COUNTY GOVERNMENT OF UASIN GISHU

THE COUNTY TREASURY

COUNTY FISCAL STRATEGY PAPER (CFSP) 2023

IMPLEMENTING *NGUZO KUMI* TOWARDS ACCELERATED SOCIO-ECONOMIC TRANSFORMATION

FEBRUARY 2023

A County of Opportunities for all in Kenya and Beyond

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FOREWORD

The 2023 County Fiscal Strategy Paper (CFSP) is the first to be prepared under the new Administration of H.E. Hon Johnathan Bii and it sets out the county government's priority programmes and policies for the medium-term. The 2023 CFSP is aligned with the *Nguzo Kumi* pillars and has been prepared at a time the county is finalizing its Third Generation County Integrated Development Plan (2023-2027).

The 2023 CFSP is prepared against a background of a global economic slowdown underpinned by the ongoing conflict in Eastern Europe, rising inflation, climate change-related supply chain disruptions, and prolonged negative effects of the Covid-19 pandemic. Although the Kenyan economy rebounded strongly in 2021 after the easing of the Covid-19 restrictions, the momentum has however been disrupted by the rising commodity prices and the recurring drought which has hampered the economy from realizing its full potential. These constraints have also affected counties struggling to meet local revenue collection targets, huge unpaid pending bills, many incomplete projects, and ballooning wage bills, among others.

Therefore, the county will pursue a growth-friendly fiscal stance aimed at enhancing local revenue collection and curtailing non-core expenditures to ease these challenges. Resources will be aligned to programmes in the CIDP III with a particular focus on the *Nguzo Kumi* transformative agenda to accelerate growth, employment creation, and poverty reduction. As such, detailed budgets of all county departments and entities will be scrutinized to ensure they are aligned with these goals. Further, prioritizing high-impact investment expenditures, reducing the growth of recurrent budgets and ensuring completion of ongoing projects will be emphasized so that residents can benefit from such public investments.

In FY 2023/24 and over the medium term, the key focus will be on increasing access to potable water for domestic and industrial use; providing quality health care to all residents; increasing agricultural productivity; promoting trade and industrialization; strengthening cooperative movement; providing quality education and training; and building reliable transport infrastructure. Special focus will also be placed on initiatives that support innovations, value addition, access to credit, climate action, and women and youth empowerment.

Therefore, the policy measures outlined in the 2023 CFSP are expected to drive the county's transformative agenda over the medium term.

Mr. Micah Rogony

CECM – DEPARTMENT OF FINANCE & ECONOMIC PLANNING

ACKNOWLEDGEMENT

The 2023 County Fiscal Strategy Paper (CFSP) is prepared in compliance with Section 117 of 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 government spending plans as a basis for the FY 2023/24 MTEF budget.

This document was prepared in a participatory manner. It involved all the county government departments and entities with the Department of Economic Planning coordinating the overall preparation. I wish therefore, to take this opportunity to thank Mr. Micah Rogony (CEC member for Finance and Economic Planning) and Mr. Philip Meli (Economic Advisor) for their guidance throughout the process and the staff in the line departments and other entities for their inputs and contribution in the document's preparation. Special thanks also go to the Planning team for their time and effort in putting together this Paper.

Finally, as a department, we register our special appreciation and gratitude to His Excellency the Governor and His Excellency the Deputy Governor and the entire County Executive Committee for providing leadership in which the developmental aspirations of our county continue to prosper.

CPA Millicent Okonjo

CHIEF OFFICER – DEPARTMENT OF ECONOMIC PLANNING

ABBREVIATIONS AND ACRONYMS

AI	:	Artificial Insemination
ADP	:	Annual Development Plan
ARD	:	Agriculture and Rural Development
ATC	:	Agricultural Training College
BPS	:	Budget Policy Statement
CBD	:	Central Business District
CBROP	:	County Budget Review and Outlook Paper
CCTV	:	Closed Circuit Television
CEC	:	County Executive Committee
CFSP	:	County Fiscal Strategy Paper
CIDP	:	County Integrated Development Plan
CoK	:	Constitution of Kenya
COVID	:	Corona Virus Disease
CRA	:	Commission of Revenue Allocation
DMSP	:	Debt Management Strategy Paper
ECDE	:	Early Childhood Development Education
ELDOWAS	:	Eldoret Water & Sewerage Company
ERP	:	Enterprise Resource Planning
FLLoCA	:	Financing Locally Led Climate Action
FY	:	Financial Year
GDP	:	Gross Domestic Product
GECA:	:	General Economic and Commercial Affairs
GIS	:	Geographical Information System
HF	:	Health Facilities
HR	:	Human Resource
ICT	:	Information Communication Technology
IDC	:	Industrial Development Centres
IFMIS	:	Integrated Financial Management Information System
KM	:	Kilometers
KSh	:	Kenya Shillings
KSG	:	Kenya School of Government
LPDP	:	Local Physical Development Plan

M&E	:	Monitoring and Evaluation
MSMEs	:	Micro, Small and Medium Enterprises
MTEF	:	Medium Term Expenditure Framework
NHIF	:	National Health Insurance Fund
NRWWDA	:	North Rift Water Works Development Agency
NSE	:	Nairobi Stock Exchange
OSR	:	Own Source Revenue
PE	:	Personnel Emoluments
PFM	:	Public Finance Management
PPP	:	Public Private Partnership
PWD	:	People with Disability
RMNCAH	:	Reproductive Maternal, Neonatal, Child and Adolescent Health
SCH	:	Sub County Hospitals
SGBV	:	Sexual Gender Based Violence
SME	:	Small Medium Enterprise
SRC	:	Salaries and Remuneration Commission
TAC	:	Teachers Advisory Centre
TVET	:	Technical and Vocational Education and Training
UGCED	:	Uasin Gishu County Equitable Development
UHC	:	Universal Health Care
USA	:	United States of America
USD	:	United States Dollar
VTC	:	Vocational Training Centres

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FACTS ABOUT COUNTY FISCAL STRATEGY PAPER

County Fiscal Strategy Paper (CFSP) is the primary financial policy document that sets out broad strategic priorities and policy goals to guide the county government in preparing the budget for the next financial year and over the medium term.

In the paper, application of fiscal responsibility principles reflects prudent and transparent management of public resources in line with the Constitution of Kenya (CoK) and the Public Finance Management (PFM) Act, 2012.

The CFSP 2023 has been prepared pursuant to Section 117 of the PFM Act 2012, which section requires the County Treasury to prepare the County Fiscal strategy Paper and submit to the County Executive Committee for approval, then submit the approved CFSP to the County Assembly by 28th February of each year. Sections 117, 107 and Regulations 26, 27 and 28 of the Act set out the content requirements and facts for CFSP as follows:

- Align the CFSP with the national objectives contained in the Budget Policy Statement;
- 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;
- Apply fiscal responsibility principles in the management of public finances;
- Include the financial outlook with respect to revenues, expenditures and borrowings for the coming fiscal year and over the medium term;
- Include a statement of fiscal risks in line with prudent management of risks, outlining potential policy decisions and key areas of uncertainty that may affect the County's fiscal outlook;
- Seek and take into consideration the views of Commission on Revenue Allocation, the public, any interested persons/groups and forums established by legislation;
- Not later than fourteen days after submitting the CFSP to the county assembly, the County Assembly shall consider and may adopt it with or without amendments;
- The County Treasury shall consider any recommendations made by the county assembly when finalizing the budget proposal for the next financial year;
- The County Treasury shall publish and publicize the CFSP within seven days after it has been submitted to the County Assembly.

1. IMPLEMENTING *NGUZO KUMI* TOWARDS ACCELERATED SOCIO-ECONOMIC TRANSFORMATION

1.1 Overview

The 2023 CFSP is the first to be prepared under the new administration, and sets out its strategic priority policies, programmes and reforms to be implemented within the medium-term expenditure framework (MTEF). The paper has been prepared against a backdrop of a resilient Kenyan economy within a 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.

In the international scene, the global growth is expected to slow down to 3.2 percent in 2022 and further to 2.7 percent in 2023 from the earlier forecast of 2.9 percent. The USA economy is projected to slow down to 1.0 percent in 2023 from 1.6 percent in 2022, with Euro Area economies slowing down to 0.5 percent from 3.1 percent in 2022. China economy is expected to improve to 4.4 percent from 3.2 percent in 2022.

The sub-Saharan Africa region is projected to register growth of 3.7 percent in 2023 from a growth of 3.6 percent in 2022, a weaker growth than 4.7 percent recorded in 2021 reflecting lower trading partner growth, tighter financial and monetary conditions, and a negative shift in the commodity terms of trade.

Domestically, the Kenyan economy is expected to register a slower real gross domestic product (GDP) growth rate of 5.5 percent in 2022 compared to the 7.5 percent recorded in 2021, supported by the services sector amid subdued performance in agriculture and weaker global growth. The growth has been suppressed by the Russia-Ukraine conflict that has disrupted global trade with increased fuel, fertilizer and food prices. The economy is projected to rebound to 6.1 percent in 2023, reinforced by the Government's development agenda geared towards economic turnaround and inclusive growth.

The economy experienced macroeconomic stability with relatively stable interest rates, supported by coordinated monetary and fiscal policies. Year-on-year overall inflation rate declined for the second consecutive month in December 2022. Inflation rate eased to 9.1 percent in December 2022 from 9.5 percent in November 2022 due to a decline in food prices with the favourable rains and declining international prices of edible oils. However, this inflation rate was higher compared with the 5.7 percent recorded in December 2021, and above the policy target range of 5+/-2.5 mainly driven by supply side constraints occasioned by external shocks.

