



**COUNTY GOVERNMENT OF LAIKIPIA**

**DEPARTMENT OF FINANCE, ECONOMIC PLANNING, INNOVATION AND  
ENTERPRISE DEVELOPMENT**

**2021 COUNTY BUDGET REVIEW AND OUTLOOK**  
**PAPER**

**SEPTEMBER 2021**



# **COUNTY VISION, MISSION, AND CORE VALUES**

## **Vision Statement**

The greatest county with the best quality of life

## **Mission Statement**

To enable every household in Laikipia county to lead a prosperous life

## **Core Values**

People-centeredness

Equity

Accountability

Efficiency

Professionalism

Integrity

Innovativeness

Passion

## FOREWORD

The 2021 County Budget Review and Outlook Paper(C-BROP) has been prepared in line with Section 118 of the Public Finance Management Act, 2012 which requires a County Government to prepare this paper in respect of each financial year with an aim of reviewing achievements of pre-targeted objectives hence ensuring effectiveness and efficiency in resource mobilization and budget implementation. This is traced through realistic allocations of County Government resources and utilization of the same to meet the needs of the people.

This Paper is set against the backdrop of a contracting global economy occasioned by the outbreak and the rapid spread of the Covid-19 Pandemic and attendant measures adopted by the Government to mitigate against this emerging risk. Towards this end the county government put in place several measures to help in the recovery from the harsh economic conditions and bring back people to productive economic activities, these included

- a) Revival of trade through economic stimulus interventions that include financial and capacity building support to micro, small and medium enterprises worth over KShs 3 billion.
- b) Infrastructural development through improvement of road network in urban and rural settings to spur economic growth through access to markets, movement of people, produce and goods providing job opportunities and hence growth in incomes.

The fiscal performance of the FY 2020/21 budget was above average. Revenue performance was at 94 per cent while the expenditures were recorded at 78 per cent against the approved budget. Shortfalls in revenue were largely due to the disruptions on economic activities due to the Covid-19 Pandemic and non-remittance of grants; despite the non-realisation of these cash flows Own source revenue for the year 2020/21 increased by 15 per cent to KShs 840 million from 2019/20 collection of KShs 827 million. Expenditure performance was mainly affected by non-realised cash flows and delayed procurement processes. In light of these developments, revenues for the FY 2021/22 will be enhanced and keenly monitored to ensure that set targets are achieved.

The expenditure and revenue policy framework for the 2021/22 financial year and the medium is guided by the following fiscal principles;

- i. Entrenching fiscal discipline in the management of Public Finances,
- ii. Aligning Laikipia County development agenda with the National Development Goals,
- iii. Support economic growth, through enhanced innovation, enterprise and infrastructure development in order to provide employment opportunities to for the citizens, and

- iv. Ensuring public participation in the selection and implementation of projects to ensure equity in service provision.

Fiscal discipline will enable county sectors achieve set objectives at minimum cost. The implementation of the County budget will focus on enhancing business opportunities through innovation and enterprise development, boost agriculture productivity, improve access to health care and upgrade public infrastructure among others.

Towards ensuring transparency and accountability the county will continuously engage stakeholders in development planning, implementation, and monitoring as required by the Constitution of Kenya 2010, Public Finance Management Act, 2012 and other guiding laws.



**Murungi Ndai**  
**County Executive Committee Member**  
**FINANCE, COUNTY PLANNING AND ENTERPRISE DEVELOPMENT**

## ACKNOWLEDGEMENTS

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## **ABBREVIATIONS**

<b>ADP</b>	Annual Development Plan
<b>AGPO</b>	Access to Government Procurement Opportunities
<b>CBROP</b>	County Budget Review and Outlook Paper
<b>CDMS</b>	County Debt Management Strategy
<b>CFSP</b>	County Fiscal Strategy Paper
<b>CIDP</b>	County Integrated Development Plan
<b>CRA</b>	Commission on Revenue Allocation
<b>CSWGs</b>	County Sector Working Groups
<b>EAC</b>	East Africa Community
<b>FY</b>	Financial Year
<b>GDP</b>	Gross Domestic Product
<b>HFIF</b>	Health Facility Improvement Fund
<b>ICT</b>	Information Communication Technology
<b>IEBC</b>	Independent Electoral and Boundaries commission
<b>IFMIS</b>	Integrated Financial Management Information System
<b>KRA</b>	Kenya Revenue Authority
<b>MTEF</b>	Medium Term Expenditure Framework
<b>NSE</b>	Nairobi Securities Exchange
<b>PFM</b>	Public Finance Management
<b>PFMA</b>	Public Finance Management Act

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Legal basis for the preparation of CBROP

Preparation of the annual County Budget Review and Outlook Paper (CBROP) is guided by section 118 of the Public Financial Management Act, 2012 which states:

- 1) The 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 the 30<sup>th</sup> September of that year.
- 2) In preparing its County Budget Review and Outlook Paper, the County Treasury shall specify
  - a) The 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 most recent County Fiscal Strategy Paper
  - c) Information on-
    - i. Any changes in the forecasts compared with the County Fiscal Strategy Paper or
    - ii. How actual fiscal performance for the previous financial year may have affected compliance with the County Fiscal Strategy Paper for that financial year
- 3) The County Executive Committee shall consider the County Budget Review and Outlook Paper with a view of approving it, with or without amendments within fourteen days after its submission
- 4) Not later than seven days after the CBROP is approved by the County Executive, the county Treasury shall-
  - a) Arrange for the paper to be laid before County Assembly and
  - b) Publish and publicize the paper

## **1.2 Significance of the CBROP**

The purpose of this paper is to enable the county government review its previous fiscal performance and how it impacts on the financial objectives and fiscal responsibility principles set out in the PFM Act ; outlook on the level of future revenues and expenditures; and set preliminary sector ceilings in the light of reviewed performance and projected revenues. C-BROP helps link policy formulation and development of annual plans and budgets.

