



COUNTY GOVERNMENT OF NANDI

COUNTY TREASURY

**COUNTY BUDGET REVIEW AND OUTLOOK PAPER
(CBROP)**

SEPTEMBER 2023

© County Budget Review and Outlook Paper (CBROP) 2023

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FOREWORD

The Nandi County Budget Review and Outlook Paper (CBROP) 2023 reviews budget implementation for FY 2022/2023 as well as projecting the broad outlook for County's development agenda for FY 2023/2024. The CBROP provides a reflection of fiscal framework for charting a strong basis for fiscal discipline and public funds accountability. The CBROP reminds us the need for maintaining an ideal balance between government receipts and expenditures.

The significance of C-BROP is that it ensures the County Government reviews its previous year's budget performance, the county and national economic-financial environment and how it's likely to impact on the level of future revenues and to set preliminary sector ceilings in the light of the review of revenues.

The 2023 Nandi County Budget Review and Outlook Paper (CBROP), has been prepared in accordance with section 118 of the Public Financial Management Act, 2012 presents the actual fiscal performance of the FY 2022/2023 as it makes comparisons to the budget appropriations for the same year as well as the updated economic and financial outlook to set out the broad fiscal parameters for preparation of the next budget.

The County is committed to enhancing participatory planning and budgeting. This increases communities' participation in development and programme /project ownership. The County will also improve on communicating budget allocation and performance to communities.

To strengthen the budget preparation process, the County government of Nandi will continue to embrace programme-based budgeting and deepen public financial reforms to increase efficiency and effectiveness in service delivery and value for money. Emphasis will be placed on implementation of development projects as these will spur growth of the local economy and improve the lives of the residents of Nandi County.

I call upon all to adhere to the schedule of activities and timelines as outlined in the Budget circular to enable finalization and appropriation of the FY 2024/2025 Programme Based Budget.

HILLARY SEREM
CECM, FINANCE AND ECONOMIC PLANNING

ACKNOWLEDGEMENT

The County Budget Review and Outlook Paper (CBROP) 2022 has been prepared in accordance with the Public Finance Management (PFM) Act, 2012 and its Regulations. The document provides the fiscal performance for the FY 2022/2023, the macro-economic projections and sets the sector ceilings for the FY 2024/2025 and the Medium-Term Expenditure Framework. The paper also provides an overview of how the actual performance of the FY 2022/2023 affected our compliance with the fiscal responsibility principles and the financial objectives spelt out in the PFM Act, 2012.

The preparation of this paper was a collaborative effort of various County Departments and Agencies. I thank H.E The Governor and H.E the Deputy Governor for their leadership and guidance. I also thank all the County Executive Committee Members and the Chief Officers for the coordination of their departments that ensured timely provision of useful data and information on execution of FY 2022/2023 budget.

I wish to thank the technical team from the sections of Budget, Economic Planning, Financial Reporting and Accounting who coordinated the development of this paper.

PRISCA JEPCHIRCHIR
CHIEF OFFICER
FINANCE AND ECONOMIC PLANNING

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LIST OF ABBREVIATIONS

CBROP	County Budget Review and Outlook Paper
CECM	County Executive Committee Member
CFSP	County Fiscal strategy Paper
CG	County Government
FY	Fiscal Year
PFMA	Public Finance Management Act
CIDP	County Integrated Development Plan
CADP	County Annual Development Plan
M & E	Monitoring and Evaluation
MTEF	Medium Term Expenditure Framework

Legal Basis for the preparation of the County Budget Review and Outlook Paper

The County Budget Review and Outlook Paper is prepared in accordance with Section 118 of the Public Financial Management Act, 2012, which states that:

1. A County Treasury shall-
 - a) prepare a County Budget Review and Outlook Paper in respect of the County for each financial year; and
 - b) Submit the paper to the County Executive Committee by 30th September of that year.
2. In preparing its county Budget Review and Outlook Paper, the County Treasury shall specify-
 - a. Details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;
 - b. The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent Budget Fiscal Strategy Paper;
 - c. Information on-
 - i. Any changes in the forecast compared with the County Fiscal Strategy Paper; or
 - ii. How actual financial performance for the previous financial year may have affected compliance with fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year; and
 - d. The reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviations and the time estimated to do so.
3. County Executive Committee shall consider the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, within fourteen days after its submission
4. Not later than seven days after the CBROP is approved by County Executive Committee, the County Treasury shall: -
 - a) Arrange for the paper to be laid before the County Assembly; and
 - b) As soon as practicable having done so, publish and publicize the paper.

Fiscal Responsibility Principles in the Public Financial Management Law

In line with the Constitution, the Public Finance Management (PFM) Act 2012 (section 107) sets out the following fiscal responsibility principles to ensure prudence and transparency in the management of public resources;

- 1) The county government`s recurrent expenditure shall not exceed the county government`s total revenue.
- 2) Over the medium term, a minimum of thirty percent (30%) of the county government budget shall be allocated to development expenditure
- 2) The county government`s expenditure on wages and benefits for public officers shall not exceed 35 percent (35%) of the county government`s total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly.
- 3) Over the medium term, the county government`s borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure
- 4) County debt shall be maintained at a sustainable level as approved by County Assembly.
- 5) Fiscal risks shall be managed prudently.
- 6) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

CHAPTER ONE

I. INTRODUCTION

1.1 Overview

This budget review paper has been prepared by the County Treasury through a collaborative and consultative process in line with the law and according to section 118 of the Public Finance Management Act, 2012. The County Budget Review and Outlook Paper (CBROP) contain a review of the fiscal performance of the financial year 2022/2023 and the updated macroeconomic forecasts.

The CBROP is a key document in linking policies, planning and budgeting. The document is expected to provide a summary of the national macroeconomic outlook and how this will affect the County's economic performance. In addition, it updates the County's changing priorities and it is the basic document that guides budget preparation and planning for County entities.

1.2 Objectives of CBROP

The 2023 CBROP provides a review of the previous fiscal performance and its impact on the financial objectives and fiscal responsibility principles set out in the latest County Budget Fiscal Strategy Paper (CFSP) prepared in line with the latest Budget Policy Statement (BPS). This together with updated macro-economic outlook provides a basis for revision of the current budget in the context of Supplementary Estimates and the broad fiscal parameters underpinning the next budget and the Medium-Term Expenditure Framework (MTEF).

The 2023 CBROP provides sector ceilings which will guide the budget preparation process for the FY 2024/2025 and the medium term. The sector ceilings are based on the overall resource envelope that is informed by the medium-term macro-fiscal projections.

1.3 Organization of the document

The paper is organized as follows: Section I provides an introduction and the legal basis for the preparation of the CBROP 2023. Section II provides a review of the fiscal performance in FY 2022/2023 and its implications on the financial objectives set out in the previous MTEF submitted to the County Assembly in June 2023. Section III provides brief highlights of the recent economic developments and updated macroeconomic outlook in the country. Section IV

provides the resource allocation framework, while Section V gives the conclusion and recommendations.

Chapter Two

REVIEW OF FISCAL PERFORMANCE IN FY 2022-2023

2.1 OVERVIEW

This section presents the County's fiscal performance focusing on deviations between actual and budgeted expenditure and revenue in the FY 2022/2023 combined with an analysis of the ways in which this performance affected the financial objectives set in the County Fiscal Strategy Paper (CFSP), 2022.

During the period under review, the County Government had a total budget of Ksh. 8,512,743,743 which comprised of Ksh. 6,104,461,286 as recurrent budget and Ksh. 2,408,282,457 as development budget. The fiscal performance was generally satisfactory despite shortfall in local revenue collection.