The foreign exchange market has remained stable despite the tight global financial conditions attributed to strengthening US Dollar and uncertainties regarding the ongoing Russian-Ukraine conflict. As a result, the Kenya shilling like all world currencies has weakened against the dollar but strengthened against other major international currencies. The current account deficit was generally stable at 5.2 percent of GDP in the 12 months to November 2022 compared to 5.4 percent of GDP in November 2021 on account of improved receipts from service exports and resilient remittances. The official foreign exchange reserves at 4.2 months of import cover in November 2022 continues to provide adequate buffer against short term shocks in the foreign exchange market.

The challenges that have dampened economic growth in Kenya may not be new to Uasin Gishu County, and have thus impacted negatively the socio-economic development of the county. They include, besides the external shocks, effects of climate change 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 pension's liabilities, stalled public projects, pending bills; and high debt service that has hindered the economy from realizing its full potential.

The county will leverage on the expected rebound in the growth prospects of the country supported by *Kenya Kwanza Government's Economic Recovery Agenda* framed on the Bottom-Up Approach. This will include the need to address the noted challenges to growth, bolster resilience and building on successes realized overtime. The Agenda is geared towards economic turnaround and inclusive growth with special focus on increased employment, more equitable distribution of income, social security, expanding the tax revenue base, and increased foreign exchange earnings. The positive growth prospects supported by stable macroeconomic conditions and expected favourable weather conditions will facilitate agricultural production and productivity, value addition and exports, and investment for employment creation. It will also support the county's fiscal space to implement its priority policies, programmes and reforms necessary to facilitate realization of the county's overarching theme of '*Implementing Nguzo Kumi towards Accelerated Socio-Economic Transformation'*.

The Governor's *Nguzo Kumi* include: Agriculture and food security; Health; ICT and E-Government; Trade, Cooperatives and Industrialization; Education, Youth, Sports, Culture and Tourism; Infrastructure development; Water, Environment and Natural Resources; Lands, Housing and Physical Development; Public Service Management; and Municipality and Urban Development

2023 CFSP presents the county's broad strategic priorities and policy goals developed within the framework of the County Integrated Development Plan (2023-2028) and aligned with the national objectives in the Budget Policy Statement (BPS). Realization of the broad strategic priorities and policy goals will involve implementation of targeted priority policies, programmes and reforms supported by bolstered resource mobilization and management efforts, transformative leadership and partnerships.

The county will also leverage on its strategic location that is supported by its superior infrastructure, industrial and agricultural development, and social and cultural diversity, and by its strategic economic, geographical and social positioning as an epicenter for agricultural production in Kenya, as a transit point into Western Kenya and Eastern Africa region, and as a highly cosmopolitan region. The County is also considered a transport and service hub in the region, with its developed infrastructure in road, railway and telecommunication networks; international airport; inland container depot; and a branch of Central Bank of Kenya and several other financial institutions for financial deepening and growth.

The county is considered indisputable athletics epicenter, which position the government will use to promote sports development and diversification, and explore the opportunity created by the county's diversity through investment in arts, culture and nurture talents. The county has a number of well-established educational and tertiary institutions necessary to support knowledge and skills development for quality participation in development. These include two public universities (Moi University and University of Eldoret), campuses and satellite institutions of other public and private universities, and tertiary institutions including The Eldoret National Polytechnic, Rift Valley Technical Training Institute, and several county polytechnics.

Uasin Gishu County boasts of a national referral hospital, Moi Teaching and Referral Hospital, County Referral Hospital and several other established and reputable health facilities that support the health care system and promote medical tourism.

The County is characterized by arable and fertile land and favourable weather that support agricultural production, value addition and exports. It also has great potential for manufacturing, hence moving agriculture up the value chain through value addition. It is through value addition that the county diversifies and grow its exports for growth and employment.

In the next financial year and over the medium term, the government will seek to invest in key programme areas considered to have greater impact on the socio-economic transformation of the county. The programme areas include water services; health care; agriculture; trade, cooperatives and enterprise development; education and skills development; and infrastructure development in roads and ICT.

1.2 County Development Priorities

The county government will implement targeted priority policies, programmes and structural reforms while increasing investments in key programmes areas expected to have greatest impact on the lives and livelihoods of residents of Uasin Gishu County. These include: Water services; Health care services; Agricultural transformation and food security; Trade, cooperatives and enterprise development, and Investment; Education and skills development; Infrastructure development in roads and ICT.

1.2.1 Water Services

The government underscores the important role played by water subsector in socio-economic development of the county. Access to portable water supports agricultural and industrial development, besides domestic use. It supports irrigation services, manufacturing and contributes to county health outcomes by preventing water related diseases.

The county has made tremendous investments in the water subsector overtime, but the challenge to access the commodity still remains among residents of the county. The county has several water points and sources which need development and rehabilitation to facilitate supply to the communities, industries and institutions. The county government has therefore identified the subsector as the leading investment priority in the next financial year and over the medium term.

The government will prioritize provision of sustainable water services through investment in water development and distribution, and protection and conservation of water towers. It will also prioritize provision of sanitation services to residents. This will involve development and management of water, sanitation and irrigation infrastructures across the county. Specifically, the government will prioritize:

- Formation and operationalization of Uasin Gishu Rural Water and Sanitation Company to develop and manage all water supply and sanitation infrastructure in rural areas and small towns across the county for sustainable delivery of water and sanitation services;
- Provision of water for industrial use and in public institutions;
- Improvement of water and sanitation coverage in rural and urban areas through development of new water supply infrastructure, prioritizing construction and rehabilitation of new infrastructure, focusing on:
    - Construction and rehabilitation of dams through desilting and construction of auxiliary works. There are over 350 dams spread across the county, whose capacities have been significantly reduced as a result of siltation over the years. The government therefore, seeks to identify two dams in each ward every year for development;
    - Development of river abstraction water systems, drilling and equipping of boreholes, protection of springs and promotion of rainwater harvesting systems,
    - Rehabilitation of old water supply systems, mainly in Moi's Bridge, Turbo, Burnt Forest, Kipkabus, Jua-Kali among others;
    - Collaborate with national government through the North Rift Water Works Development Agency (NRWWDA) to develop huge water and sewerage infrastructure targeting both urban and rural areas. Appropriate financing models such as public private partnerships will be identified. Projects expected to be implemented include the Two Rivers Dam, Kerita Dam, Endaraqwa Dam, Moi's Bridge Town Water and Sewerage project, and Kimumu Sewerage, among others.
- Strengthen the capacity of ELDOWAS to effectively and efficiently deliver water and sanitation services to residents of Uasin Gishu County;

- Water for Irrigation and livestock – working closely with the Department of Agriculture, the water subsector will identify and develop water infrastructure to support agricultural and livestock production. Multiple water use systems will be identified and prioritized for development. This will enhance food security by reducing dependence on rain-fed food production;
- Environmental conservation through protection of water catchments, riparian lands and wetlands;
- Promote and support tree planting campaigns and initiatives – Key to this will be the implementation of presidential directive on tree planting with the target of planting 15 billion trees in five years.
- Implementation of Financing Locally Led Climate Action (FLLoCA) program on climate change mitigation;
- Effective solid waste management supported by establishment of waste recycling plant.

1.2.2 Health Care Services

Provision of quality and affordable health care services ranks highly in the priority list of the county government, as it is critical for socio-economic development. Substantial amount of resources have been channeled to the health sector, and remarkable achievements realized. However, access to quality and affordable healthcare still remains a persistent challenge that requires intervention through continuous and targeted investment. The government therefore seeks to increase investment in the health sector over the medium term.

The county government will collaborate with the national government in the implementation of the Universal Health Care (UHC) Plan in a bid to alleviate the out-of-pocket expenditure burden borne by residents of the county on health services. It will also sensitize and encourage residents to register for the National Hospital Insurance Fund (NHIF), while implementing extended NHIF coverage to senior citizens to improve access to quality and affordable healthcare in the County.

The strategy will be to strengthen primary health care by focusing more on preventive and promotive services including screening of communicable and non-communicable diseases, enhancing immunization coverage, promotion of reproductive maternal, neo-natal, child and adolescent health (RMNCAH), and integrated diseases surveillance and response.

To improve access to healthcare services, the county seeks to promote investment in expansion and upgrading of existing health facilities, provision of health commodities including medical supplies, medicines and technology in health, strengthen referral system, and develop human resources for health. In particular, the government seeks to:

- Upgrade the Uasin Gishu District Hospital to Level IV and therein establish Pathology and Diagnostic Centre with fully equipped laboratories and medication;
- Fast track completion of sub-county hospitals and other health facilities;
- Construction of Disaster and Emergency Response Unit, Isolation Centre for Highly Infectious diseases, Orthopedic Rehabilitation Centre, Optical Unit, Health Products and Technologies Unit, Palliative Care Unit, Safe Spaces for SGBV victims, Youth Friendly Centres, among others;
- Establish Referral Coordinating Unit/Response Call Centre and acquire additional ambulances;
- Leverage on technology to promote telemedicine for increased access to healthcare services;
- Recruit doctors and train specialized health workers and strengthen community health strategy;
- Develop health policies, standards and regulations.

1.2.3 Agricultural Transformation and Food Security

Uasin Gishu County is largely agriculture based. The sector contributes immensely towards county employment and incomes, supports manufacturing and value addition, exports, food security and poverty reduction. It is therefore a high growth potential programme area that is likely to yield greater impact for the county. However, agricultural productivity has been dwindling overtime as a result of erratic rains and high cost of farm inputs especially cost of fertilizers which has doubled over the last two years.

In the next financial year and over the medium term, the county purposes to revitalize agricultural production by prioritizing investments in the sector, while focusing on agribusiness and value addition. The county government will collaborate with the national government to implement fertilizer subsidy, even as it supports other input subsidies including artificial insemination and crop insurance. The government will also support empowerment programmes in agriculture.