The County Government is in its fourth fiscal year of implementing the second County Integrated Development Plan and the Third Medium Term Plan (MTP III 2018-2022), that guide budget preparation and implementation in the County. The C-BROP is based on the MTEF priorities. that include

- Development of fiscal framework that projects revenues and expenditure in the medium term (multi-year).
- Development of sectoral programs, agreement on sector objectives, outputs, and activities, review and development of programs and sub-programs, program cost estimation.
- Development of sectoral expenditure frameworks, analysis of inter- and intra-sectoral trade-offs, consensus-building on strategic resource allocation.
- Definition of sector resource allocations setting medium term sector budget ceilings.
- Preparation of sectoral budgets and medium term programs based on budget ceilings

These take into account priority needs of the citizenry in the devolved system of government.

## **1.3 Objectives of the CBROP**

The core objectives of CBROP are:

- (i) To provide details of the actual fiscal performance of the financial year 2020/21, and deviations from the approved budget of the same year.
- (ii) To specify the updated economic and financial forecasts in relation to the changes from the forecasts in the County Fiscal Strategy Paper of February, 2020.
- (iii) To provide information on any changes in the forecasts compared with the CFSP of February, 2020

- (iv) To specify how actual financial performance for the year 2020/21 may have affected compliance with the fiscal responsibility principles, or the financial objectives in the CFSP.
- (v) To provide reasons for any deviation from the financial objectives in the CFSP of February, 2020 together with proposals and timelines to address the deviations.

#### **1.4 Structure of the CBROP**

This paper is organized into five sections. Section one introduces the C-BROP giving the legal framework, its significance and objectives. Section two provides a detailed review of the County fiscal performance for the year 2020/21 and its implications on the approved 2020/21 budget. Section three gives highlights on the recent economic developments and the outlook for period 2021/22 and the medium term. Section four sets out the resource allocation framework across county departments by setting preliminary expenditure limits or ceilings for each county department under the MTEF. Section five provides a conclusion on 2020/2021 fiscal outcome; In addition, the annexure to this document contains relevant attachments that will guide county departments during the preparation of annual budgets.

## CHAPTER TWO:

### REVIEW OF FISCAL PERFORMANCE IN 2020/21

#### 2.1 Performance Overview

In the financial year 2020/21 the county realised total revenue of KShs 6,420,707,991 against a budget of KShs 6,853,751,743 representing 94 per cent revenue performance. The revenue performance was affected by non- realisation of set revenue targets from both own source revenue and conditional grants as depicted in Table 1 below.

The total county expenditure was KShs. 5,864,790,071 against a budget of KShs. 7,481,998,086 hence a 78 per cent budget utilization.

County Executive expenditure amounted to KShs 5,297,197,294 against a budget of KShs 6,885,212,045 representing 77 per cent utilization while the County Assembly expenditure amounted to KShs 567,592,777 against a budget of KShs 596,786,041 representing 95 per cent budget utilization. The expenditure performance was affected by reduced cash inflows, delayed procurement processes and economic interruptions attributed to COVID 19 pandemic.

#### 2.2 Fiscal Performance in 2020/21

##### 2.2.1 County Revenue Performance

The County realized 100 per cent of Equitable share amounting to KShs 4,177,800,000, Own Source Revenue of KShs 840, 396,832 against a target of KShs 1,006,875,000, Conditional Grants 20/21 of KShs 646,948,573 against a target of KShs 752,523,849 and Conditional Grants B/F 19/20 of KShs 508,610,084 against a target of KShs 671,589,294, and opening balances amounting to KShs 246,952,702.

The Own Source revenue receipts for the year 2020/21 increased by KShs 112,438,876 compared to the actual receipts in 2019/20 representing 15 per cent growth. Conditional Grants receipts 2020/21 decreased by KShs 228,394,166 mainly due to a reduction in Covid-19 grants which was a one off allocation and higher opening balances received in the financial year 19/20. The revenue performance in 2020/21 is depicted in *Table 1* that summarizes revenues and grants for the financial years 2019/20-2020/2021, the deviations from the approved revenue estimates and the growth

realized against the previous year actuals. *Annex 3* further details the local revenue collections for financial years 2019/20 and 2020/21.

**Table 1: County Revenue Performance**

Total Revenue and Grants	Financial year 2019/20	Financial Year 2020/21		Deviation (KShs) (Actual –Target)	Growth (%) (From 2019/20-2020/21 actuals)
	Actual (KShs)	Targets (KShs)	Actuals (KShs)		
	A	B	C		
Opening Balance	39,775,495	229,834,793	229,834,793	0	478
CRF Returns		0	1,989,102	1,989,102	-
Opening Balance Emergency Fund		15,128,807	15,128,807	0	-
Equitable Share	4,177,800,000	4,177,800,000	4,177,800,000	0	-
Own Source Revenue	727,957,756	1,006,875,000	840,396,632	(166,478,367)	15
Conditional Grants 20/21	759,018,574	752,523,849	646,948,573	(105,575,276.4)	(15)
Conditional Grants B/F 19/20	529,005,249	671,589,294	508,610,084	(162,979,209.6)	(4)
COVID 19 Grants	95,929,000	0	0	0	(100)
Over Collected revenue 18/19	15,770,157	0	0	0	(100)
Disposal of assets*	5,200,000	0	0	0	(100)
<b>Total Revenue</b>	<b>6,310,680,736</b>	<b>6,853,751,743</b>	<b>6,420,707,991</b>	<b>(433,043,752)</b>	

\* *Disposal of assets by County Assembly*

Non realization of revenue targets for 2020/21 was mainly attributed to the negative effects of the Covid-19 pandemic that resulted into reduced own source revenue and non-receipt of some conditional grants.