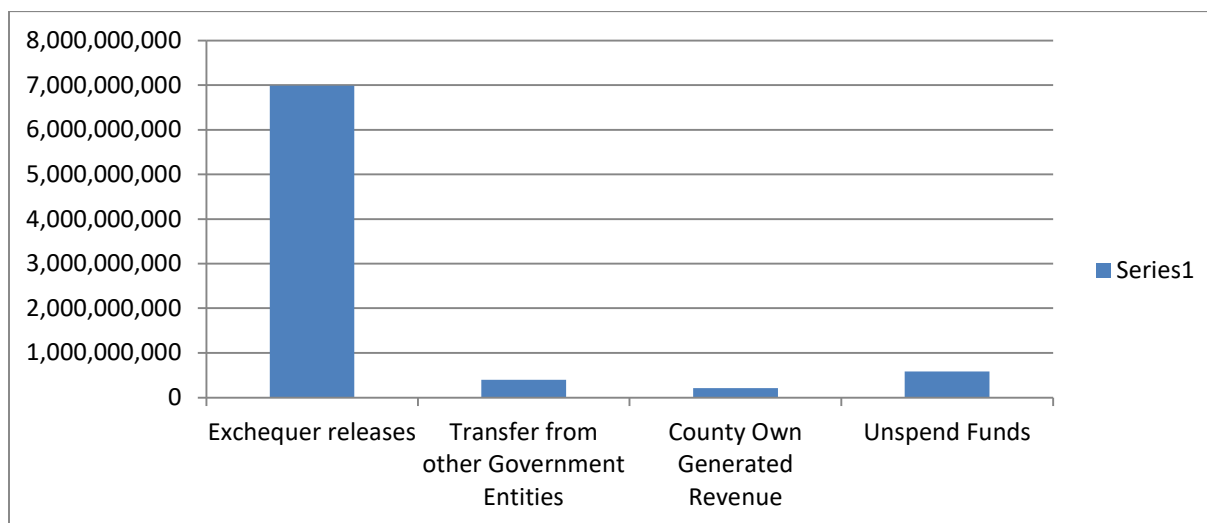
2.2 REVENUE PERFORMANCE

(i) Revenue

In the year ended 30th June, 2023, the County had projected revenues of Kshs.8,512,743,743 consisting of Kshs 373,234,444 from Own Source and Kshs.6,990,869,041 from other sources i.e equitable share, transfer from other government entities and proceeds from domestic and foreign grants.

I. A graphical representation of the revenue budget is as shown below:

1.0 Graph 1: Graphical Representation of the Budget



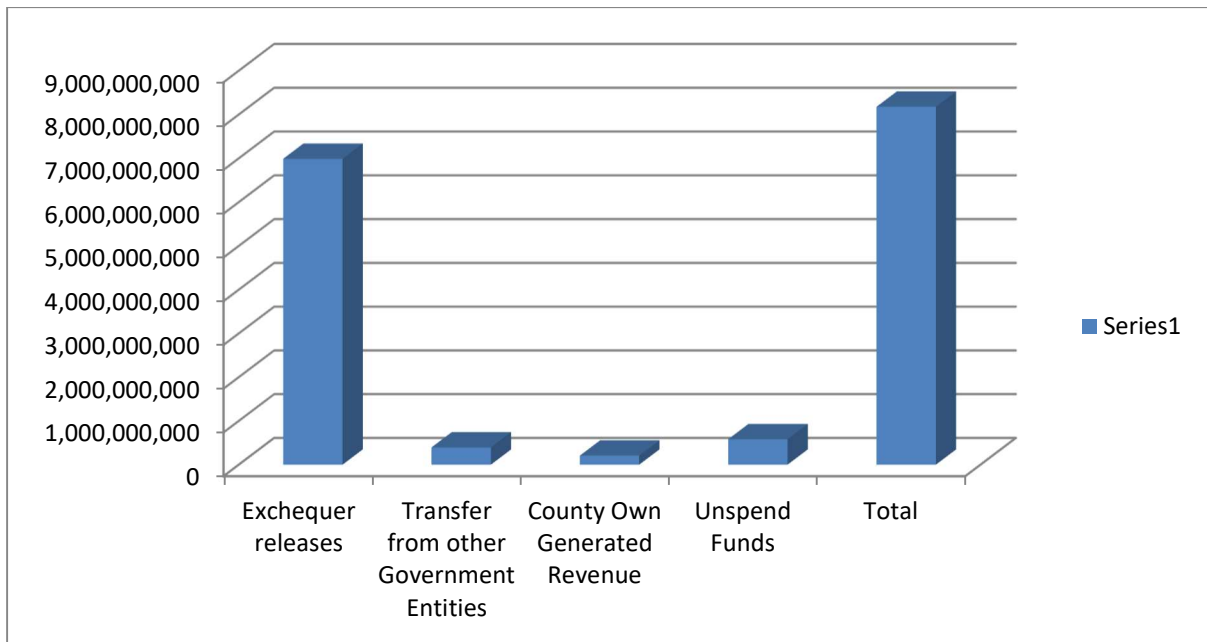
1.1 Figure 1: Nandi County revenue sources in FY 2022/2023

Sharable revenue continues to form the largest part of our revenue budget, contributing 82% towards our budget. Our own generated revenues formed 4% of our budget. In order to plug in the deficit, we projected revenue from opening balance and transfer from other government entities of 7 % and 6.5% respectively of our budget. Out of the projected revenue, the County was able to realize **Kshs.8,178,152,900** in actual revenues, representing 96% performance. This performance increased by 12% compared to previous financial year. In the table below, we present an analysis of revenue performance during the year.

Budget performance against actual amounts

Revenue classification	Budgeted (Kshs)	Actual (Kshs)	Realization (%)
Exchequer releases	6,990,869,041	6,990,869,041	100%
Proceeds from Domestic and Foreign Grants	-	-	-
Transfers from Other Government Entities	553,640,258	396,386,680	71%
Road Maintenance Fuel Levy	-	-	-
County Own Generated Receipts	373,234,444	207,854,160.41	55.69%
Unspent fund	595,000,000	583,043,019	97.99%
TOTAL	8,512,743,743	8,178,152,900.41	96%

Graph 2: Revenue Performance in FY 2022/2023



Local Revenue

Total actual local revenue collected amounted to Ksh. 207,854,160.41 against a target of Ksh. 373,234,444. The shortfall in local revenue in F/Y 2022/2023 was Ksh. 165,380,283.59 representing a 44.31% deviation from the original target.

External Revenue

For the period under review, the county was allocated equitable share amounting to Kshs. 6,990,869,041 from the National Government. In F/Y 2021/2022 the equitable share allocated to the county was Kshs. 6,990,869,041.

There was a positive progress of revenue performance for the first two quarters and part of quarter three in the year under review. The positive revenue performance was supported by enforcement exercise on revenue sources, the use of Health Management Integrated System (HMIS) in health facilities, Business Permits, Parking Fee, Land Rates, Kiborgok and Market fees.

2.3 Expenditure Performance

The total expenditure for the period under review amounted to Ksh 7,271,752,340 which is exclusive of the allocation to County Assembly as transfers to other Government Entities of Kshs.

689,072,186. This gives a total figure of Kshs. 7,960,824,526 against approved estimates of Kshs. 8,512,743,743 presenting an absorption rate of 93.5%.

Recurrent Expenditure

Total Recurrent Expenditure amounted to Kshs 5,727,018,326 against an approved budget of Kshs 6,274,375,009 reflecting an absorption rate of 91%.

Development Expenditure

Total cumulative development expenditure for the period under review amounts to Kshs 1,579,050,137 against an approved budget Kshs 2,691,174,800. This reflects an absorption rate of 59%.

2.4 Implications of 2022/2023 Fiscal Performance

Revenue and expenditure projections will be based on the macroeconomic assumptions contained in this CBROP and this will be firmed up in the County Fiscal Strategy Paper (CFSP), 2024. The County will not deviate from the fiscal responsibility principles, but will make appropriate modifications to the financial objectives contained in the CFSP, 2023 to reflect the changed circumstances.

The financial year 2022/2023 fiscal outturn has necessitated revision of the financial objectives to be set out in the next CFSP and the Budget for fiscal year 2024/2025 in the following ways:

- Low absorption of development funds have created a huge backlog of unimplemented projects which has been re-budgeted in the fiscal year 2023/2024 hence need for review of the development expenditure projections in the medium term. This huge surplus at the end of financial year is impacting negatively on our development index.
- Revenue and expenditure projections have been affected by payment of pending bills carried forward from 2022/2023 financial year, implying the need for adjustment in the fiscal aggregates for the current budget and the medium-term.
- The resultant surplus also implies low absorption capacities by the departments thus a need to adjust on timeliness of preparation of Bill of Quantities and procurement process.
- Under-performance in County own revenues and grants has shrunk the resource base thus necessitating adjustments in the fiscal aggregates for the current budget and in the MTEF period.