The strategy will be to support local food production, and promote crop diversification while focusing on high value crops including horticulture and flowers for export, and production of emerging cash crops such as coffee, macadamia, avocado, pyrethrum, and potatoes. specifically, the strategy will also include:

- Support agribusiness and promote value addition through construction of incubation centres, agricultural transformation centres, agro-processing plants including milling plants, state of the art abattoir and establish feedlots, milk processing plants, and post-harvest loss management through construction of cereal stores, pack houses and cold storage facilities;
- Strengthening research and agricultural extension services to support farmers with appropriate knowledge, information and skills to spur production;
- Mapping farmers through GIS, establish their needs, provide appropriate farmer technical training at Agricultural Training Centre (ATC) Chebororwa, and enhance their access to finance through establishment of Agricultural Development Fund (ADF);
- Support mechanization of agriculture by enhancing capacity of Agricultural Mechanization and Value Addition Services (AMVAS) and making it semi-autonomous;
- Enhance soil management through soil testing, agroforestry and protection of riverbanks;
- Effective crop pests and disease control, and effective livestock disease control, management and surveillance through construction and rehabilitation of cattle dips, vaccinations and veterinary services;
- Effective animal breeding services through establishment of state-of-the-art AI centre to source, improve local breeds and enhance production;
- Upscale use of irrigation services and promote greenhouse technology while entrenching climate smart agriculture to increase crop production;
- Promote fish production to support food security, nutrition and incomes through capacity building for fish farmers including;
    - establishment of fingerlings shop, demonstration fish ponds and distribution of fingerlings,
    - establishment of fish cages and utilizing new technologies such as aquaponics and re-circulating systems,
    - acquiring and operationalizing fish feed extruder, and installing aqua-shops, and

- sensitizing communities on nutritional value of fish using Eat-More-Fish campaigns.

- Implement empowerment programmes targeting the youth, women and PWDs for employment and incomes including *inua mama na kuku*, distribution of dorper sheep to vulnerable and marginalized groups, among others.
- Formulation of a comprehensive Land Use Policy to provide proper legal, administrative, and institutional framework for maximum utilization and productivity of land resources at county and community level e.g., Land consolidation

1.2.4 Trade, Cooperatives and Enterprise Development, and Investment

Trading activities improve livelihoods of residents across the county, as well as generating revenues for the county government. Over the medium term, the government purposes to pursue efforts to develop trade in the county. Trade development strategy will entail development of industrial and market infrastructure including construction and rehabilitation of shopping malls, markets, small business centres, shades and sale yards; establishment of industrial/MSME park; MSME business incubation centres and industrial development centers (IDCs); training of MSMEs; and access to affordable credit.

The government will also focus on enhancing market access through development of market information system and holding trade fairs and regional exhibitions, and enhance ease of doing business by establishing One-Stop-Shop for business registration. In addition, the government will promote industrialization through establishment of village-based agro-processing industries, cottage industries and value addition centres. To support trade and industrialization, the government will review the policy and regulatory framework and improve security.

Cooperatives are special vehicles that consolidate members' participation in socio-economic development, as they allow members to exert control over their economic livelihoods and play an important role in facilitating job creation, economic growth, and social integration and development. They play an important role in access to credits, markets, and reducing post-harvest losses by providing storage facilities.

To develop the cooperative movement, the county government seeks to continue with building capacities of cooperatives to effectively deliver services to members. This will focus on training members on cooperative management and entrepreneurial skills, and financing cooperatives to improve their capacity to give credit to members. The government will also sensitize farmers, MSMEs, women, youths and people leaving with disabilities on the need to form, register with or join cooperatives; and resuscitate dormant cooperatives and register new ones. In addition, the government will focus on close monitoring and evaluation of existing Saccos to address emerging gaps and challenges.

The government will promote value addition in cooperatives by strengthening their capacity. This will be achieved through completion of milling plant at Moisoy Cooperative Union and construction and installation of new milling plants (at Marathon and Borotet Cooperative Unions, among others). It will also promote and encourage agricultural aggregation as a strategy to achieve economies of scale through cooperatives.

1.2.5 Education and Skills Development

Education, knowledge and skills are critical in socio-economic development. The government purposes to improve access to education and tertiary training for knowledge and skills development. The strategy will involve infrastructure development in ECDE centres and equipping them with necessary learning materials, teachers, and rolling out school-feeding programme and e-learning in ECDEs to offer quality education while ensuring retention and increased enrolment of children in the facilities. The government will pursue continuous monitoring and evaluation of ECDEs to address gaps and challenges, thus quality assurance in the facilities.

The strategy will also focus on development and upgrading of vocational training centres (VTCs), and provision of bursaries and scholarships to needy and qualifying students to pursue secondary, technical and vocation education and training (TVET) and university education for improved knowledge and skills development. The government will also upscale the Revolving Loan Fund with a view to increasing outreach and improve access to tertiary education. The strategy will also involve upgrading VTCs to centres of excellence to also cater for PWDs, and establishment of Chebolol Ultra-Modern Assessment and Learning Centre to cater for professional answers of all students in special needs and provide integrated and complete upward access to education for PWDs from ECDE, Primary, Secondary to Vocational, and complete with a Level III health facility.

To empower the youth, the government seeks to establish youth empowerment and innovation centres across the county, equipped with hotspots and internet facilities. This will go along way in unlocking the untapped potential inherent in the youth while incorporating them in the development discourse of the county; it will allow the youth to exploit the digital economy and create employment. The government will also seek partnership with stakeholders to develop mentorship and internship programmes for the youth to prepare them for both local and international labour markets.

The government will develop sports facilities in the county to develop sports, identify and nurture talents, focusing on upgrading ward and sub-county playing fields and establish middle level stadium in every Sub-County; provision of sports equipment and kit to county teams; completion of Chagaiya High Altitude Training Camp and construction of 64 Stadium.

Social protection programmes targeting the vulnerable in the county, especially the elderly and persons with disabilities will be implemented. The government will also support implementation of an extended NHIF coverage to senior citizens to improve access to quality and affordable healthcare in the county. It will sensitize the vulnerable on programmes that support them and offered by the national government.

The government will implement initiatives aimed at promoting cultural heritage, and protect and conserve culture.

1.2.6 Infrastructure Development in Roads and ICT

Infrastructure is critical in growth and development as it connects and facilitates all sectors of the economy. The county government prioritizes infrastructure development in roads and information communication technology (ICT) for their potential to create efficiency and stimulate growth and development. Reliable road network connects supply chains and effectively and efficiently moves goods and services across the county and beyond. Road infrastructure have attracted huge investments over the years, with a lot of improvements witnessed in the road network in the county. However, continuous investment in the subsector is imperative given the nature of roads and geological and geographical condition of the county.

In the next financial year and over the medium term, the government seeks to improve the county's road network by focusing on roads infrastructure development, management and maintenance.

This will involve construction and rehabilitation of roads, upgrading existing roads from earth to bitumen standards, grading and gravelling, construction of bridges and box culverts and drainage works. The government will also design and implement timely routine road maintenance programme.

To decongest the central business district (CBD) of Eldoret town and ensure free flow of traffic, the government will carry out surveying, designing and construction of by-passes, new roads, walkways and cycle ways over the medium term. A comprehensive urban development plan with provisions for all services and amenities expected of a modern city will also be developed to fast track the realization of city status for Eldoret town.

The government also seeks to implement street lighting programme which will involve installation and maintenance to improve security and spur economic activity in Eldoret CBD and other urban centres. It will also develop transport infrastructure through construction and rehabilitation of bus bays/parks, *boda boda* shades and establishing traffic signal infrastructure. The County will construct fire stations, train and equip firefighting and rescue personnel with requisite knowledge and skills to improve the county’s response to fire and other emergencies.

ICT infrastructure and digital platforms form critical basis for efficiency in government service delivery. The government seeks to develop and expand ICT and digital infrastructure in the county to improve service delivery by automating government processes and services. This will also support youth empowerment and innovation centres established across the county with hotspots and internet connectivity to facilitate them in exploiting the digital economy and create employment.

In the next financial year and over the medium term, the county government will also invest in land administration and management including land banking for public utility and investment; development planning and control; and collaboration and partnerships to deliver on affordable housing as envisaged in the Governor’s Nguzo Kumi.

County’s fiscal performance over the medium term will be critical in the realization of the broad strategic priorities and policy goals articulated in the CFSP 2023. The government will therefore seek to strengthen its resource mobilization and management endeavours. It will strengthen its local revenue collection efforts to enhance performance, while prioritizing expenditure productivity and applying the fiscal responsibility principles. To improve public resources management and budget execution, the county will fully apply Integrated Financial Management Information System (IFMIS) in all financial transactions including e-procurement, strengthen program-based budgeting, and strengthen staff capacity in public finance management. The government will also decentralize financial services to strengthen devolution. In the medium term, the County will pursue public private partnerships (PPP) to harness private sector resources and expertise to accelerate implementation of county policies, programmes and projects.

1.3 Outline of the 2023 CFSP

Recent Economic Developments and Policy Outlook

Section II outlines the economic context in which the 2023/2024 MTEF budget is prepared. It provides an overview of the recent economic developments and the macroeconomic outlook.

Fiscal Policy and Budget Framework

Section III outlines the fiscal framework that is supportive of growth over the medium-term, while continuing to provide adequate resources to facilitate the transformation of the County as envisaged in the CIDP III.

FY 2023/24 Budget & Medium-Term Expenditure Framework

Section IV outlines FY 2023/24 Budget & Medium-Term Expenditure Framework. It lays out the MTEF budget prioritization of expenditure and the baseline ceilings. It also provides details of priorities by sector and how it will be funded.

2. RECENT ECONOMIC DEVELOPMENTS AND POLICY OUTLOOK

The section presents an overview in which 2021/22 budget was prepared, and outlining the recent economic development at the County and national level.

2.1 Overview of Recent Economic Developments

The Kenyan economy demonstrated remarkable resilience and recovery from COVID-19 shock due to the diversified nature of the economy and the proactive measures by the Government to support businesses. The economy expanded by 7.5 percent in 2021, a much stronger level from a contraction of 0.3 percent in 2020. 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 of 2022 compared to a growth of 2.7 percent and 11.0 percent in similar quarters in 2021.