### **Analysis of Conditional Grants Performance**

In 2020/21 the total budget for grants amounted to KShs 1,424,113,143 comprising KShs 752,523,849 as grants due for 2020/21 and KShs 671,589,294 conditional grants balances for 2019/20. The total amount received for conditional grants was KShs 1,155,558,657 (comprising of KShs 646,948,572.60 for conditional grants 2020/21; KShs 508,610,084.40 conditional grants bank balances and amounts not received for 2019/20) representing 81 per cent realization. Outstanding grant balances amounted to KShs. 268,554,487. *Table 2* summarizes the grants performance for the financial year 2020/21.

**Table 2: Analysis of Conditional Grants Performance**

Receipt	Total Budget FY 2020/21	Amounts received in FY 2020/21	Amounts not received in FY 2020/21
Domestic Grants	A	B	C = A-B
Vocational Training Grant	56,780,795	28,255,795	28,525,000
User Fee Forgone	9,968,208	9,968,208	0
Medical Leasing Equipment (non receivable)	132,021,277	0	132,021,277
MOH Covid-19 Grant	36,690,000	0	36,690,000
Road Maintenance Levy Fund	192,592,783	192,592,783	0
<b>Total Amount</b>	<b>428,053,063</b>	<b>230,816,786</b>	<b>197,236,277</b>
<b>Foreign Grants</b>			
Kenya Urban Support Project (KUSP)	50,000,000	63,717,617	(13,717,617)
Kenya Urban Institutional Grant (KUIG)	8,800,000	8,800,000	0
Kenya Climate Smart Agriculture Project (KCSAP)	394,359,134	291,846,818	102,512,315
EU IDEAS LED	92,457,157	38,512,939	53,944,218
UNICEF Primary Health Care Grant	11,362,004	4,692,898	6,669,106
KDSP Level 1 - Capacity Building	86,121,027	84,016,747	2,104,280
KDSP Level 2 – Investment	168,472,754	296,809,981	(128,337,227)
Transforming Health Care	125,061,404	86,415,378	38,646,026
Agricultural Sector Development	47,546,600	34,357,177	13,189,423
DANIDA Grant	11,880,000	15,572,317	(3,692,317)
<b>Total Amount</b>	<b>996,060,080</b>	<b>924,741,872</b>	<b>71,318,207</b>
<b>GRAND TOTAL</b>	<b>1,424,113,143</b>	<b>1,155,558,658</b>	<b>268,554,484</b>

**2.2.2 County Expenditure Performance**

In 2019/20 the overall county expenditure was KShs 5,564,562,600 against a target of KShs 7,113,854,889 representing a budget absorption of 78 per cent. Departments recorded mixed expenditure performances in 2020/2021 compared to 2019/20 as shown in *Table 4*. In year 2020/21 Absorption of the recurrent expenditure grew slightly by 2.25 per cent from KShs 4,350,247,888 to KShs 4,448,183,974, while development expenditure gradually increased by 5.4 per cent from KShs 1,214,314,711 to KShs 1,416,606,097.

The total actual expenditure performance in 2020/21 was KShs 5,864,790,071 comprising of recurrent expenditures of KShs 4,448,183,974 representing 92 per cent budget absorption and development expenditures of KShs 1,416,606,097 representing 53 per cent budget absorption. The overall expenditure performance in 2020/21 is illustrated in *Table 3* and details growth in actual expenditure and the deviations from the approved estimates and specific expenditure items are as provided in *Annexes 2*.

**Table 3: County Expenditure Performance**

Expenditure	2019/20 Actual (KShs)	Financial year 2020/21		Deviation (KShs)	% Growth
		Target (KShs)	Actual (KShs)		
	A	B	C	D=C-B	E=C- A/A*100
<b>(1) Recurrent Expenditure</b>					
County Executive Recurrent	3,877,859,834	4,317,389,435	3,932,307,745	-385,081,690	1.40
County Assembly	472,388,054	495,693,750	515,876,229	20,182,479	9.21
<b>Total</b>	<b>4,350,247,888</b>	<b>4,813,083,185</b>	<b>4,448,183,974</b>	<b>-364,899,211</b>	<b>2.25</b>
<b>(2) Development Expenditure</b>					
County Executive	1,129,418,707	2,567,822,610	1,364,889,549	-1,202,933,061	20.85
County Assembly	84,896,004	101,092,291	51,716,548	-49,375,743	(39.08)
<b>Total</b>	<b>1,214,314,711</b>	<b>2,668,914,901</b>	<b>1,416,606,097</b>	<b>-1,252,308,804</b>	<b>16.66</b>
<b>Total Expenditure</b>	<b>5,564,562,600</b>	<b>7,481,998,086</b>	<b>5,864,790,071</b>	<b>-1,617,208,015</b>	<b>5.40</b>