- Enhancing local revenues collection capacity, absolute automation of revenue collection and management and sealing of any revenue loopholes.
- Reforms to improve public resources utilization and budget execution.

Table i: Receipts and Payments

		2022-2023	2021-2022
	Notes	KShs	KShs
RECEIPTS			
Exchequer releases		7,279,260,501	7,523,401,547
Transfers from Other Government Entities			
County Own Generated Receipts		207,854,160.41	207,854,160.41
Returned CRF issues		-	11,401,302
TOTAL RECEIPTS		7,279,260,501	7,534,802,849
PAYMENTS			
Compensation of Employees		3,515,596,312	3,649,417,748
Use of goods and services		1,539,033,598	1,380,479,065
Subsidies		6,263,018	9,500,000

Transfers to Other Government Units		228,000,000	803,003,318
Other grants and transfers		592,320,651	392,680,715
Social Security Benefits			
Acquisition of Assets		1,390,538,761	1,080,487,617
TOTAL PAYMENTS		7,271,752,340	7,315,568,463
SURPLUS/DEFICIT		7,508,161	219,234,386

2.5 Fiscal Responsibility Principles

The fiscal responsibility principle on wages and remuneration as per the PFM Act of 2012 provides for utmost 35 percent of the total County budget. The proportion of actual salaries and remuneration expenditure on the overall expenditure was 46 percent. The actual performance on this fiscal principle was slightly higher than the stipulated percentage of 35 percent of the overall county budget by 11 percent.

STATEMENT OF RECEIPTS AND PAYMENTS

Table ii: CASH FLOWS

		2022-2023	2021-2022
	Notes	Kshs	Kshs
Receipts from operating income			
Transfers from the CRF	1	7,279,260,501	7,523,401,547
Miscellaneous receipts	2	-	-
Total receipts from operating income		7,279,260,501	7,523,401,547
Payments for operating expenses			

		2022-2023	2021-2022
	Notes	Kshs	Kshs
Compensation of employees	3	(3,515,596,312)	(3,649,417,748)
Use of goods and services	4	(1,539,033,598)	(1,380,479,065)
Subsidies	5	(6,263,018)	(9,500,000)
Transfers to other government entities	6	(228,000,000)	(803,003,318)
Other grants and transfers	7	(592,320,651)	(392,680,715)
Social security benefits	8	-	-
Finance costs, including loan interest	10	-	-
Other payments	12	-	-
Total payments for operating expenses		(5,881,213,579)	(6,235,080,846)
Net receipts/ (payments) from operations		1,398,046,922	1,288,320,700
Adjusted for:			
Prior year adjustments	17	(367,616,724)	
Decrease/(increase) in outstanding imprests & advances	18	-	(750,000)
Increase/(decrease) in deposits and retentions	19	-	(3,498,601)
Net cash flow from operating activities		1,030,430,198	1,284,072,100
Cash flow from investing activities			
Acquisition of assets	9	(1,390,538,761)	(1,080,487,617)
Net cash flows from investing activities		(1,390,538,761)	(1,080,487,617)
Cash flow from Financing activities			
Repayment of principal on domestic and foreign		-	-
Borrowing	11		
Net cash flow from financing activities		-	-

		2022-2023	2021-2022
	Notes	Kshs	Kshs
Net increase in cash and cash equivalents		(360,108,563)	203,584,483
Cash and cash equivalents at beginning of the year		573,945,875	370,361,392
Cash and cash equivalents at end of the year		213,837,312	573,945,875

Table iii: Portfolio Allocation 2022-2023 as per Printed Estimates
Macroeconomic outlook and policies

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfers from the CRF	7,530,693,484	-	7,530,693,484	7,279,260,501	251,432,983	97
Other receipts	-	-	-	-	-	-
Opening balance for Non-refundable bank balances in special purpose deposits accounts	252,794,921	-	252,794,921	206,329,151	46,465,770	82
Total	7,783,488,405	-	7,783,488,405	7,485,589,652	297,898,753	96
Payments						
Compensation of employees	3,755,359,007	-	3,755,359,007	3,515,596,312	239,762,695	94
Use of goods and services	1,539,033,598	-	1,539,033,598	1,539,033,598	-	100
Subsidies	10,000,000	-	10,000,000	6,263,018	3,736,982	63
Transfers to other government units	238,000,000	-	238,000,000	228,000,000	10,000,000	96
Other grants and	648,636,591	-	648,636,591	592,320,651	56,315,940	91

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
transfers						
Acquisition of assets	1,592,459,209	-	1,592,459,209	1,390,538,761	201,920,448	87
Total	7,783,488,405	-	7,783,488,405	7,271,752,340	511,736,065	93
Surplus/(Deficit)	0	-	0	213,837,312		

CHAPTER THREE

RECENT ECONOMIC DEVELOPMENTS AND MEDIUM-TERM OUTLOOK

3.1 GLOBAL AND REGIONAL ECONOMIC DEVELOPMENTS

World economic growth slowed to 3.5 percent in 2022 from a growth of 6.3 percent in 2021 as high global inflation, energy and value chain disruptions, and impact of monetary policy tightening in most world economies weighed on economic activity (Table iv). The growth is projected to slow down further to 3.0 percent in 2023 and 2024 due to the impact of ongoing monetary policy tightening to address inflationary pressures. Global inflationary pressures have responded to policy tightening but inflation exceeds central bank targets in most countries. Recent actions by authorities to contain banking sector challenges in the United States and Swiss Banking have reduced the immediate risk of financial sector instability. However, intensification of the conflict in Ukraine, volatility in the global oil prices and extreme weather-related shocks could weigh on the global economic outlook.

Table iv: Global Economic Performance

Economy	Growth (%)			
	Actual		Projected	
	2021	2022	2023	2024
World	6.3	3.5	3.0	3.0
Advanced Economies	5.4	2.7	1.5	1.4
<i>Of which: USA</i>	5.9	2.1	1.8	1.0
<i>Euro Area</i>	5.3	3.5	0.9	1.5
Emerging and Developing Economies	6.8	4.0	4.0	4.1
<i>Of which: China</i>	8.4	3.0	5.2	4.5
<i>India</i>	9.1	7.2	6.1	6.3
Sub-Saharan Africa	4.7	3.9	3.5	4.1
<i>Of which: South Africa</i>	4.7	1.9	0.3	1.7
Nigeria	3.6	3.3	3.2	3.0
Kenya*	7.6	4.8	5.5	5.6

Source: IMF World Economic Outlook, July 2023. *National Treasury Projection

Advanced economies are projected to record a slower growth of 1.5 percent in 2023 and 1.4 percent in 2024 from 2.7 percent in 2022. About 93 percent of the countries in the advanced economies are projected to have a lower growth in 2023 and 2024. This slowdown is largely driven by aggressive monetary policy tightening in advanced economies that have increased concerns about escalating financial markets uncertainty, particularly persistent high interest rates and vulnerability of the banking sector.

Growth in the emerging market and developing economies, is projected to be broadly stable at 4.0 percent in 2023 and 4.1 percent in 2024, although with notable shifts across regions. The sluggish global growth, high inflation rates and the challenging global and domestic financial conditions continue to weigh on the growth for sub-Saharan Africa region. The region economic growth is projected to slow down to 3.5 percent in 2023 from 3.9 percent in 2022, before picking up to 4.1 percent in 2024.

3.2 NATIONAL ECONOMIC DEVELOPMENTS

In the 10 years pre-COVID-19 pandemic, the economic growth averaged 5.0 percent whereas in the two years post COVID-19 pandemic the growth momentum picked up to average 6.2 percent. The Kenyan economy in 2022 demonstrated resilience in the face of severe multiple shocks that included the adverse impact of climate change, lingering effects of COVID-19, global supply chain disruption and the impact of Russia-Ukraine conflict. As such, the economic growth slowed down to 4.8 percent in 2022 from 7.6 percent in 2021.