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

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 KSh122.9 in December 2022 compared to KSh112.9 in December 2021. Against the Euro, the Kenya shilling also weakened to KSh130.0 from KSh 127.6 over the same period. The Kenyan Shilling strengthened against the Sterling Pound to KSh 149.8 in December 2022 from KSh 150.2 in December 2021.

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. The interbank rate remained stable at 5.4 percent in December 2022 compared to 5.0 percent in December 2021 while the Treasury bills rates increased in December 2022 due to tight liquidity conditions. The 91-day Treasury Bills rate was at 9.4 percent in December 2022 compared to 7.3 percent in December 2021.

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 banking system's foreign exchange holdings remained strong at USD 11,407.7 million in November 2022 from USD 13,503.0 million in November 2021. The official foreign exchange reserves held by the Central Bank stood at USD 7,548.8 million compared to USD 9,306.3 million over the same period. The official reserves held by the Central Bank in November 2022 represented 4.2 months of import cover as compared to the 5.6 months of import cover in November 2021. It, therefore, fulfilled the requirement to maintain it at a minimum of 4.0 months of imports cover to provide adequate buffer against short term shocks in the foreign exchange market. Commercial banks holdings decreased to USD 3,859.2 million in November 2022 from USD 4,196.8 million in November 2021.

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.

2.2 Impact of National Macroeconomic Variables on County Development

The above mentioned variables have consequences on the development agenda of the county governments. . Easing in inflation and stability in exchange rates will make consumer goods and farming inputs more affordable respectively. However, these rates are still higher compared to those recorded in January 2022.

National economic performance has direct impact on development discourse at the county level hence determining the level of economic activity, and amount of resources that counties may access for their development expenditures. With improved performance in the national economy, the county will continue to receive enhanced portion of the equitable share. This will enable the county apportion more financial resources to development programmes.

2.3 Update on Fiscal Performance and Emerging Challenges

County Fiscal Strategy Paper is prepared on the assumptions of a strong local revenue collection, increasing equitable share from National Treasury, prudent expenditure controls and a commitment to maintaining sound balance between development and recurrent spending. Equally underscored is the need to eliminate non-essential expenditures, inefficient spending and leakages and have an efficient, effective and transparent financial management.

Fiscal Performance

Revenue collection

During the FY 2021/22, the county collected a total of KSh 858,349,786 against a targeted amount of KSh 1,414,917,111 which translates to a shortfall of 39 percent. This underperformance can be attributed to the period under review being electioneering year. In the same period, the county government received a total of KSh 7,423,349,652 as equitable share and total grant of KSh 312,623,229.

Expenditure analysis

A total of KSh. 9,403,928,929 was spent on both development and recurrent activities. This expenditure represented 77 percent of the total County Executive annual budget of KSh 12,187,234,195. Actual development expenditure amounted KSh 3,700,825,742 against an approved budget of KSh. 5,792,001,834 which translates to an absorption rate of 64 percent. On the other hand, actual recurrent expenditure was KSh 5,703,103,187 against the budgeted amount of KSh 6,395,232,361 which translates to an absorption rate of 89 percent.

Emerging Challenges

- High levels of pending bills that remain unpaid and have a negative impact on the business community as we as the economy in general;
- High expenditure on personnel emoluments;

- Existence of many incomplete projects.

2.4 Revised Estimates

Table 2.1: Showing FY 2021/22 Budget Revised Estimates

	Estimate Budget	Revised
Total Revenue & Grants	9,677,712,285	13,213,659,493
Unspent Bal b/f		2,954,009,117
Revenue (Total)	9,677,712,285	10,259,650,376
National Govt Transfers	8,068,858,318	8,068,858,318
Local Revenue	1,000,000,000	1,414,917,111
Grants & Others	608,853,967	775,874,947
CG Expenditure	9,677,712,285	13,213,659,493
Recurrent	6,487,376,788	7,103,024,169
Rec. as a % of CG Expenditures	67	54
Personnel Emoluments	4,335,554,179	4,111,527,797
Operation & Maintenance	2,151,822,609	2,991,496,372
PE as a % of CG Revenues	45	40
Development	3,190,335,497	6,110,635,324
Dev. as a % of CG Expenditures	33	46

As indicated in table 2.1, recurrent and development expenditure was revised upwards by 9 and 92 percent respectively. The additional resources on development was due to unspent balances brought forward. Personnel emoluments was revised downwards by 5 percent, due to over budgeting in the initial allocation.

2.5 County Economic Policy and Outlook

This paper specifies the broad strategic priorities and policy goals that will guide the County government in preparing its budget for the FY 2023/24 and over medium term. The expanded national economic growth will increase the County's fiscal space to implement policies, programmes and projects set out in the CIDP III due to increased exchequer releases.

In the next financial year and over the medium term, the County government will appropriate its resources on priority areas that are geared towards growing its economy and improving the lives and livelihoods of residents of the county. Agriculture being the foundation of the economy, the county will focus on revitalizing it through targeted and clustered approaches to enhance agribusiness, manufacturing, value addition and export promotion. The government will also mainstream climate smart agriculture in order to address climate change.

In the same period, the County will prioritize resource mobilization and management to support development agenda across all the sectors. Revenue collection will be strengthened by ensuring there are sufficient legislations to guide revenue collection, avoiding loopholes, improving enforcement and compliance. The government also intends to acquire a new revenue system that will reduce leakages and enhance revenue collection. It will also closely monitor expenditure while ensuring expenditure productivity.

Finally, the County will strengthen collaboration, partnerships and networks with regional counties, National Government, private sector and development partners in addressing development challenges across all sectors affecting residents of Uasin Gishu.

2.6 Risks to the Economic Outlook

- Below target Own Source Revenue collections that results to unfunded budget deficits and accumulation of pending bills negatively affecting service delivery.
- Climate change resulting in unfavorable weather conditions thus affecting agricultural production
- Conflicting priorities between the County Assembly and the County Executive thus affecting budget absorption;
- Delay in exchequer releases hence affecting absorption levels;
- Low absorption of budgeted funds may delay envisaged socio-economic transformation;
- Expenditure pressures due to increasing wage bill thus leaving inadequate resources for development.

2.7 Proposed Interventions to the Risks

- Acquire a new revenue system to enhance revenue collection and capacity building for the users, develop a revenue mobilization strategy and identify new revenue streams in order to widen revenue base;
- Intensify promotion of drought resistant variety of crops, crop diversification and changes in cropping pattern
- Improve dialogue between the County Executive and the Assembly in the budget making process;
- Departments should adhere to procurement plans and annual work plans to ensure maximum absorption;

- Develop staffing plan to guide the county in recruitment of various cadres.

3. FISCAL POLICY AND BUDGET FRAMEWORK

This section summarizes the consolidated fiscal policy and framework for the FY 2023/24 and MTEF period with key action points the county government will focus on budget allocation provided.

3.1 County Fiscal Policy

In the FY 2023/24 and over the medium-term plan, the county will continue to implement a balanced budget. This will be realized through re-prioritization of expenditures from recurrent to development, improving public spending productivity and enhancing local revenue collection and administration. In addition, the transformative agenda envisioned in the *Nguzo Kumi* manifesto of the current administration will be pursued for a steady and sustainable county economy.

3.2 Fiscal Framework

The county fiscal framework provided in table 3.1 provides the aggregated resource envelope and expenditures for the current year and 2023/24 – 2025/26 MTEF period.

Table 3.1: County Government Fiscal Projections FY 2023/24 – 2025/2026 (KSh)

	2021/2022		2022/2023		2023/2024	20204/2025	2025/2026
	Estimate Budget	**Revised**	**Estimated Budget**	**Revised**	**Projected Ceiling**	**Proj.**	**Proj.**
Total Revenue & Grants	**9,677,712,285**	**13,213,659,493**	**10,170,995,230**	**12,051,908,369**	**9,795,514,071**	**10,040,401,923**	**10,291,411,971**
Unspent Bal b/f		**2,954,009,117**	0	2,324,297,019		0	0
Revenue (Total)	**9,677,712,285**	**10,259,650,376**	**10,170,995,230**	**9,727,611,350**	**9,795,514,071**	**10,040,401,923**	**10,291,411,971**
Equitable Revenue Share	**8,068,858,318**	8,068,858,318	8,068,858,318	8,068,858,319	8,416,239,760	8,626,645,754	8,842,311,898
Local Revenue	1,000,000,000	1,414,917,111	1,400,471,850	1,400,471,850	1,100,471,850	1,127,983,646	1,156,183,237
Grants & Others	608,853,967	775,874,947	701,665,062	258,281,181	278,802,461	285,772,523	292,916,836
CG Expenditure	**9,677,712,285**	**13,213,659,493**	**10,170,995,230**	**12,051,908,369**	**9,795,514,071**	**10,040,401,923**	**10,291,411,971**
Recurrent	6,487,376,788	7,103,024,169	6,408,741,851	6,933,158,372	6,750,166,356	6,918,920,515	7,091,893,528
Rec. as a % of CG Expenditures	**67.03%**	**54%**	**63.01%**	**57.53%**	**68.91%**	**68.91%**	**68.91%**
Personnel Emoluments	4,335,554,179	4,111,527,797	4,258,493,001	**3,943,044,702**	4,262,029,325	4,368,580,058	4,477,794,560
Operation & Maintenance	2,151,822,609	2,991,496,372	2,150,248,851	2,990,113,670	2,488,137,031	2,550,340,457	2,614,098,968
PE as a % of CG Revenues	**44.80%**	**31%**	**41.87%**	**32.72%**	**43.51%**	**43.51%**	**43.51%**
Development	3,190,335,497	6,110,635,324	3,762,253,379	**5,118,749,997**	3,045,347,715	3,121,481,408	3,199,518,443
Dev. as a % of CG Expenditures	**32.97%**	**46.24%**	**36.99%**	**42.47%**	**31.09%**	**31.09%**	**31.09%**

3.3 FY 2022/2023 Budget

During the first half of the FY 2022/23, the total actual expenditure on recurrent amounted to KSh 2,474,948,457 against the budgeted amount of KSh. 5,605,714,121 which translated to an absorption rate of 44 percent, where else development expenditure stood at KSh 557,754,058 against the budgeted amount of KSh 3,662,253,379 resulting to an absorption of 15 percent. On the other hand, total OSR collected amounted to KSh 271,491,976 against a target of KSh 435,399,607, which translated to 38 percent shortfall. This outcome has occasioned adjustments of the budget through the 1st supplementary budget of FY 2022/23 to reflect the present economic conditions and align it with the priorities of the new administration.