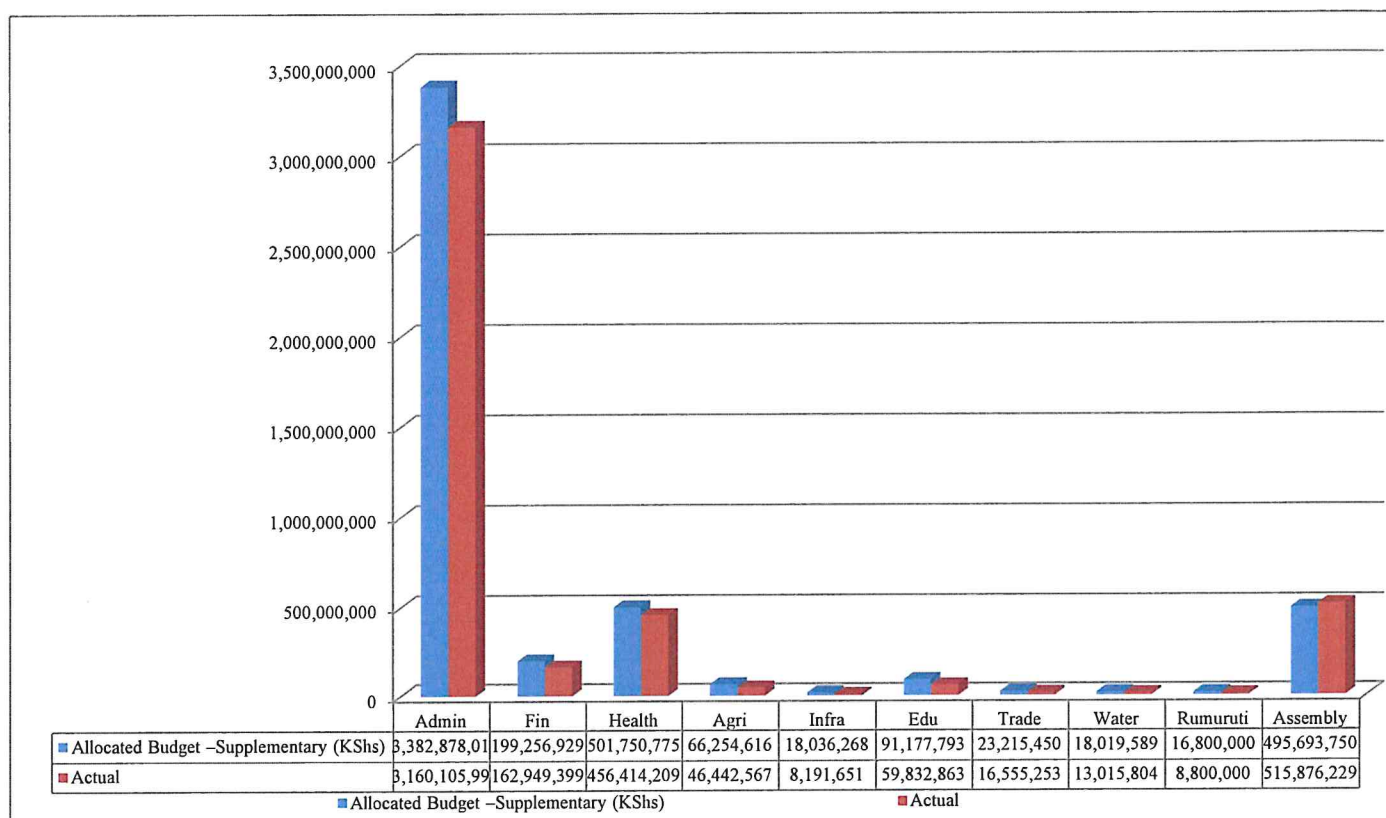
The sectoral expenditures were utilized by the 8 departments of the County Executive, Rumuruti municipality and the County Assembly. These sectors recorded different rates of absorption of their recurrent expenditures in the year under review as indicated in *Table 4* and *Figure 1* below;

**Table 4: Performance of the Recurrent Budget in FY 2020/2021**

Sector	Allocated Budget –Supplementary (KShs)	Actual Performance (KShs)	Deviation (KShs)	Per centage performance
	A	B	C=B-A	D=B/A*100
County Administration and Public Service	3,382,878,015	3,160,105,999	-222,772,016	93
Finance and Economic Planning	199,256,929	162,949,399	-36,307,530	82
Medical Services and Public Health	501,750,775	456,414,209	-45,336,566	91
Agriculture, Livestock and Fisheries	66,254,616	46,442,567	-19,812,049	70
Land, Housing and Urban Development	18,036,268	8,191,651	-9,844,617	45
Education, ICT and Social Services	91,177,793	59,832,863	-31,344,930	66
Trade, Tourism and Co-operatives	23,215,450	16,555,253	-6,660,197	71
Water, Environment and Natural Resources	18,019,589	13,015,804	-5,003,785	72
Rumuruti municipality	16,800,000	8,800,000	-8,000,000	52
County Assembly	495,693,750	515,876,229	20,182,479	104
<b>Total</b>	<b>4,813,083,185</b>	<b>4,448,183,974</b>	<b>-364,899,211</b>	<b>92</b>