In 2020, the economy received adequate rainfall that resulted in increased production in the agriculture sector growing by 4.6 percent. However, the country subsequently, experienced a severe climate related shock in the form of a severe drought that was also experienced in the Horn of Africa and the East African regions. The drought not only aggravated the inflationary pressures but also subjected millions of people to severe food insecurity, loss of lives, livelihoods and led to loss of livestock. This resulted in the contraction of the agriculture sector by 0.4 percent 2021 and 1.6 percent in 2022.

The performance of the industry sector slowed down to 3.5 percent in 2022 compared to a growth of 6.8 percent in 2021 on account of a slowdown in activities in the manufacturing, electricity and water supply and construction sub-sectors. In the year, services sector remained strong growing at 6.7 percent, with improved performance in information and communication, financial and insurance and professional, administrative and support services sub-sectors. There were also substantial growths in accommodation and food services, and transport and storage sub-sectors.

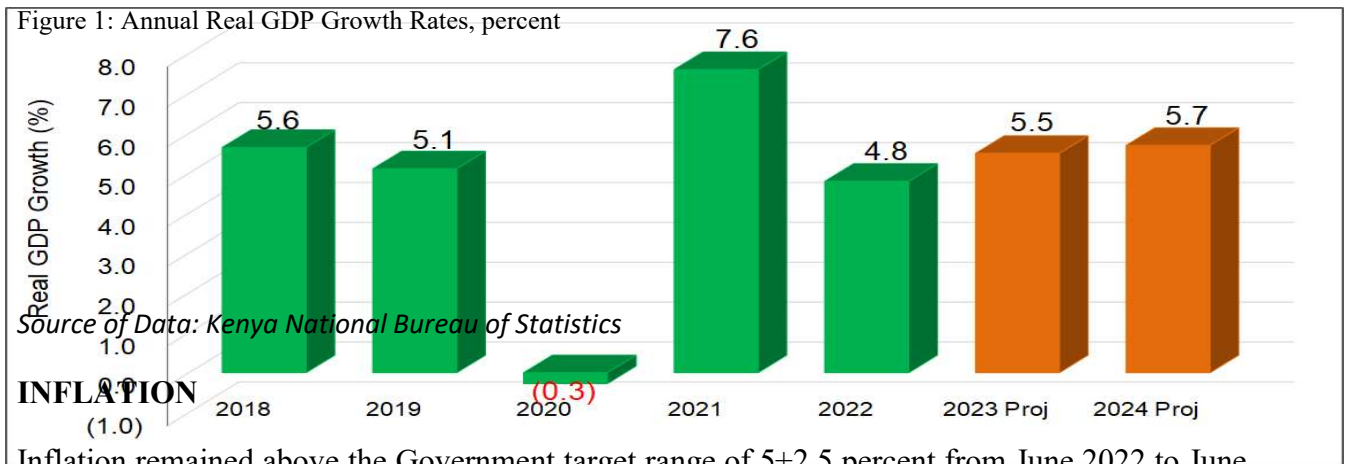
In the first quarter of 2023, real GDP growth was at 5.3 percent mainly due to a 5.8 percent recovery in the agricultural activities that reflected improved rainfall conditions and the impact of fertilizer and seed subsidies provided to the farmers by the Government (Table 15). The recovery in agriculture was reflected in enhanced production, especially of food crops that led to significant increase in export of vegetables and fruits.

Table v: Sectoral GDP Performance

Sectors	2021	2022	2023 Q1
1. Primary Industry	0.5	(1.0)	5.6
1.1. Agriculture, Forestry and Fishing	(0.4)	(1.6)	5.8
1.2 Mining and Quarrying	18.0	9.3	3.3
2. Secondary Sector (Industry)	6.8	3.5	2.4
2.1. Manufacturing	7.3	2.7	2.0
2.2. Electricity and Water supply	5.6	4.9	2.3
2.3. Construction	6.7	4.1	3.1
3. Tertiary sector (Services)	9.6	6.7	6.0
3.1. Wholesale and Retail trade	8.0	3.8	5.7
3.2. Accomodation and Restaurant	52.6	26.2	21.5
3.3. Transport and Storage	7.4	5.6	6.2
3.4. Information and Communication	6.1	9.9	8.7
3.5. Financial and Insurance	11.5	12.8	5.8
3.6. Public Administration	6.0	4.5	6.6
3.7. Others	10.8	5.2	4.9
of which: Professional, Admin & Support Services	7.1	9.4	7.3
Real Estate	6.7	4.5	5.2
Education	22.8	4.8	3.6
Health	8.9	4.5	5.4
Taxes less subsidies	11.9	7.0	4.4
Real GDP	7.6	4.8	5.3

Source of Data: Kenya National Bureau of Statistics

Available economic indicators in the first three quarters of 2023 remain strong with the continued recovery in the agricultural sector and sustained performance of the services sector. In this respect, economic growth is projected at 5.5 percent in 2023 and 5.7 percent in 2024 supported by broad-based private sector growth and sustained government investment in the nine priority value chains (Leather, Cotton, Dairy, Edible Oils, Tea, Rice, Blue economy, Natural Resources (including Minerals and Forestry), and Building Materials). Additionally, public sector investments in infrastructure and implementation of prudent fiscal and monetary policies will continue to support economic activity (Figure 8).



Inflation remained above the Government target range of 5 ± 2.5 percent from June 2022 to June 2023. In order to anchor inflation expectations and bring down inflation within the target range, the Monetary Policy Committee (MPC) gradually raised the policy rate (Central Bank Rate (CBR)) from 7.50 percent in May 2022 to 10.50 percent in June 2023. The MPC retained the 10.50 percent in August 2023. Consequently, inflation declined significantly to 6.7 percent in August 2023, from a peak of 9.6 percent in October 2022. The decline largely reflects the easing of food prices and impact of monetary policy tightening.

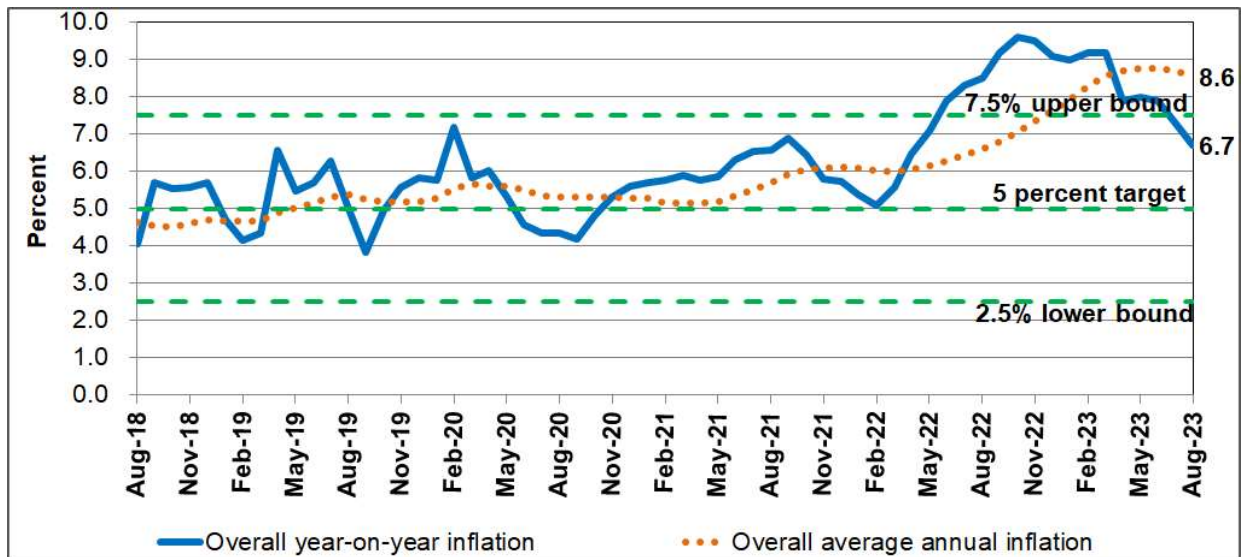
Food inflation remained the dominant driver of overall inflation in August 2023. However, it declined to 7.5 percent in August 2023 from a peak of 15.0 percent in August 2022 reflecting easing of food prices arising from increased supply due to ongoing harvests, seasonally factors, international developments and Government measures on zero rated imports. Nonetheless, sugar prices remained elevated driven by domestic and global factors.