3.4 County Governments' Compliance with Fiscal Responsibility Principle

In accordance with Section 107 of the PFM Act, 2012 together with PFM (County Government) Regulations, 2015 and in keeping with prudent and transparent management of public resources, the County government commits to comply with the following fiscal responsibility principles. Thus;

Maintaining a Balanced Budget – The law requires the county government's recurrent expenditure not to exceed its total revenues. Towards this, the County has over the years implemented a balanced budget and will endeavor to do the same over the FY 2023/24 -2025/26 medium-term plan.

Compliance with the Requirement for Development Spending Allocations – Section 107 (2) (b) of the PFM Act, 2012 requires 30 percent of the county government total allocation be dedicated towards development expenditure. In adherence to this provision, allocation for development remained at 46 percent in the 2021/22 financial year hence meeting the set threshold. In the fiscal outlays presented in this paper, development expenditures are projected to decline by 2 percent to 42 in the FY2022/23 attributed to reduced allocation of total revenues and will remain within the recommended legal threshold over the medium term as shown in table 3.1

Compliance with the Requirement for Expenditure on Wages – Regulation 25(1) (b) of the PFM (County Governments) Regulations, 2015 requires the county governments' wage bill not to exceed 35 percent of its total revenue. The wage bill stood at 31 percent in the previous financial year and is projected to increase to 33 percent in FY 2022/23 and 44 percent over the medium term attributed partly to the confirmation of ECDE teachers and adjustment of salaries for state officers at the county level by the Salaries and Remuneration Commission (SRC). In conformity with this requirement, the County Government will intensify local revenue collection among other measures aimed at taming the bloated wage bill.

County Debt Financing to be used for Development – PFM Act, 2012 section 107 (2) (d) requires the county government's borrowed resources be used only for the purposes of financing development expenditure and not for recurrent. In the 2023/24 financial year and in the medium term, the county will adhere to this regulation by borrowing only to support the government's development agenda.

3.5 Fiscal Structural Reforms

To actualize its plan, the county government will restructure operations geared towards enhancing efficiency in the management of public finance as provided in the PFM Act, 2012. Such reforms shall entail:

- *Revenue administration* – to improve OSR collection and administration, the county is in the process of acquiring a new revenue system that will seal revenue leakages and boost collections. Additionally, the capacity for the system users and revenue collection officers will be enhanced through training; revenue streams will be expanded to meet OSR targets; and one-stop revenue centres will be established at the sub-counties and ward levels.
- *Improving efficiency in public spending* – the low absorption rate reported in the first half of the FY 2022/23 can be attributed to transition challenges and delays in project implementation. The focus will therefore be on improving the efficiency of institutions involved in project implementation; reducing non-priority expenditures, and scaling up PPP.
- *Prioritization of programmes* – the county will continue to direct resources to key programmes and projects with greater impact on the local economy in terms of wealth and job creation as envisioned in the *Nguzo Kumi* manifesto. It will also align itself with the priorities of the National Government on projects earmarked for implementation at the county level.
- *Strengthening governance and service delivery* – the County will scale up the fight against corruption by strengthening accountability at all stages of public finance management in collaboration with other Government Agencies. It will also continue to build the capacity

of its staff, especially in public finance management to bolster their competencies for improved service delivery. This will be done in partnership with the National Government and government training institutions such as Kenya School of Government (KSG).

3.6 Debt Financing Policy

The county will continue to implement a balanced budget over the medium plan and any shortfall that occurs would be financed through borrowing in accordance with Sections 58 and 142 of the PFM Act, 2012, and in line with the 2023 Uasin Gishu County Debt Management Strategy Paper (DMSP). However, such borrowings will be used only for financing development and not re-current expenditures.

3.7 Proposed Budget Framework for FY 2023/24 MTEF

This sub-section provides a summary of the budgetary allocation for the FY 2023//24 and MTEF period.

Revenue Projections

In the FY 2023/24, the total resource envelope available for allocations among county departments is projected at KSh 9,795,514,071 a decline by 19 percent from the previous year. This comprises of KSh 8,416,239,760 as equitable revenue share, KSh 1,100,471,850 as Own Source Revenue and KSh 278,802,461 as conditional grants as shown in Table 3.1.

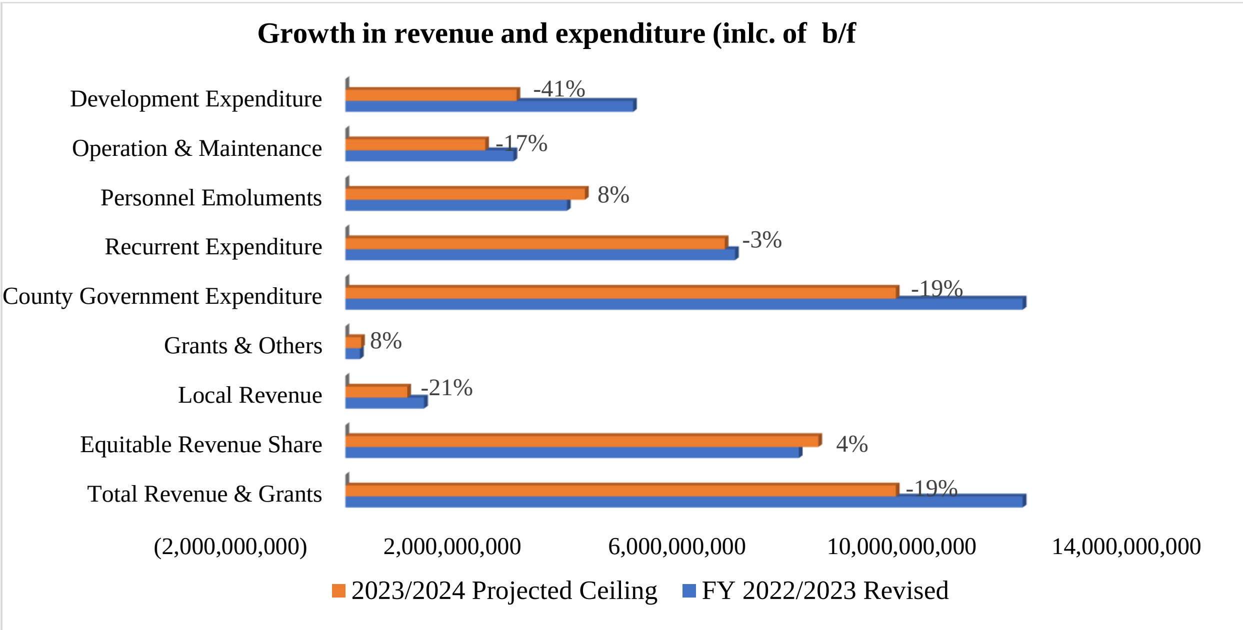
Expenditure Projections

In the same period, the county government expenditure will be guided by the priorities identified in the CIDP III. Towards this, the county targets total expenditures of KSh 9,795,514,071 indicating a reduction by 26 percent from the previous year attributable to overall reduction in own source revenue and grants. Out of this, recurrent is expected to be KSh 6,750,166,356 down from KSh 6,933,158,372 in the previous year translating to 69 percent and a decrease by 15 percent in similar period attributable to the revised budget including unspent balances where else development expenditure is projected at KSh 3,045,347,715 down from KSh 5,118,749,997 representing 31 percent and a decrease by 2 percent compared to previous financial year.

Allocations for Ward Projects under UGCED Act, 2019

The County Government will continue to implement ward projects as envisioned in the Uasin Gishu County Equitable Development (UGCED) Act, 2019 which requires the executive to devote 40 percent of total development expenditure to fund ward projects as identified by the residents. Towards this, allocation for FY 2023/24 is projected at KSh. 1,218,139,086 to be shared equally by all the thirty wards, translating to KSh. 40,604,636 per ward.

Figure 3.1: Average Growth in Revenue and Expenditure Allocations, FY 2022/23 – 2023/24



As shown in Figure 3.1, Own Source Revenue is expected to decline by 21 percent with equitable sharable revenue growing by 4 percent. The PE is projected to grow by 8 percent occasioned by the confirmation of ECDE teachers and adjustment of salaries for state officers at the county level by the Salaries and Remuneration Commission (SRC). Additionally, development expenditure is expected to reduce by 41 percent in the FY 2023/24 occasioned by overall reduction in total revenues and grants by 19 percent from the current year.

3.8 Summary

The County Government is committed to adhering to the fiscal responsibilities' principles outlined in the PFM Act, 2012 and PFM Regulations, 2015 to realize priority programmes and projects as outlined in the *Nguzo Kumi* and articulated in the CIDP III (2023-2027).

4. FY 2023/24 BUDGET & MEDIUM-TERM EXPENDITURE FRAMEWORK

This section discusses expenditure priorities for the three-year spending framework of the County Government.

4.1 2023/24 Fiscal Framework

The overall county budget is expected to increase by one percent to KSh 9,795,514,071 in the FY 2023/24 and by 2.5 percent over the medium term.