**Figure 1: Allocated Recurrent budget against Actual performance FY 2020/21**

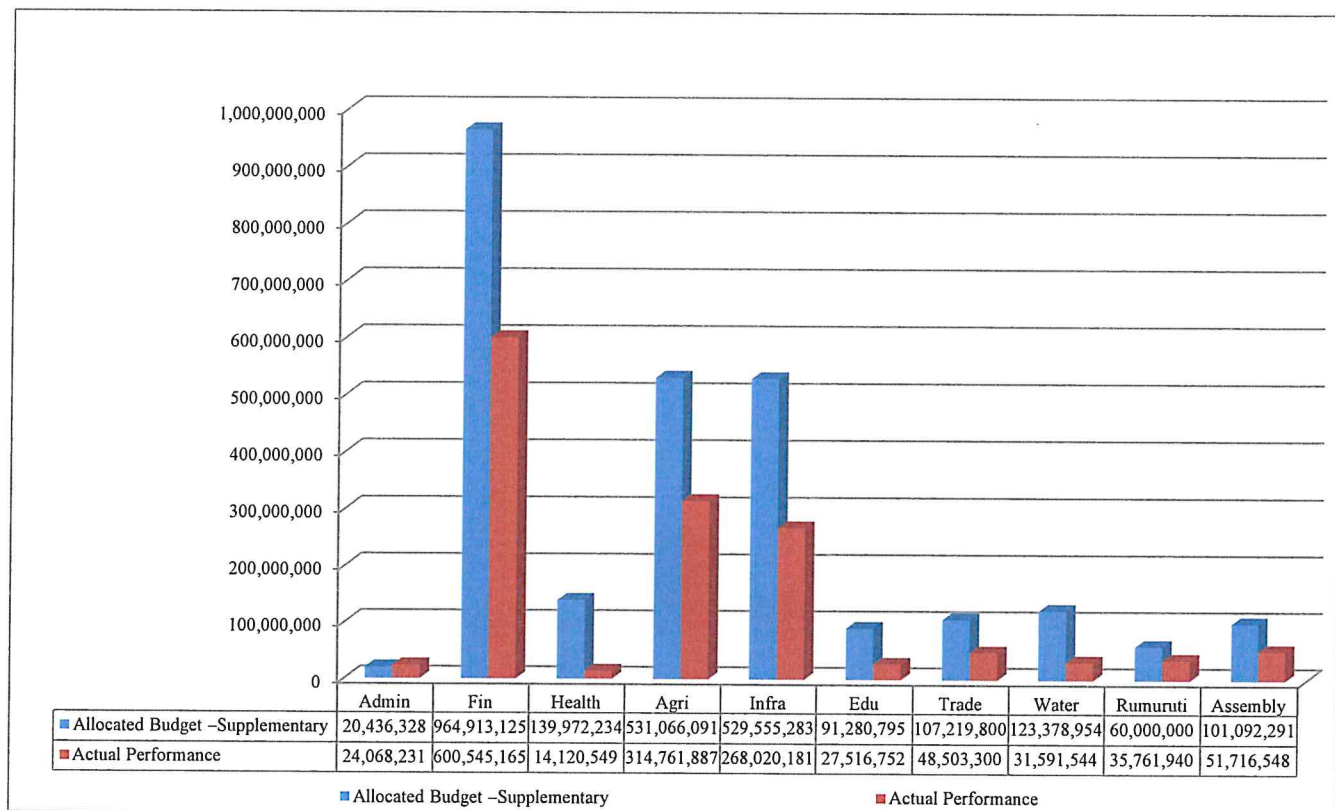


On development expenditure, four departments namely Medical Services and Public Health, Water, Environment and Natural Resources, Education, ICT and Social Services, Trade, Tourism and Co-operatives recorded below average performance with the overall absorption rate standing at 53% as shown in table 5 and figure 2. This was mainly attributed to reduced cash flows.

**Table 5: Performance of the Development Budget FY 2020/2021**

Sector	Allocated Budget -Supplementary	Actual Performance	Deviation	Per centage performance
	A(KShs)	B(KShs)	C=B-A(KShs)	D=B/A*100
County Administration and Public Service	20,436,328	24,068,231	3,631,903	118
Finance and Economic Planning	964,913,125	600,545,165	-364,367,960	62
Medical Services and Public Health(including leasing of medical equipment)	139,972,234	14,120,549	-125,851,685	10
Agriculture, Livestock and Fisheries	531,066,091	314,761,887	-216,304,204	59
Land, Housing and Urban Development	529,555,283	268,020,181	-261,535,102	51
Education, ICT and Social Services	91,280,795	27,516,752	-63,764,043	30
Trade, Tourism and Co-operatives	107,219,800	48,503,300	-58,716,500	45
Water, Environment and Natural Resources	123,378,954	31,591,544	-91,787,410	26
Rumuruti municipality	60,000,000	35,761,940	-24,238,060	60
County Assembly	101,092,291	51,716,548	-49,375,743	51
<b>Total</b>	<b>2,668,914,901</b>	<b>1,416,606,097</b>	<b>-1,252,308,804</b>	<b>53</b>

**Figure 2: Allocated Development budget against Actual performance FY 2020/21**



**2.3 Budget absorption**

In 2020/21 the overall budget absorption was 78 per cent with recurrent expenditures at 92 per cent and development at 53 per cent. This performance was mainly attributed to reduced cash inflows and delayed procurement processes.

**2.4 Implications of 2020/21 Fiscal Performance on Financial Objectives Contained in the 2020/21 Approved Budget.**

According to the 2020/21 revenue performance, the local revenue target of KShs 1,006,875,000 was not achieved affecting the overall budget implementation. To close this gap, the county revenue board will implement various revenue enhancement interventions in the year 2021/22. These will include the expansion of the tax base and providing better business environment leading to higher levels of tax compliance. Timely follow up of donor funding will be scaled up to build on the resource basket.

Measures to ensure effective and efficient utilisation of scarce resources will be adopted which will result into cost savings on non –core expenditure hence releasing funds for key government programs. Use of the performance management system solutions, E-personnel and revenue administration are expected to continue.

In 2021/22 the County expects significant improvement in absorption of development funds and with the realisation of the infrastructure bond program, focus on timely procurement of goods and services through the e- procurement platform and timely funding of activities will be enhanced. Overall this will help in achievement of county objectives that are geared towards improvement of livelihoods.

## CHAPTER THREE

### RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

#### 3.1 Introduction

This section provides an analysis of national macroeconomic variables such as GDP growth rate and inflation and their impact on the implementation of 2021/22 County budget. It also discusses the prospects for growth given the recent economic events and circumstances.

#### 3.2 Recent Economic Developments

Global economic conditions have improved. Economic activity rebounded in the second quarter of 2021 in most regions after lockdowns were eased amid an unprecedented monetary and fiscal stimulus, resulting in a less severe global recession in 2021 than initially projected. However, new COVID 19 infection waves have necessitated renewed restrictions in many countries. Further progress in rolling out vaccinations and continued policy support are expected to contribute to stronger global growth in 2021. The 2021 growth forecast remains unchanged at 5.7 per cent in September 2021, pointing to a strong rebound in global output, though it is slightly below consensus estimates 6.0 per cent.

The economic activity in sub-Saharan Africa continue to rebound but the pandemic still weighs on growth and exert fiscal pressure. The region's output contracted by an extraordinary 2.4 per cent in 2020, plunging the region into its first recession in over 25 years and causing real per capita income to contract by nearly 5.0 per cent. . The region's output is expected to expand by 2.6 per cent in 2021, upto 0.2 per cent relative to the October 2020 forecast, driven by increased commodity prices and exports, and a recovery in private consumption and investment as confidence strengthens on the back of improving global economic conditions and a continuing, albeit gradual vaccine rollout.