Fuel inflation remained elevated driven by high energy prices. It increased to 14.2 percent in August 2023 from 8.6 percent in August 2022. The increase reflects gradual withdraw of the fuel subsidize from September 2022 and the upward adjustment of electricity tariff from April 2023. In addition, the upward adjustment of VAT on petroleum product in July 2023 from 8.0

percent to 16.0 percent exacted upward pressures on prices. However, prices of cooking gas continued to decline and moderated inflation reflecting the impact of the zero-rating of VAT on liquefied petroleum gas (LPG).

Core (non-food non-fuel) inflation increased from 3.2 percent in August 2022, to a peak of 4.4 percent in March 2023, and has declined to 3.7 percent in August 2023. The decline is attributed to the contractionary monetary policy aimed at taming the spillover effects of high energy prices.

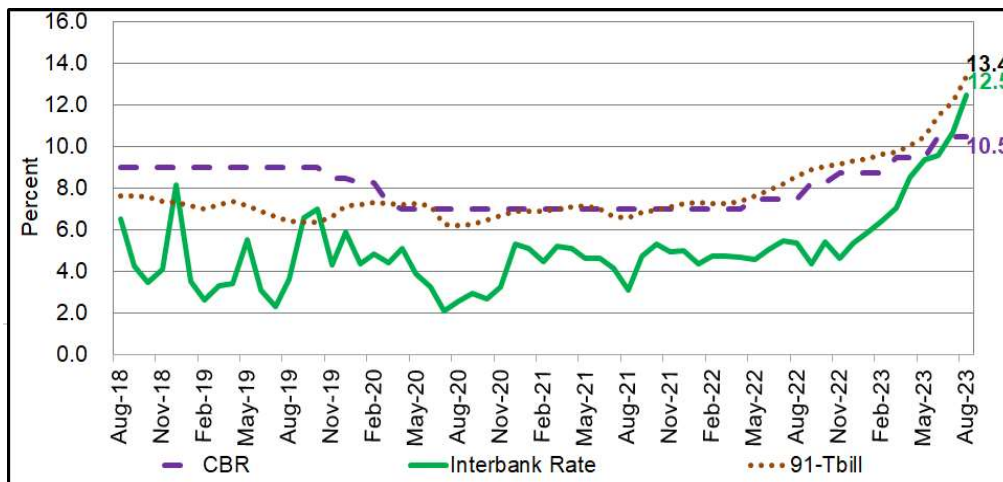
Figure 2: Inflation Rate, Percent



Source of Data: Kenya National Bureau of Statistics

INTEREST RATE DEVELOPMENTS

Reflecting the tight monetary policy stance, interest rates increased in the year to August 2023. The interbank rate increased to 12.5 percent in August 2023 compared to 5.4 percent in August 2022 while the 91-day Treasury Bills rate increased to 13.4 percent compared to 8.6 percent over the same period. The 182-day Treasury Bills rate increased to 13.4 percent in August 2023 from 9.5 percent in August 2022 while the 364-day also increased to 13.6 percent from 9.9 percent over the same period. The introduction of the interest rate corridor, in August 2023, is expected to align the interbank rate to the Central Bank Rate and thereby improve the transmission of the monetary policy.

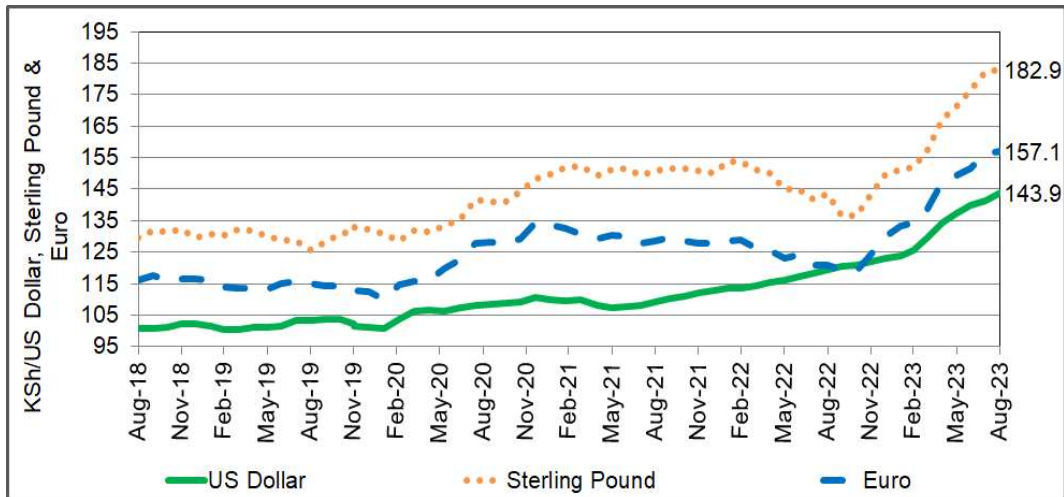


Source of Data: Central Bank of Kenya

EXCHANGE RATE

The Kenyan foreign exchange market remained under pressure as global economic uncertainty regarding the ongoing Russian-Ukraine conflict as well as increase in interest rates in advanced economies in response to inflationary pressures weighted on the exchange rate. Specifically, the headwind from a strengthening dollar, boosted by rising US interest rates and elevated commodity prices, the exchange rate to the Kenya shilling weakened at a rate of 20.5 percent in the 12 months to August 2023 compared to 9.3 percent in the 12 months to August 2022. The Kenya shilling exchanged at Ksh 143.9 in August 2023 compared to Ksh 119.5 in August 2022. Against the Euro, the Kenya shilling weakened to exchange at Ksh 157.1 in August 2023 compared to Ksh 121.0 in August 2022 while against the Sterling Pound the Kenyan shilling weakened to exchange at Ksh 182.9 compared to Ksh 143.5, over the same period (Figure 15). The Kenyan shilling was supported by increased remittances, adequate foreign exchange reserves and improved exports receipts.

Figure 3: Kenya Shillings Exchange Rate



Source of Data: Central Bank of Kenya

COUNTY ECONOMIC DEVELOPMENT GROSS COUNTY PRODUCT

Based on the Current prices, 2022 Nandi County Gross County Product stood at 194.18B up from 137.9B in 2018. This has mainly been contributed by Agriculture, Forestry and Fishing contributing at total of 106.7B, Transport and storage 16.56B and Public Administration and defence contributing 12.37B.

Nandi county has over the years maintained a contribution of 1.5% to the National Gross Domestic Product.

COUNTY SECTOR/PROGRAMME PERFORMANCE IN FINANCIAL YEAR 2022/2023

Administration, Public Service and ICT Sector

- In FY 2022,2023, general administration and support services programme targeted to improve town planning and management through acquisition of two waste disposal trucks. At the end of the planned period, one waste disposal truck was acquired.
- Under general administration and support services programme, Mosoriot bus park was tarmacked.
- ICT sub sector managed to train youth on digital literacy and online jobs at the County ICT center in Kapsabet
- Public participation and Civic Education was conducted across various departments for various policy and planning documents

Agriculture and Cooperative Development Sector

- In FY 2022/2023, crop production programme targeted to increase the number of coffee factories by establishing and equipping one coffee factory that is currently processing 1,200Kgs of coffee parchment per hour in Chebonet, Songhor/Soba ward. Constructed and equipped an avocado aggregation centre in Lolduga, Ollessos ward.
- The livestock development programme targeted to construct, equip and operationalize a complete turn-key milk processing plant in Kabiyeet. The plant is at 90% completion level and is estimated to be completed in FY 2023/2024. Seven cooling sites were also equipped and completed in the year. The milk coolers supplied, delivered and installed have a cumulative capacity of 12,000 Kgs of milk and has reduced the post-harvest losses. This will result in increased household income due to the intervention of value addition.
- Under the review period, the livestock development programme targeted to operationalize the chicken processing plant in Kapsabet. This was to help in the aggregation and collection of chicken in order to improve on quality and quantity. This was achieved and the processing plant is currently operational.
- In FY 2022/2023, livestock development programme targeted to renovate 9 cattle dips to reduce the prevalence of tick-borne diseases. The renovation was completed and the dips are operational.