4.1.1 Resource Projections

In FY 2023/24, equitable shareable allocation is projected to increase by 4 percent to KSh 8,416,239,760 from KSh. 8,068,858,318 in FY 2022/23, while Own Source Revenue (OSR) is projected to decline by 21 percent to KSh 1,100,471,850 from KSh 1,400,471,850 in FY 2022/23; and conditional grants is projected to increase by 8 percent to KSh 278,802,461 from KSh 252,281,181 in the current year. The downward forecasting of OSR can be attributed to failure by the county to meet the revenue targets of the last two years and the first half of the current year.

4.1.2 Expenditure Projections

In FY 2023/24, overall expenditure is projected to increase by one percent to KSh 9,795,514,071 from the current year of KSh 9,727,611,350, out of which, recurrent is projected at KSh 6,750,166,356 and development at KSh 3,045,347,715, translating to 69 and 31 percent, respectively. The is attributed to increase in allocations of equitable share and conditional grants. In addition, the compensation to employees will remain the single largest expenditure item over the medium at 44 percent of the total budget.

4.1.3 Overall Budget Financing

The County will be implementing a balanced budget over the FY 2023/24 - 2025/26 MTEF period; therefore, it does not anticipate any deficits. However, any shortfalls will be supported by borrowing in line with the PFM Act, 2012 and will be used only for financing development and not re-current expenditures. The County will also enhance local revenue performance, scale-up Public Private Partnerships (PPP) initiatives, and improve public spending efficiency.

4.2 Medium-Term Spending Proposals

Table 4.1 provides the projected baseline ceilings for the 2023/24 - 2025/26 MTEF period, classified by sector and sub-sector.

Table 4.1: Projected Baseline Ceilings FY 2023/24 - 2025/26 MTEF Period (KSh)

Sector	MDAs	Estimates			FY 2023/2024					2024/2025		2025/2026	
	County Departments & Agencies	2022/2023			CBROP Ceiling	CFSP Ceiling			% Change	Projections		Projections	
		Rec. Gross	Dev. Gross	Gross Total	Gross Total	Rec. Gross	Dev. Gross	Gross Total	2022/23 and	Rec. Gross	Dev. Gross	Rec. Gross	Dev. Gross
Administration and Governance Sector	Governor	184,145,119	0	**184,145,119**	136,245,119	108,845,323	0	**108,845,323**	**-40.89%**	111,566,457	0	114,355,618	0
	% of Total Expenditure	2.69%	0.00%	1.53%	1.34%	1.61%	0.00%	1.11%		1.79%	0.00%	1.79%	0.00%
	Finance	340,581,459	0	**340,581,459**	1,588,805,720	320,436,206	0	**320,436,206**	**-5.91%**	328,447,111	0	336,658,289	0
	% of Total Expenditure	4.98%	0.00%	2.83%	15.62%	4.75%	0.00%	3.27%		5.26%	0.00%	5.26%	0.00%
	Economic Planning	155,699,532	0	**155,699,532**	145,303,770	111,381,029	0	**111,381,029**	**-28.46%**	114,165,555	0	117,019,694	0
	% of Total Expenditure	2.28%	0.00%	1.29%	1.43%	1.65%	0.00%	1.14%		1.83%	0.00%	1.83%	0.00%
	PSM	686,073,998	12,619,787	**698,693,785**	570,014,187	658,973,939	0	**658,973,939**	**-5.68%**	675,448,287	0	692,334,494	0
	% of Total Expenditure	10.04%	0.26%	5.80%	5.60%	9.76%	0.00%	6.73%		10.82%	0.00%	10.82%	0.00%
	Administration and Devolution	157,608,162	401,576,943	**559,185,105**	274,284,218	124,070,944	91,539,110	**215,610,054**	**-61.44%**	127,172,717	93,827,588	130,352,035	96,173,278
	% of Total Expenditure	2.31%	8.40%	4.64%	2.70%	1.84%	3.01%	2.20%		2.04%	3.01%	2.04%	3.01%
	CPSB	73,723,564	0	**73,723,564**	68,223,561	66,934,940	0	**66,934,940**	**-9.21%**	68,608,314	0	70,323,521	0
	% of Total Expenditure	1.08%	0.00%	0.61%	0.67%	0.99%	0.00%	0.68%		1.10%	0.00%	1.10%	0.00%
	Partnership, Liaison and Linkages	8,000,000	-	**0**	13,500,000	10,500,000	-	**10,762,500**	**100.00%**	10,762,500	-	11,031,563	-
	% of Total Expenditure	0.12%	0.00%	0.00%	0.13%	0.16%	0.00%	0.11%		0.17%	0.00%	0.17%	0.00%
	Ward Projects	0	0	**0**	1,261,203,409	0	1,218,139,086	**1,218,139,086**	**0.00%**		1,248,592,563		1,279,807,377
	% of Total Expenditure	0.00%	0.00%	0.00%	12.40%	0.00%	40.00%	12.44%		0.00%	40.00%	0.00%	40.00%
	CA	903,027,730	311,508,844	**1,214,536,574**	762,120,114	708,120,114	50,000,000	**758,120,114**	**-37.58%**	725,823,116	51,250,000	743,968,694	52,531,250
	% of Total Expenditure	13.21%	6.52%	10.08%	7.49%	10.49%	1.64%	7.74%		11.63%	1.64%	11.63%	1.64%
	Sub-Totals	**2,508,859,564**	**725,705,574**	**3,226,565,138**	**3,558,496,688**	**2,109,262,495**	**1,359,678,196**	**3,468,940,691**	**7.51%**	**1,486,545,770**	**1,393,670,151**	**1,523,709,415**	**1,428,511,905**
	% of Total Expenditure	**36.71%**	**15.18%**	**26.79%**	**34.99%**	**31.25%**	**44.65%**	**35.41%**		**23.81%**	**44.65%**	**23.81%**	**44.65%**
Agriculture, Rural and Urban Development (ARUD)	Agriculture and Agri-Business	239,117,346	505,318,358	**744,435,704**	668,280,518	388,531,535	164,712,611	**553,244,146**	**-25.68%**	398,244,823	168,830,426	408,200,944	173,051,187
	% of Total Expenditure	3.50%	10.57%	6.18%	6.57%	5.76%	5.41%	**5.65%**		6.38%	5.41%	6.38%	5.41%
	Lands and Physical Planning	60,317,272	335,378,920	**395,696,192**	380,005,989	57,705,306	90,187,174	**147,892,480**	**-62.62%**	59,147,938	92,441,853	60,626,637	94,752,900
	% of Total Expenditure	0.88%	7.02%	3.29%	3.74%	0.85%	2.96%	**1.51%**		0.95%	2.96%	0.95%	2.96%
	Livestock and Fisheries	61,773,230	145,958,125	**207,731,355**	107,329,647	50,433,478	46,177,213	**96,610,691**	**-53.49%**	51,694,315	47,331,643	52,986,673	48,514,934
	% of Total Expenditure	0.90%	3.05%	1.72%	1.06%	0.75%	1.52%	**0.99%**		0.83%	1.52%	0.83%	1.52%
	Housing and Urban Development	48,909,331	176,524,286	**225,433,617**	94,309,331	96,872,705	102,700,324	**199,573,029**	**-11.47%**	99,294,522	105,267,832	101,776,885	107,899,528
	% of Total Expenditure	0.72%	3.69%	1.87%	0.93%	1.44%	3.37%	**2.04%**		1.59%	3.37%	1.59%	3.37%
	Municipality of Eldoret	140,732,301	320,070,649	**460,802,950**	313,806,170	110,635,249	130,551,260	**241,186,509**	**-47.66%**	113,401,131	133,815,041	116,236,159	137,160,417
	% of Total Expenditure	2.06%	6.70%	3.83%	3.09%	1.64%	4.29%	2.46%		1.82%	4.29%	1.82%	4.29%
	Sub-Totals	**550,849,480**	**1,483,250,338**	**2,034,099,818**	**1,563,731,655**	**704,178,273**	**534,328,582**	**1,238,506,855**	**-39.11%**	**721,782,730**	**547,686,797**	**739,827,298**	**561,378,966**
	% of Total Expenditure	**8.06%**	**31.03%**	**16.89%**	**15.37%**	**10.43%**	**17.55%**	**12.64%**		**11.56%**	**17.55%**	**11.56%**	**17.55%**
General Economic and Commercial Affairs Sector	Trade Development and industrialization	73,610,931	217,412,040	**291,022,971**	109,112,317	55,329,749	70,537,544	**125,867,293**	**-56.75%**	56,712,993	72,300,983	58,130,818	74,108,507
	% of Total Expenditure	1.08%	4.55%	2.42%	1.07%	0.82%	2.32%	1.28%		0.91%	2.32%	0.91%	2.32%
	CO-OP and Ent	53,574,180	70,786,343	**124,360,523**	123,960,524	41,487,609	69,963,589	**111,451,199**	**-10.38%**	42,524,799	71,712,679	43,587,919	73,505,496
	% of Total Expenditure	0.78%	1.48%	1.03%	1.22%	0.61%	2.30%	**1.14%**		0.68%	2.30%	0.68%	2.30%
	Sub-Totals	**127,185,111**	**288,198,383**	**415,383,494**	**233,072,841**	**96,817,359**	**140,501,133**	**237,318,492**	**-42.87%**	**99,237,793**	**144,013,662**	**101,718,737**	**147,614,003**
	% of Total Expenditure	**1.83%**	**5.63%**	**3.45%**	**2.29%**	**1.43%**	**4.61%**	**2.42%**		**1.59%**	**4.61%**	**1.59%**	**4.61%**
Infrastructure and ICT Sector	Roads	547,799,769	897,139,003	**1,444,938,772**	606,599,769	538,620,107	87,034,173	**625,654,280**	**-56.70%**	552,085,610	89,210,027	565,887,750	91,440,278
	% of Total Expenditure	7.90%	17.53%	12.00%	5.96%	7.98%	2.86%	**6.39%**		8.84%	2.86%	8.84%	2.86%
	Water, Irrigation and Sanitation	224,605,616	499,362,376	**723,967,992**	294,333,412	192,134,099	305,250,552	**497,384,652**	**-31.30%**	196,937,452	312,881,816	201,860,888	320,703,862
	% of Total Expenditure	3.24%	9.76%	6.01%	2.89%	2.85%	10.02%	**5.08%**		3.15%	10.02%	3.15%	10.02%
	ICT & e-govt.	56,804,945	98,640,270	**155,445,215**	178,804,944	74,275,725	34,813,669	**109,089,395**	**-29.82%**	76,132,618	35,684,011	78,035,934	36,576,111
	% of Total Expenditure	0.83%	2.06%	1.29%	1.76%	1.10%	1.14%	**1.11%**		1.22%	1.14%	1.22%	1.14%
	Environment, Climate Change and Natural Resources	8,000,000	93,024,847	**101,024,847**	163,000,000	32,200,000	104,441,008	**136,641,008**	**100.00%**	33,005,000	107,052,033	33,830,125	109,728,334
	% of Total Expenditure	0.12%	1.95%	0.84%	18.02%	3.96%	3.43%	**14.20%**		3.96%	69.81%	3.96%	69.81%
	Sub-Totals	**837,210,330**	**1,588,166,496**	**2,425,376,826**	**1,242,738,125**	**837,229,932**	**531,539,402**	**1,368,769,334**	**-43.56%**	**858,160,680**	**544,827,888**	**879,614,697**	**558,448,585**
	% of Total Expenditure	**10.81%**	**26.14%**	**20.14%**	**12.22%**	**12.40%**	**17.45%**	**13.97%**		**13.74%**	**17.45%**	**13.74%**	**17.45%**
Health Services	Clinical Services	2,011,261,434	575,835,316	**2,587,096,750**	2,593,174,166	2,167,733,040	261,102,519	**2,428,835,559**	**-6.12%**	2,221,926,366	267,630,082	2,277,474,525	274,320,834
	% of Total Expenditure	29.43%	12.05%	21.48%	25.50%	32.11%	8.57%	24.80%		35.59%	8.57%	35.59%	8.57%
	Promotive and Preventive Health	8,000,000	22,200,978	**30,200,978**	75,300,000	22,300,000	68,592,204	**90,892,204**	**100.00%**	22,857,500	70,307,010	23,428,938	72,064,685
	% of Total Expenditure	0.12%	0.46%	0.25%	0.74%	0.33%	2.25%	0.93%		0.37%	2.25%	0.37%	2.25%
	Sub-Totals	**2,019,261,434**	**598,036,294**	**2,617,297,728**	**2,668,474,166**	**2,190,033,040**	**329,694,724**	**2,519,727,764**	**-3.73%**	**2,244,783,866**	**337,937,092**	**2,300,903,462**	**346,385,519**
	% of Total Expenditure	**29.55%**	**12.51%**	21.73%	**26.24%**	**32.44%**	**10.83%**	**25.72%**		**35.95%**	**10.83%**	**35.95%**	**10.83%**
Education and Social Protection Sector	Education and Vocational Training	672,406,436	275,950,534	**948,356,970**	601,900,614	658,218,080	53,868,087	**712,086,167**	**-24.91%**	674,673,532	55,214,789	691,540,371	56,595,159
	% of Total Expenditure	9.84%	5.77%	7.87%	5.92%	9.75%	1.77%	**7.27%**		10.81%	1.77%	10.81%	1.77%
	Youth and Sports	167,644,202	90,570,593	**258,214,795**	221,281,141	114,127,177	69,627,339	**183,754,516**	**-28.84%**	116,980,357	71,368,022	119,904,866	73,152,223
	% of Total Expenditure	2.45%	1.89%	2.14%	2.18%	1.69%	2.29%	**1.88%**		1.87%	2.29%	1.87%	2.29%
	Gender, Social Protection and Culture	49,741,815	68,871,785	**118,613,600**	81,300,000	40,300,000	26,110,252	**66,410,252**	**100.00%**	41,307,500	26,763,008	42,340,188	27,432,083
	% of Total Expenditure	0.73%	1.44%	0.98%	0.80%	0.60%	0.86%	0.68%		0.66%	0.86%	0.66%	0.86%
	Sub-Totals	**889,792,453**	**435,392,912**	**1,325,185,365**	**904,481,756**	**812,645,258**	**149,605,677**	**962,250,935**	**-27.39%**	**832,961,389**	**153,345,819**	**853,785,424**	**157,179,465**
	% of Total Expenditure	**13.02%**	**9.11%**	**11%**	**8.89%**	**12.04%**	**4.91%**	**9.82%**		**13.34%**	**4.91%**	**13.34%**	**4.91%**
	Grand Totals	**6,933,158,372**	**5,118,749,997**	**12,043,908,369**	**10,170,995,230**	**6,750,166,356**	**3,045,347,715**	**9,795,514,071**	**-18.67%**	**6,243,472,228**	**3,121,481,408**	**6,399,559,033**	**3,199,518,443**
	% of Total Expenditure	**67%**	**33%**	100%		**69%**	**31%**	**100.00%**		**67%**	**33%**	**67%**	**33%**