At the national level, the economy is projected to grow by 6.4 per cent in 2021. The rebound assumes that economic activity will normalize due to a full reopening of the economy, the Economic Recovery Strategy being successfully implemented, the ramping up of COVID 19 vaccination efforts and capitalizing on expected improvement in external liquidity and benefiting from initiatives to meet its external financing needs.

The county economy in 2021 signals a positive trajectory corresponding to growth at national level. Diverse activities with significant bearing on county economic growth continues to be undertaken including, enhanced own source revenue collections; Innovation, investment and industrialization promotion; implementation of post COVID 19 development stimulus programmes; marketing of Laikipia county as a tourist destination; rural roads infrastructure improvement ; urban planning and development through smart town initiatives; expansion of health delivery services and universal health coverage; rural water and sanitation programmes; crops and horticulture production, livestock production, animal health and disease management; performance management systems; public participation and citizen engagements; peace and cohesion building; promotion of intra and intergovernmental relations and provision of social services. These will be affected by various aspects which include:

**(a) Macroeconomic Environment**

Leading indicators for the Kenyan economy point to a relatively strong recovery in the first and second quarter of 2021. As such, the economy is projected to recover to 6.4 per cent in 2021, partly reflecting the lower 2020 base effect.

The Kenya Shilling exchange rate depreciated against the US dollar to Kshs 109.24 in August 2021 from Kshs 108.14 in July 2021. In the second week of September 2021, the shilling appreciated to Kshs. 109.96 in the second week from Kshs 110.03 in the first week of September 2021. The shilling depreciated against the Euro to Kshs 128.59 in August 2021 from Kshs 127.89 in July 2021. The currency appreciated to Kshs 129.82 in the second week of September 2021 compared to Kshs. 130.39 in the first week of September 2021. In comparison to the Sterling Pound, the Shilling weakened to Kshs 150.87 in August 2021 from Kshs 149.37 in July 2021 and depreciated further to Kshs. 152.17 by second week of September 2021 from Kshs. 151.93 in the first week of September 2021. Against the Japanese Yen, the Kenya Shilling depreciated to Kshs. 99.47 in August 2021 from Kshs 98.00 in July 2021 and further recorded a depreciation to Kshs 100.12 by the second week of September 2021 from Kshs 100.03 in the first week of September 2021.

In the East African Community (EAC) region, the Kenya Shilling marginally appreciated against three of the four main currencies. The Shilling weakened against the Uganda Shilling to Kshs 32.40 in August 2021 from 32.84 in July 2021. The shilling appreciated marginally to Ksh.32.11 in the

second week of September 2021 from Kshs 32.07 in the first week of September 2021. The currency slightly weakened against the Burundian Franc to 18.16 in August 2021 from 18.32 in July 2021. During the second week of September, the Kenya Shilling strengthened to 18.06 from Kshs. 18.04 in the first week of September 2021. Against Tanzania shilling, the Kenya Shilling recorded slight depreciation to Kshs 21.23 in August 2021 from 21.44 in July 2021. The shilling strengthened to Kshs. 21.09 during the second week of September 2021 from Kshs. 21.08 in the first week of September 2021. In comparison to the Rwandese Franc, the Shilling depreciated to Kshs. 9.23 in August 2021 from Kshs. 9.31 in July 2021 and gained appreciation in the second week of September 2021 to Kshs. 9.2 from Kshs 9.18 in week one of September 2021.

The overall national Consumer Price Index increased by 0.23 per cent from a revised index of 115.446 in July 2021 to 115.710 in August 2021. This was mainly attributed to increase in prices of some food items, which outweighed the decrease in prices of others.

The Housing, Water, Electricity, Gas and Other Fuels' Index, increased by 0.32 per cent between July 2021 and August 2021 mainly attributed to increase in prices of cooking fuel and house rent. Transport Index decreased by 0.32 per cent mainly due to decreases in bus fares of public service vehicles mainly as a result of the return to carrying of full capacity for public service vehicles in the month of August, 2021.

The overall year on year inflation rate as measured by the Consumer Price Index (CPI) was 6.57 per cent, in August 2021 mainly driven by rise in prices of commodities under: food and non-alcoholic beverages; transport; and housing, water, electricity, gas and other fuels between August 2020 and August 2021.

The average monthly retail price of a kilogram of dry maize at Nanyuki market increased to Kshs. 47.9 in August 2021 from Kshs. 44.2 in July 2021. However, the average monthly retail price of a kilogram of dry beans at Nanyuki market marginally increased to Kshs 108.8 in August 2021 from Ksh.108.6 in July 2021. This trend was slightly different at Nyahururu market where the average monthly retail price of a kilogram of dry maize decreased to Kshs. 44.7 in August 2021 from 45.20 in July 2021. The average monthly retail price of a kilogram of dry beans at Nyahururu market slightly decreased to Ksh.127.7 in August 2021 from Ksh.132.1 in July 2021.

The average interest rate for the 91-day Treasury bills dropped to 6.56 per cent in the month of August 2021 from 6.59 per cent in the month of July 2021 on the latest issues. The average interest rate for the 182-day Treasury Bills increased to 7.09 per cent in the month of August 2021 from 7.07 per cent during the month of July 2021. Further, the average interest rate for the 364-day Treasury Bills decreased to 7.42 per cent during the month of August 2021 from 7.54 per cent during the month of July 2021. The overall inter-bank rates decreased to 3.16 per cent in August 2021 from 3.90 per cent in July 2021.