Education and Vocational Training Sector

- The department of Education and Vocational Training has been working closely with the Kenya Institute of Curriculum Development, the Ministry of Education and the State Department for Vocational and Technical Training on the implementation of various policies and guidelines to ensure provision of smooth training services in a timely manner and in line with National policies and guidelines.
- During the FY 2022/2023, the department managed to complete 63 ECDE Centres. An additional 27 ECDE centres funded in FY 2018/2019, 2019/2020, 2020/2021 and 2021/2022 were ongoing at various levels of implementation across the county as at the end of the year.
- Access to basic education and vocational training was improved through completion of 12 VTC classrooms across the Vocational Training Centres and completion of stalled historical projects namely; Sang’alo VTC, Mogomben VTC, Kurgung VTC tuition block, Sigilai VTC twin workshop and one twin workshop in Chemelil potopoto.
- To increase access to education at all levels of education & training, the department managed to disburse bursaries to 9,547 needy students against a target of 8,500 students.

Sport, Culture and Heritage, Youth affairs, Gender and Social Welfare Sector

- In the period under review, the sports development programme targeted to facilitate six local competitions. Seven local competitions were supported including; the Mountain run, Kapsisisywa Girl child run, Cross-country championship both regional and county, Kicosca and Talanta Hela. Further, 300 sports equipment were issued against a target of 200 with 300 sports men and women teams benefiting. Equipping of Eliud Kipchoge modern athletics training camp is ongoing, conference and boarding facilities are fully equipped and operational.
- Youth development programme through the Youth Service Program aimed at providing employment through engagement of 723 youths across the County on casual basis to participate in community activities.
- The sector managed to fully renovate Jean Marie’s mausoleum as a way of recognizing the hero with a plan to collect artifacts and store them at the house. The project has however not served its intended purpose as it hosts pupils and staff of Kolelach Primary school.
- The annual Koitalel Samoei commemoration held in Nandi Hills was a success, celebrating heroes and heroines and providing a forum for various cultural practitioners to showcase their products.
- Through the economic empowerment programme for the vulnerable members of the community, the department provided various assistive devices to persons with disabilities. In collaboration with World Bank, constructed an empowerment center in Chemundu ward with ongoing equipping of the facility. The sector has also made deliberate efforts towards recognizing, sensitizing and empowering persons living with various disabilities. During the International Deaf Week and the International Disability Day, 200 wheelchairs were distributed and in partnership with Baraton University, 240 assistive devices were also distributed to beneficiaries across the County.

Health and Sanitation sector

- To enhance access to curative and rehabilitative health services, maternal mortality was reduced to 264/100,000 births in 2022 against a target of 250/100,000 births while neonatal mortality reduced to 4/1000 against a target of 3/1000
- In terms of access, the average distance to a health facility reduced from 10km to 6km while the proportion of mothers delivering in health facilities increased to 71% against a target of 68%. The proportion of facilities offering skilled delivery services increased to 37.8% against a target of 68% due to scaled up maternity services across the County. In addition, the Government continuously conducted outreach services and provided incentives to expectant mothers delivering in health facilities through Linda Mama medical cover and Mama packs.
- The percentage of fully immunized children increased to 80% against a target of 90% while the proportion of underweight children under five years reduced to 2.8% against a target of 7%. The proportion of stunted children under five years reduced to 16.6% against a target of 13%. These changes were mainly attributed to increased advocacy, awareness and training of nutrition personnel.
- To improve access to preventive and promotive healthcare, the number of referral cases from primary care units increased to 3824 while out of the County referral cases reduced to 200 against a target of 150. This is attributed to recruitment and training of over 400 health care workers, establishment of theatres, special regular clinics, an operational 5000m³ Oxygen plant and distribution of 300 Oxygen cylinders across the facilities in the County.
- The number of people screened for Tuberculosis increased to 107,984 against a target of 100,000 due to increased advocacy.
- Revenue collected from the health sector amounted to Ksh 187M . This is attributed to the Facility Improvement Fund and establishment of systems leading to efficient delivery of health services.
- Life expectancy of males/females improved to 60/70.4 against a target of 60.6/66.5 this is attributed to increased advocacy forums on nutrition and preventive health practices.
- To reduce the out-of-pocket expenditure by her residents, the County increased the number of households enrolled to National Health Insurance Fund (NHIF) /Universal Health Care Cover to 27,000 against a target of 50,000 This was achieved in collaborations with NHIF and the National Government.
- The following achievements were registered under expansion, completion, equipping and operationalization of health facilities across the County: Completion and operationalization of two trauma centres in Kabiyeet and Nandi Hills; Construction of new dispensaries; renovation and equipping of facilities across the County with in patient and lab equipment; ongoing construction of the Mother and Child Hospital complex in KCRH which is nearing completion; ongoing construction of Kobujoi, Meteitei and Chepterwai hospital complexes.
- In addition, the nurse-patient ratio increased to 67/100,000 against a target of 250/100,000 while the doctor-patient ratio increased 3-5/100,000 against a target of 27/100,000 as a result of recruitment of more doctors and nurses and training of specialized personnel.

Lands, Environment, Natural Resources and Climate Change sector

- In FY 2022/2023, the sector targeted to complete the preparation of the County Spatial Plan but was at 80% level of completion. The plan forms a basis for infrastructure provision, development control and investment across the county

- Under water resource management programme, increased water connectivity from 6000 households to 7000 households. This is as a result of drilling 12 boreholes, laying 10 KMs of pipe, construction of 14 water tanks and provision of 10 plastic tanks to vulnerable households.
- Under environmental conservation and protection programme, efforts were directed towards increasing the percentage of under vegetation cover and restoration of wetlands and riparian ecosystems from 26.2% to 35% through planting of 70,000 tree seedlings across the county and restoration of parts of Kipkongorwo, Kapkongony, and Kibirong swamps
- Percentage of land surveyed increased from 80% to 82% due to acquisition of modern survey equipment and operationalization of the Land Control Board.

Trade, Tourism, Industrialization and Enterprise Development Sector

- In FY 2022/2023, domestic trade was developed and promoted through establishment of open-air fresh produce markets, operationalization of rural market stalls, construction of market sanitation facilities and construction of Boda-boda shades across the county in a bid to increase access to goods and services.
- On promoting fair trade practices in the county, calibrated and verified weighing and measuring instruments across the various business which enhanced consumer protection and improved fairness in the business community.
- With the establishment of the county textile and apparel unit in Mosoriot, progress is expected to be realized in the industrial development sector through expansion of employment opportunities to the residents as well as attract investors.
- Other achievements in the FY 2022/2023 include; establishment of an incubation centre in Kapsabet and the construction of Jua kali shades at Kobujoi, Chepterwai, Maraba, Kurgung and Lessos.

Transport, Public Works and Infrastructure sector

- In FY 2022/2023, the road and transport programme improved accessibility within the county by grading 437.5km, gravelling 65km, installing 800m of culverts and constructing 2 box culverts.

Kapsabet Municipality sector

- On the general administration and support services programme, town planning and management improved through acquisition of one waste disposal truck and 12 waste disposal bins.

Finance and Economic Planning sector

- Conducted Public participation in all the 30 wards of the county to identify priority projects for the CIDP 2023- 2027and ADP 2023/2024.