4.3 Criteria for Resource Allocation

The apportioning of the ceilings within the county departments for FY 2023/2024 and over the medium term was guided by the following criteria:

- Linkage of programmes with the priorities of the CIDP III;
- Linkage of programmes that support *Nguzo Kumi* Agenda;
- Re-allocation of underspending programmes;
- Need to complete ongoing and stalled capital projects; and
- Advisory of the CRA on allocations of the County Assembly.

As indicated in Figure 4.1, the Administration and Governance Sector has been apportioned the highest allocations accounting for 35 percent of the total available resources followed by the Health Sector at 25 percent, while on the other hand, the General Economic and Commercial Affairs Sector has been allocated the least at 2.4 percent. Regarding development expenditure ceilings, the Department of Water, Irrigation and Sanitation has been allocated the highest accounting for 10 percent of the total development allocations followed by the Department of Clinical Services at 8.5 percent. In addition, the ward projects under the UGCED Act, 2019 account for 40 percent of the total development budget.

4.4 Details of Sector Priorities

The medium-term expenditure framework for 2023/24 – 2025/26 takes into account prioritized programmes in the CIDP III as envisioned in the *Nguzo Kumi* of H.E. the Governor and the national policy objectives as outlined in the 2023 BPS. The specific interventions are therefore a product of public consultations.

4.4.1 Administration and Governance Sector

The sector comprises the Office of the Governor; Finance and Economic Planning; Public Service Management, Administration and Devolution Units; County Public Service Board; and County Assembly. It is responsible for entrenching good governance, providing quality services, and ensuring prudent management of public finance.

During the 2019/20 – 2021/22 MTEF period, the sector made major achievements which included: the establishment of 3 service delivery centres, the development and operationalizing HR policy manuals and guidelines, digitizing management records, re-organizing the central registry, establishing the legal library and archives, and harmonization of the scheme of service. It also completed the construction of Ainabkoi, Kapseret and Moiben Sub-County Offices, and 13 ward offices; and commenced Turbo sub-county offices and 11 other ward offices, which were at different levels of completion. The sector also prepared: PFM statutory documents (i.e., CBROP, CFSP, CIDP, ADPs, among others) annually; 2021 County Statistical Abstract; conducted the Mid-Term Review of the CIDP (2018-2022); and operationalized the County M&E policy. In addition, the budget absorption rate and own source revenue collection were below target averaging 57 percent and KSh. 915 million, respectively. Further, several pieces of legislation and policies were prepared, including Uasin Gishu Equalization Act 2019, Inua Biashara Fund Act 2020, Trade & markets Act 2021, Markets policy 2021, Climate change Act 2021, ICT Policy 2020, M&E policy 2020, Climate change policy and Trans-boundary livestock disease control policy.

In the 2023/24 – 2025/26 MTEF period, the sector's key planned outputs include the completion of 3 sub-county offices at Turbo, Kesses and Soy, and 11 ward offices; linking of county offices; construction of a central store; establishment of service delivery centres in three sub-county headquarters and a municipal legal library; and digitizing of audit services and asset inventory control. The sector will also review and prepare frameworks, policies and guidelines on partnerships, communication, HR management and public participation; conduct training needs assessment to determine capacity requirements of county staff; recruit staff with requisite skills; and establish an office of ombudsman and toll-free call centres. Further, to enhance local revenue collection and administration, the sector will develop a revenue mobilizing strategy, and acquire a new revenue system, among other measures.

In order to implement these programmes, the sector has been allocated KSh 3,468,940,691 in the FY 2023/24, of which KSh 2,109,262,495 is for recurrent and KSh 1,359,678,196 for development.

4.4.2 Infrastructure Sector

The sector comprises four subsectors: Roads, Transport, Energy and Public Works; Water, Sanitation and Irrigation; Environment, Natural Resources and Climate Change; and ICT and Innovation.

During the 2019/20 – 2021/22 MTEF period, the sector: successfully graded and graveled 4,017 KM and 1,103 KM of roads respectively; constructed 20 bridges and box culverts; installed 10,150 M of culverts and 3,943 streetlights; constructed Burnt Forest and Mailli Nne fire stations; constructed 92 boda-boda shades; and maintained 24 government buildings. The sector also developed 209 community water projects, maintained 6 water supplies, constructed 24 dams, acquired specialized plants and machinery, planted 203,000 tree seedlings, and acquired land measuring 12 acres for a dump site. It also developed tourism infrastructure and products at kapsiliot, kesses, and river sosiani; installed 88 CCTV cameras and 6 access controls; implemented a document management system; integrated systems with GIS; connected 13 county offices and 5 ward offices with the internet; and mentored youths with ICT skills.

