246,447,343	21,458,911,816