- Conducted Public Participation in all the six sub counties during the FY 2023/2024 budget making process.
- Key policy documents for planning and budgeting developed including; The County Integrated Development Plan (2023-2027), Annual Development Plan 2023/2024, County Budget Review and Outlook Paper, County Fiscal Strategy Paper 2023, Financial Statements, Annual Estimates and Reports, Finance bill.
- Achieved 60% automation of procurement processes
- Developed a county data desk platform
- During the financial year 2022/2023, the amount of own source revenue collected increased from KShs. 286 M to Kshs. 349 M. This was as a result of partnership with National Bank of Kenya for upgrading of the revenue system, acquisition of addition 15 Point of Sale (POS) gadgets, automation of 27 revenue streams and identification of 17 new revenue streams.

County Assembly

The County Assembly of Nandi since its inception endeavoured to construct modern County Assembly chambers and related amenities and to date; a land mark building has come up in the background of the current Assembly location and is 95% complete. Key development project apart from the Construction of the modern County Assembly chambers includes but has not been limited to the purchase of land for the construction of the Speaker's residence. In order to ensure responsible competition practices, the county Assembly has made every effort to advertise all its procurement opportunities as well conducting public participation in approving all its bills and amendments of laws. In this connection, the County Assembly currently has cleared all its recurrent expenditure pending bills and only has a total of KShs. 21,832,222, a very insignificant 2.91% of its total budget.

Implementation of 2022/2023 budget

The implementation of FY 2022/2023 budget was affected by the delay in exchequer disbursements. Which eventually affected the implementation of the budget.

Efforts to increase revenue collection remain a priority. The County Directorate of Revenue is currently working on strategies to ensure the actual revenue collection is optimized to match the County revenue potential. Some of the strategies being adopted include mapping of the business premises to generate an inventory of businesses,

conducting of the valuation rolls for land and proper rating purposes and upgrading of the revenue system.

CHAPTER FOUR
RESOURCE ALLOCATION FRAMEWORK
4.1 Adjustments to FY 2023/24 Budget

Adjustments to the 2023/2024 budget will also take into account actual performance of expenditure so far and absorption capacity for the remainder of the financial year. Because of the resource constraints faced, the county government will rationalize expenditures. In the event of expenditure pressures, the County Government will rationalize expenditures by implementing only priority projects and programmes.

These may include slowing down or reprioritizing development expenditures and downscaling operational costs as some of the austerity measures.

In addition, the implementation pace in the County spending entities continues to be a source of concern especially with regard to the development expenditures and uptake of resources. The County treasury will closely monitor these risks and take appropriate measures in the budget reviews.

Though revenue collection has been below target in the previous financial years, there was an increase in the revenue collected in FY 2022/23. The County has put in measures to enhance own source revenue collection in FY 2023/2024 in order to ease expenditure pressure.

4.2 MEDIUM TERM FISCAL FRAMEWORK
Revenue projections

The FY 2024/2025 budget estimates is Ksh. 9.712 Billion excluding balance brought forward. The assumption is that revenue received will be absorbed 100 percent. As indicated above, this performance will be affected by the reforms in the County revenue administration. Revenue projections from the National Government of Ksh. 7.524 Billion is expected to remain the same. Table vi presents the County Resource Envelope for FY 2024/2025 .

Table vi: County Resource Envelope for Financial Year 2024-2025

CODE	REVENUE ITEMS	2021-2022	2022-2023	2023-2024	2024-2025
1	Total Anticipated Revenue	8,965,549,809	7,270,203,341.00	9,363,316,922	9,712,548,775
1.1	Local Revenue	387,106,430	279,334,300	515,557,531	541,335,408
1520100	Land Rates	42,184,423	26,224,400	92,284,080	96,898,284
1520500	Plot Rent/House rent	1,257,694	1,292,018	2,292,780	2,407,419 0
1420328	Single Business Permits	43,954,440	30,322,076	60,123,000	63,129,150 0
1420328	Liquor Licensing	14,383,114	12,548,245	15,468,200	16,241,610
1420405	Market Fees	15,587,938	10,870,808	17,840,000	18,732,000
1330405	Agriculture	6,931,003	2,241,776	5,980,120	6,279,126
1420345	Cess	22,529,356	12,775,383	65,585,324	68,864,590
1420507	Kiborgok Tea Proceeds	19,612,948	10,497,402	15,807,362	16,597,730 0
1580401	Slaughter Fees	661,053	836,776	856,226	899,037
1550105	Kiosks & stalls	5,840,001	7,332,406	7,592,406	7,972,026
1550000	Trade Fair	1,660,270	-	6,500,300	6,825,315
1420404	Parking Fees	46,098,288	30,035,808	48,700,060	51,135,063
1450100	Veterinary	3,831,073	3,849,060	4,049,460	4,251,933
1580100	Health and Sanitation(A-I-A)	151,872,821	120,661,799	155,231,711	162,993,297 0
1420403	Sewerage and Water	536,267	578,319	678,719	712,655 0
1530000	Advertising	2,266,269	1,868,695	2,168,295	2,276,710
1530000	Physical Planning	1,079,176	1,566,045	6,866,044	7,209,346
1530000	Weights % Measures	1,618,764	1,049,068	1,549,168	1,626,626 0
1530000	Tourism and Co-op Development	1,162,190	871,126	1,271,226	1,334,787
1530000	Hire of Exhauster	1,187,094	902,650	1,102,650	1,157,783
1530000	OTHER FEES	2,852,248	3,010,440	3,610,400	3,790,920

1.2	GOVERNMENT FUNDING	7,899,732,213	6,990,869,041.0 0	7,853,823,805	7,524,453,423
1.2.1	CRF Balances	989,363,172		548,529,220	
1.2.2	CRA EQUITABLE SHARES	6,990,869,041	6,990,869,041.0 0	7,305,294,585.00	7,524,453,423
1.3	Conditional allocations from NG			286,000,326	
1.3.1	Establishment of the Industrial park			100,000,000	100,000,000
1.3.2	COMPENSATION OF USER FEE				
	Fertilizer Subsidy Programme			128,705,606	128,705,606
	Livestock Value Chain Support Project			57,294,720	57,294,720
	Unconditional Allocations from National Government			55,110,901	55,110,901
	Minerals Royalties			55,110,901	
1.4	Conditional Allocations from Development partners	598,211,166		652,824,359	
1.4.1	DANIDA -HSPS3	11,851,125		24,759,750	24,759,750
1.4.2	KDSP - World Bank	82,682,844			-
1.4.3	W.B - Transforming of Health Systems	118,895,815			-
1.4.4	W B. -National Agricultural and Rural Growth Project			150,000,000	150,000,000
	IDA (WORLD BANK). -National Agricultural Value Chain Development project (NAVCDP)	297,105,136			-
	IDA (WORLD BANK). -National Agricultural Value Chain Development project (NAVCDP)			250,000,000	250,000,000
1.4.5	Other Loans and grants	14,000,000			-
	Nutrition International			35,500,000	35,500,000

	Kenya Urban				-
1.4.6	Support project (KUSP)				-
1.4.7	European Union Water Tower Programme				-
1.4.8	Food and Agriculture Organization				-
1.4.9	KISIP-Kenya Informal Settlements Improvement Project	50,000,000		50,000,000	50,000,000
1.4.10	Financing Locally Led Climate Action (FLLoCA)			126,000,000	126,000,000
	FLLoCA County Climate Institutional Support (CCIS) Grant			11,000,000	11,000,000
1.4.11	Transfer for Library Services			5,047,663	5,047,663
1.5.0	ASDSP	23,676,246		516,946	516,946
1.51	LEASING OF MEDICAL EQUIPMENT	153,297,872			

Going forward, and in view of the macro-economic outlook, MTEF budgeting will entail adjusting non-priority expenditures to cater for the priority sectors. The MTEF priorities will be guided by the following criteria in resource allocation:

- i. Completion and operationalization of flagship projects with high impact on the County economy including the Mother and Child Hospital Complex in Kapsabet County Referral Hospital, Nandi Cooperative Creameries in Kabisyet, Kipchoge Sports Complex in Kapsabet, Nandi Textile and Apparel Unit in Mosoriot, coffee factory in Tinderet and Nandi County Aggregation and Industrial Park in Chemase.
- ii. Completion and operationalization of ongoing projects and programmes in the county
- iii. Implementation of programmes and projects identified under the Nandi County Equitable Development Act, 2023.
- iv. Cost effectiveness and sustainability of programmes
- v. Degree to which a programme addresses core poverty intervention
- vi. Linkage of the programme with the objectives of the County Integrated Development Plan 2023-2027.
- vii. Linkage of the programme with the priorities of Medium-Term Plan IV of the Vision 2030