With the resources available for the FY 2023/24-2025/26 MTEF Period, the sector intends to: construct 106 KM of new roads to bitumen standard; grade 8,830 KM of roads, gravel 2,865 KM, and open 140 KM; maintain 140 KM of tarmac road; construct 54 bridges and box culverts; and install 6,800 M of culverts and 1,500 streetlights. The sector also plans to develop 900 community water projects, maintain 7 water supplies, rehabilitate and develop ancillary works in 2 dams per ward, drill and equip 100 boreholes, and lay 630 KM of water distribution pipelines. It will also establish irrigation schemes, construct a centralized sewer system, extend 50 KM of sewer lines, and construct 10 public sanitation facilities.

To improve environmental management and conservation, the sector will prioritize the development of a recycling plant at the Kipkenyo dumpsite, establish engineered and sanitary landfills, and acquire 15 acres of disposal sites. It will also protect wetlands and riparian areas, reclaim abandoned burrow pits, plant over 6 million trees under afforestation programmes, and beautify streets and open spaces in urban and peri-urban centres, and develop amusement parks. With regard to ICT, the sector will develop 3 innovation hubs and call centres, install 3 ERP systems and 280 CCTV cameras, host county systems on cloud computing, link county offices to the internet, mentor youths on ICT solutions, and support the digitization of county processes.

To achieve the above outcomes in the MTEF period 2023/24 – 2025/26, the sector has been allocated KSh 1,368,769,334, of which KSh 837,229,932 is for recurrent and KSh 531,539,402 for development in FY 2023/24.

4.4.3 Health Sector

The sector is responsible for the provision of accessible and affordable healthcare of the highest attainable standards to all residents.

Significant achievements realized by the sector in the 2019/20 – 2021/22 period, include: construction of health facilities, key among them Kesses and Ziwa Hospitals which were 70 and 52 percent complete, respectively; a 10-bed rehabilitation centre at Moiben Sub County Hospital (SCH); Theatres at Turbo and Burnt Forest SCHs, and 32 health facilities including Huruma Reference Laboratory and Eye Unit equipped. Other health interventions by the sector relating to reproductive health, resulted in improved skilled birth attendance which currently stands at 88.8. Access to modern methods of family planning stood at 79 percent in FY 2020/21. Immunization coverage increased to 89 percent in FY 2020/21 while the ante-natal clinic coverage registered an improvement from 42 to 52 percent in the same period. Regarding Covid-19 prevention and management, the sector set up diagnostic and isolation facilities as well as carried out sensitization and vaccination which aided in curbing the spread.

The key Sector programme priorities for the FY 2023/2024 – FY 2025/26 include: the construction of a level IV hospital with modern diagnostic equipment; upgrading/rehabilitation of health facilities across the county; construction of public health reference labs; setting up 6 optical units and cold chain storage for vaccines; establishment of staff clinics and a wellness centre, 6 youth-friendly centres, 3 safe houses, and 12 revolving pharmacies; digitize health facilities; deploy telemedicine services to 6 HFs and support research and development. Regarding human resources for health, the sector will recruit doctors, train specialized health workers and strengthen community health strategy. It will also establish an emergency call centre and ensure the supply of health commodities including medicines and medical supplies among others to all HFs.

During the MTEF period FY 2023/24- FY 2025/26, the Sector has been allocated KSh 2,519,727,764 for FY 2023/24. Out of which KSh 2,190,033,040 is recurrent and KSh 329,694,724 is development.

4.4.4 Education and Social Protection Sector

The sector comprises three departments, thus; Education and Technical Training; Gender, Culture and Social Protection, and Youth Affairs and Sports. It is responsible for the provision of quality

ECD education and skills development, talent nurturing and development in the areas of sports and arts, gender mainstreaming, and community development.

During the FY 2019/20 – 2021/22 period, the sector employed 1,378 teachers and constructed 1,079 classrooms for ECDE; constructed and equipped 11 VTCs; and students benefiting from the County Education Revolving Fund rose from 1,630 to 3,482 in this period while 2,800 and 3,300 youths were mentored and placed, respectively. The sector also established a PWD Fund that supported 2,346 families and issued 185 with assistive devices. It also commenced the construction of the Chebolol special needs assessment and the construction of the Chagaiya high altitude training camp progressed from 24 to 60 percent completion level.

In the 2023/24-2025/26 MTEF period, to improve education outcomes, the sector will strengthen implementation of various reforms in the sector including: construction and equipping of 350 classrooms for ECD; provision of desks and other learning materials to 250 ECD centres; recruitment of additional 200 teachers to address the quality of ECD education; implement school feeding programme for ECDE; and expansion, rehabilitation and equipping of 14 VTCs institutions, and increase allocations to County Education Revolving Fund. The sector will also partner with stakeholders in the private sector and business owners to offer youths life and entrepreneurship skills through internships, mentorship and apprenticeship programmes as well as prioritizing the youth by offering them access to opportunities and AGPO. Further, it will provide supportive ICT infrastructure through the installation of free Wi-Fi in the 4 empowerment centres it will establish to enable more youths to work online and earn a living.

The sector will scale up safety net programmes as well as strengthen implementation of initiatives to empower the vulnerable groups of society including women and youth; establish safe houses and children protection centres; rehabilitate Eldoret Rescue Centre and 6 social halls; and complete construction of Chebolol Assessment Centre. Regarding sports, it will prioritize completion of ongoing sports facilities such as Chagaiya High Altitude Training Centre and 64 Stadium; upgrade 24 playgrounds at wards; construct a swimming pool at TAC centre; and establish Youth Sports Talent Centres. Hosting sports events such as the Governor’s volleyball and Eldoret City marathon will also be supported to boost tourism and nurture talent.

To achieve the above outcomes in the MTEF period 2023/24 – 2025/26, the sector has been allocated KSh 941,729,655 of which KSh 792,123,978 is for recurrent and KSh 149,605,677 for development in FY 2023/24.

4.4.5 Agriculture, Rural and Urban Development (ARD)

The sector comprises Agriculture and Agribusiness, Livestock Development and Fisheries, Lands and Physical Planning, Housing and Urban Development, and the Municipality of Eldoret Sub-Sectors. The sector is central to attaining food security and nutrition, proper land use and control, and delivery of affordable and decent housing.

During the 2019/20 -2021/22 Medium-Term period, the Sector implemented various programmes and achieved the following: constructed 3 high-capacity cereal stores, distributed more than 922,000 seedlings of various high-value crops, supported 220 youth groups under *Kijana na acre* programme and distributed 8000 litres of pesticides for disease control. Others are the construction and rehabilitation of cattle dips and slaughterhouses; the construction of a modern hostel at ATC; connecting the 46 milk coolers with electricity and water; and the vaccination of over 300,000 heads of livestock. It also promoted mechanized farming at subsidized rates, revamped extension services, and trained 50,000 farmers on best farming practices. The sector also acquired 19.386 Ha of land for public use, secured 9 public utilities, and surveyed 7 trading centres in addition to renovating 21 housing units, and preparing 26 Local Physical Development Plans (LPDPs) of which 2 were implemented in trading centres.

In the MTEF period 2023/24-2025/26, the Sector will implement several programmes intended to facilitate the attainment of food nutrition and security. Key interventions during this period include: development of a soil lab; establishment of Agricultural Transformation Centres and Aggregation centres in all sub-counties; construction of storage facilities and installation of driers; distribution of 10,000 liters of pesticide annually for the management of pests; and expansion of acreage under irrigation. The sector will also rehabilitate 125 cattle dips annually and supply them with acaricides for disease control; establish 6 feedlots and support farmers with feed formulation; establish 18 breeding centres and up-scale AI subsidy programme; and develop 18 demonstration fish ponds and re-stock active fish ponds. The Sector will also support 450 registered women groups annually under *Inua mama na kuku* programme; distribute Dorper sheep and goats to vulnerable and marginalized groups; and promote apiculture by distributing 600 beehives annually. It will also revamp extension services, promote agricultural mechanization, provide subsidy crop insurance cover to 3,000 farmers annually; train farmers, and subsidize farm inputs. Regarding value addition, the sector will set up a milk processing and packaging plant and construct 2 modern animal slaughter facilities. A County Agricultural Development Fund will also be established to increase access to agricultural loans and complement County Enterprise Development Fund.

Further, the sector will establish a GIS Lab, digitize land records, geo-reference 30 percent of land parcels, acquire land for government projects, enhance spatial/physical planning and control, upgrade informal settlements, and collaborate with National Government in developing affordable housing.

The Sector has budgetary allocations of KSh 1,238,506,855 in FY 2023/24 for the implementation of the programmes. KSh 704,178,273 is recurrent and KSh 534,328,582 is development.

4.4.6 General Economic and Commercial Affairs Sector

The sub-sectors under the GECA sector are Trade, Tourism, Investment and Industrialization, Cooperatives and Enterprise Development and County Enterprise Fund. It is a key player in the delivery of the empowerment pillar in terms of value addition, trading and industrialization.

During the 2019/20 -2021/22 MTEF period, the sector implemented the following programmes: constructed Kimumu Bahati mega-market, 43 retail markets, and 650 modern mama mboga shades; disbursed KSh. 64.73 million and KSh. 399 million to SMEs and cooperative societies, respectively; registered 105 cooperative societies and revived 45; and trained members of cooperative societies and SMEs on entrepreneurship. The sector also supported value-addition initiatives through cooperative societies.

The Sector intends to continue the implementation of projects in the following areas: to promote retail and wholesale trade, the sector will construct an ultra-modern mall in Eldoret town, rehabilitate 50 retail markets, construct 441 modern shades and shops, and establish one SME park and 6 business incubation centres. The sector will also establish Village Based Agro-processing Industries in all the sub-counties to support manufacturing; avail cheap credit to businesses through *Inua Biashara* Fund; and provide business development services to SMEs. Further, it will digitize cooperative services, support 26 value-addition initiatives, register/revive cooperative societies, capacity building, and up-scale access to cooperative credit.

To implement the programmes in the MTEF period, the Sector has been allocated KSh 237,318,492 in the FY 2023/24, of which KSh 96,817,359 is recurrent and KSh 140,501,133 is development.