**(b) Weather Patterns**

Laikipia County has distinct climatic zones receiving varied rainfall amounts that determine the type of livelihood adopted, potential hazards among others. The rainfall amounts range from minimum of less than 100mm in Mukogodo West, Sosian, Salama and part of Mukogodo East, Nanyuki, Githiga Igwamiti and Tigithi wards to a maximum of more than 400mm.

Most of the county received below normal rainfall during March- April-May (MAM) 2021 period a clear indication that long rains failed. The distribution, both in time and space were very poor in most parts of the county. Most parts of the county remained generally sunny and dry throughout the long rains period. The review of rainfall in MAM 2021 is as shown below.

**Table 6: Rainfall for selected Stations in Laikipia County (MAM 2021)**

Amount of the Rainfall in March April May (MAM) 2021								
Laikipia Air Base (East)			Rumuruti (West)			Daiga (North)		
Month	Amount (mm)	No. of Rainfall days	Month	Amount (mm)	No. of Rainfall days	Month	Amount (mm)	No. of Rainfall days
<b>March</b>	12.2	1	<b>March</b>	3.6	2	<b>March</b>	0	0
<b>April</b>	101.6	12	<b>April</b>	46.3	8	<b>April</b>	94	3
<b>May</b>	110.8	13	<b>May</b>	24.9	2	<b>May</b>	250.5	11

Most parts of the County experienced generally slightly dry weather conditions during June-July-August (JJA) 2021. Below-average rainfall was recorded in all parts with some stations receiving significant rainfall amounts especially in the month of July and August. The JJA temperatures were generally warmer than average over most parts of the county. The review of rainfall in JJA 2021 is as shown below.

**Table 7: Rainfall for selected Stations in Laikipia County (JJA 2021)**

Amount of Rainfall in June July August (JJA) 2021								
Laikipia Air Base (East)			Rumuruti (West)			Daiga (North)		
Month	Amount (mm)	No. of Rainfall days	Month	Amount (mm)	No. of Rainfall days	Month	Amount (mm)	No. of Rainfall days
<b>June</b>	0.4	0	<b>June</b>	1.6	1	<b>June</b>	0	0
<b>July</b>	53.3	4	<b>July</b>	135.4	14	<b>July</b>	17.1	4
<b>August</b>	106.3	7	<b>August</b>	50	6	<b>August</b>	64.5	5

The climate outlook for the short rain season during October to December 2021 projects generally below normal rainfall in most parts of the county. The rainfall is expected to decline both in time and space, throughout the season thus negatively affecting agricultural production and pasture restoration.

### **(c) Tourism**

The total number of visitors arriving through Jomo Kenyatta (JKIA) and Moi International Airports (MIA) increased from 33,888 persons in May 2021 to 48,532 persons in June 2021. The number of passengers who landed at Jomo Kenyatta International Airport (JKIA) increased from 90,899 persons in June 2021 to 115,206 persons in July 2021, while passengers who embarked at JKIA by port of destination increased from 83,584 persons to 108,527 persons over the same period. Total monthly throughput at the port of Mombasa dropped from 2,911.68 thousand metric tonnes in June 2021 to 2,785.66 thousand metric tonnes in July 2021.

The major reasons for travel to Kenya include holiday, business and conference, Sports and study. In terms of share of arrivals, Middle East took the first position, contributing 29.9 per cent followed by East and Central Africa with 21.7 per cent. Europe comes in 3rd with a share of 20.3 per cent, followed by South Africa with 7.52 per cent. North Africa 5th with 4.77 per cent and other Internationals with a contribution of 3.16 per cent to the total arrivals in July 2021

Slackening of travel restrictions and containment measures both in the regional and international airports has contributed to increased number of arrivals in the country. Enhanced security and concerted efforts instituted by the national government to market Kenya as a favourite tourist destination has also led to improved performance of the sector.



Laikipia County being part of the northern circuit receives a large number of tourists due to its attraction sites such as scenic view of Mt. Kenya peaks, Thompson Falls in Nyahururu, proximity to Mt. Kenya Game Park, expansive savannah landscape, game lodges and restaurants, conservancies and a rich Maasai culture.

As indicated in 2021 Laikipia County Statistical Abstract, tourist arrivals to the Thompson Falls decreased to 66,330 in 2020 from 203,912 arrivals recorded in 2019 .Domestic tourists recorded the highest number of arrivals to the Thompson Falls followed by Indian tourists (203), European tourists (180), and United State of America nationals (178).

The number of passengers for arrivals and departures in Nanyuki airstrips decreased to 3,637 in 2020 from 11,300 recorded in 2019 representing a decline of 32.2 per cent. This decline was largely attributed to COVID 19 movement restrictions and containment measures. The number of passengers transported by rail from Nairobi to Nanyuki in the months of August to December 2020 stood at 1,850 while the number of passengers transported from Nanyuki to Nairobi in the same period stood at 3,450.

The number of both classified and non-classified hotels rose to 96 in 2020 compared to 94 hotels recorded in 2019. Consequently, the bed capacity rose to 1,369 in 2020 compared to 1,135 recorded in 2019.The overall conference capacity rose to 2,675 in 2020 compared to 2,475 recorded in 2019

The county government has put in place measures towards marketing and promotion of Laikipia as a leading wildlife tourism destination. Some of these measures include use of online marketing platforms (Destination Laikipia), development of tourist sites and infrastructures, investment in film production, peace and cohesion building within the communities and with neighbouring counties, intensifying the uptake of COVID 19 vaccine, and strengthening of collaborations with the stakeholders in tourism sector.

#### **(d) Trade and Investment**

At national level, the volume of trade rose from KSh 216.90 billion in June 2021 to KSh 236.58 billion in July 2021. The value of total exports increased from KSh 56.74 billion in June 2021 to KSh 59.41 billion in July 2021, while the value of imports increased from KSh 160.16 billion in June

2021 to KSh 177.17 billion in July 2021. Domestic exports by Broad Economic Category (BEC) indicated that food and beverages was the main export category in June 2021 accounting for 39.60 per cent of the domestic exports, while non-food industrial supplies accounted for 27.13 Per cent of the domestic exports.