**Table vii: SUMMARY OF THE MTEF EXPENDITURE ESTIMATES FOR THE FINANCIAL YEAR
2024/2025**

SUMMARY OF THE MTEF EXPENDITURE ESTIMATES FOR THE FINANCIAL YEAR 2024-25						
VOTE TITLE	PE Est	Rec Est	Other op Est	Dev Est	Total Est	%
COUNTY EXECUTIVE	151,176,932	310,499,383	6,210,000	74,360,000	542,246,316	5.6
HEALTH AND SANITATION	2,495,786,294	511,300,091	6,210,000	318,673,142	3,331,969,528	34.3
PUBLIC SERVICE AND LABOUR	36,504,074	8,311,516	1,035,000	0	45,850,590	0.5
COUNTY ASSEMBLY	512,816,759	303,207,340	8,870,343	104,000,000	928,894,442	9.6
KAPSABET MUNICIPALITY	0	9,656,550	2,070,000	74,880,000	86,606,550	0.9
OFFICE OF THE COUNTY ATTORNEY	31,628,876	30,466,615	103,500	0	62,198,991	0.6
FINANCE AND ECONOMIC PLANNING	199,772,315	276,831,450	8,280,000	73,840,000	558,723,765	5.8
ADMINISTRATION, PUBLIC SERVICE AND e-Government	107,131,880	188,788,946	9,739,350	58,761,872	364,422,048	3.8
AGRICULTURE AND CO-OPERATIVES DEVELOPMENT	260,851,185	17,875,267	4,657,500	850,127,483	1,133,511,434	11.7
SPORTS, YOUTH AFFAIRS ,CULTURE AND HERITAGE	48,921,289	81,351,822	1,294,371	82,232,450	213,799,931	2.2
EDUCATION AND VOCATIONAL TRAINING	299,909,069	140,770,764	1,190,250	264,984,854	706,854,937	7.3
LANDS, ENVIRONMENT, NATURAL RESOURCES AND CLIMATE CHANGE	83,275,609	18,835,965	4,140,000	512,146,503	618,398,078	6.4
ROADS, TRANSPORT AND INFRASTRUCTURE	86,527,395	30,738,757	33,640,839	457,170,411	608,077,402	6.3
TRADE, TOURISM, INDUSTRIALIZATION AND ENTERPRISE DEVELOPMENT	44,977,948	31,545,579	1,449,000	433,022,236	510,994,764	5.3
TOTALS	4,359,279,625	1,960,180,045	88,890,153	3,304,198,952	9,712,548,775	100
Percentage Allocation	44.88	20.18	0.92	34.02	100.00	

Expenditure Forecasts

In FY 2024/2025, overall expenditure is projected to be KES 9.712 Billion which is a slight increase from the approved estimate of KES 9.636 Billion in the FY 2023/24 budget.

Recurrent expenditures have increased due to increase in salaries and wages as a result of yearly increment, conversion of Terms of Service for officers from Contract to Permanent and promotions of personnel in the County government.

Out of the total budget estimates of KES. 9.712 Billion, development budget proportion is 34.02 per cent.

Expenditure Drivers

Development initiatives that will be implemented in the coming Fiscal Years are contained in the County Integrated Development Plan (CIDP) 2023-2027 whose development proposals were identified by stakeholders through a consultative process. All the sectors in the county had priority development proposals identified. These proposals will drive expenditures Medium Term. These expenditure drivers in the respective areas will include;

i. Infrastructural developments in Roads, Access to clean water and Environmental Conservation

The county will scale up investment in infrastructure by upgrading existing roads to bitumen standard, conducting routine maintenance of existing roads, and opening up of new roads which aims to significantly reduce the cost of doing business and therefore facilitate high returns and poverty reduction in the county. In partnership with the National Government, focus will be given enhancing water infrastructure through construction of large-scale water projects including Keben, Kabiyet, Nandi hills, Kombe and Keses water projects. The government will also establish rural water Company to manage the water projects, revamp Kapsabet Nandi Water and Sanitation Company, continue drilling bore holes and strengthen water governance through construction of a Maji house. Focus will also be given construction of low cost housing to close the housing gap in the county, environmental conservation and physical land use planning.

Priority will also be given investments that focus on promoting talent through operationalization of the Eliud Kipchoge Sports Complex, completion of Kipchoge and Nandi Hills Stadiums, and improvement of various sport fields across the county.

ii. Healthcare Services

The county seeks to increase investment in healthcare services through completion and equipping of the Mother and Child hospital complex (MCH) in Kapsabet and other hospital complexes in the sub counties namely; Kapseng'ere, Kobujoi, Serem, Meteitei, Nandi Hills and Chepterwai. Completion and equipping of all health facilities in the county and supplying them with essential drugs and non-pharmaceuticals will also be prioritized.

iii. Quality Early Childhood Education and Vocational Training

In the sector, priority will be accorded construction, renovation and equipping of ECDE centers/classrooms across the county. Further, attention will be given the school feeding programme for the preprimary school learners and infrastructural development in Vocational training centres in the County. The Government will also enhance allocation for bursaries to increase the number of students benefiting from the kitty.

iv. **Boosting agricultural productivity to ensure food security and overall poverty reduction**

In the Medium Term, value addition of crop and livestock products will be prioritized through operationalization of the Nandi Cooperative Creameries in Kabiyet, operationalization of the milk cooling plants, operationalization of the coffee milling factory at Chebonet in Tinderet, establishment of chicken slaughter house, operationalization of avocado aggregation centres in addition to provision of farm input subsidy, breeding, enhance agricultural mechanization and enhance surveillance and management of animal disease.

v. **Trade, Tourism and industrial development**

Trade has a high potential to spur the county economy through employment creation and it is for this reason that focus has been given completion and operationalization of the Nandi textile and apparel unit in Mosoriot, development of the County Aggregation and Industrial Park in Chemase, development of market infrastructure, establishment of county biashara enterprise fund, development of e-commerce, leather and jua kali industries. Strategies to develop tourism infrastructure to attract both local and international visitors will be put into consideration and will entail; rehabilitation of existing sites and marketing the existing tourism attractions.

vi. **Enhance service delivery through automation**

The Government is alive to the need to embrace digital economy in a bid to enhance business and service delivery. Mapping of the county products will be done and an E-Commerce platform created to digitally showcase what Nandi has to offer. Priority will be given extension of internet connectivity, construction of ICT centres in sub counties, construction of administrative ward offices, upgrade on automation of revenue and other critical services through system developments. To enhance revenue collection, valuation rolls for land and property rates will be done in the Medium Term.

vii. **Urban Planning**

Urban planning plays a critical role in the development and growth of urban areas. To further improve urban planning, priority will be given upgrading of Nandi Hills and Mosoriot towns to municipality status. This will be achieved through improvement of the socio-economic infrastructure in the towns that include establishment of a modern market complex in Kapsabet, extension of sewer lines, rehabilitation of parks and gardens, improvement of road network, construction of markets amongst others.

CHAPTER FIVE

CONCLUSION AND WAY FORWARD

The fiscal outcome for 2022/23 does not affect the County objectives as laid out in the last County Fiscal Strategy Paper of February 2023 over the Medium Term but has implication on the current budget because of the Works in Progress carried forward from the 2022/23 budget. Going forward, the set of policies outlined in this Paper reflect the changed circumstances and are broadly in line with the fiscal responsibility principles outlined in the PFM Act. They are also consistent with the National Government's strategic objectives and the County Government's strategic objectives pursued by the County Government as a basis of allocation of public resources.

The improved revenue performance in the FY 2022/23 offers a strong base for supporting the expenditure estimates in the FY 2024/25 and the Medium Term Budget. To strengthen the economic recovery, the budget for FY 2024/25 and the medium term will focus on revenue mobilization in order to reduce the fiscal deficit.