Despite the negative effects of COVID 19 pandemic, trade in the county continues to expand through increased investment in; wholesale and retail trade; agriculture and livestock production; construction and real estate; tourism and hospitality industries; transport and storage; financial and insurance activities. Investments in these sectors greatly contributed to the expansion of the Gross County Product (GCP) from Ksh. 80.16 billion in 2019 to KSh. 83.6 billion recorded in 2020 in current prices.

Licensed businesses establishments by economic activities in the county increased to 23,586 establishments in 2020 from 20,846 establishments recorded in 2019 representing a growth of 13 per cent. The small size licensed businesses establishments grew to 23,256 in 2020 from 15,755 recorded in 2019 representing a growth of 47 per cent. The number of Medium, Small and Micro Enterprises (MSMEs) under the support of Laikipia Innovation and Enterprise Development Programme stood at 537 Enterprises in 2020.

The number and value of animals (cattle, sheep and goat) moved out of county largely for trade decline from 129,872 animals valued at KSh.1.864 billion in 2019 to 60,683 animals valued at KSh.1.041 billion recorded in 2020. The litres of milk delivered to the milk cooling plants in the county for onward processing increased to 5,180,000 litres in 2020 from 3,820,000 litres recorded in 2019. The amount of cess collection reduced to KSh.71,403,107 in FY 2019/2020 from KSh.78,226,950 collected in the FY 2018/2019 .This was as a result of reduction in volumes of cess products transported.

To promote and facilitate trade and investment in the county the government has invested in, promotion and development of micro small and medium industries; enterprise development; co-operative development and marketing; market infrastructure development, favourable policy and legal framework; enhanced stakeholders' engagement and participation; capacity building and information sharing.

**(e) Manufacturing**

Nationally the manufacturing sector real value added declined by 0.1 per cent, compared to an increase of 2.5 per cent in 2019. The value of output increased by 2.8 per cent from 2.3 trillion in 2019 to 2.4 trillion in 2020. The volume of output for the sector grew by 1.0 per cent in 2020, mainly attributed to increased production of sugar, other non-metallic mineral products which include cement, food products not elsewhere classified (NEC) which comprise tea, chemical and chemical products and pharmaceutical products. Leather and related products, beverages, motor vehicle, trailers and semi-trailers, rubber and dairy products sub sectors recorded declines in the review period. Total sales by Export Processing Zone (EPZ) enterprises increased by 4.3 per cent to KSh 80.5 billion in 2020 while imports contracted by 7.5 per cent to KSh 36.8 billion in 2020. The value of export of articles of apparels under African Growth and Opportunity Act (AGOA) decreased by 8.3 per cent to KSh 42.3 billion in 2020 mainly due to inadequate supply of raw materials and the market lockdown in the USA.

The county boost of manufacturing establishments such as meat and meat products processing, fruits and vegetables processing and preservation, grain milling ,bakery products, beverages and bottled water processing ,wearing apparels ,fabrication of metal products ,processing of dairy products, confectionaries ,production of animal feeds and wood and wood products among others.

According to Laikipia County Statistical Abstract 2021 manufacturing sector contribution to the Gross County Product (GCP) was Ksh 724.3 million in 2020. The number of manufacturing entities grew to 846 in 2020 from 459 entities recorded in 2019 while the number of employees grew to 6,074 in 2020 from 816 in 2019.

The County has other diverse investment opportunities worth pursuing especially in mining and quarrying, industrialization and manufacturing, generation and supply of renewable energy, water supply, waste collection and recycling, value addition on agricultural produce, contract farming, eco-tourism and conservancies, tours and travel services, artefacts and sports tourism among others.

### **3.3 Progress Report on Budget Implementation**

The implementation of the County Budget 2021/22 has been marked by slow progress during the first quarter of the year. This is attributed to delayed assent of the county appropriation bill 2021/22.

The County Annual Procurement Plan 2021/22- and two-year prequalification plan (2021/22-22/23) are in place and uploaded to the IFMIS. In addition, continued sensitizations on compliance with AGPO and e-procurement system are expected to ensure inclusivity and efficiency in supply chain management.

The local revenue collection during the period July-mid September 2021, recorded KShs. 166,547,075 which represents 16.5 per cent realization of the projected annual target of KShs. 1,006,875,000.

As the first quarter comes to an end, only one exchequer requisition has been done but yet to be funded. Low implementation of both the recurrent and development votes in the budget have been prompted by delayed assent of the county appropriation bill 2021/22. This has led to delayed disbursement of revenues from the National Government. Improved budget implementation is expected in the coming months as revenue flows from the National Treasury and Own Sources.

### **3.4 County Economic Outlook and Policies**

Despite the adverse effects of Covid-19 pandemic and ensuing containment measures, the national economic growth is projected to recover to 6.4 per cent in 2021 from a growth of 0.6 per cent in 2020. The County Government will continue to implement policies and reforms to ensure economic stability and recovery amongst key priority sectors. Consistent growth will be contributed through increased production and services in: agriculture, horticulture, wholesale and retail trading, tourism, construction and transport industry.

The county government fiscal policy focuses government spending in support of revival of businesses and enterprises from these devastating effects. In this regard, the county government has identified and entrenched six pillars towards sustaining the economy namely:

- a) **Economic stimulus program;** aimed at increasing liquidity to small businesses and create jobs for the youth. Key components include Laikipia county business stimulus fund, Laikipia innovation and enterprise development program, Road infrastructure development using leased

machinery and labour-based contracts, Subsidized farm inputs and mechanization services, Livestock genetic improvement vaccines, Market creation and extension services, Water and irrigation infrastructure development, Tourism and cooperative support, Manufacturing, innovation and investment promotion support, MSMEs capacity and technical support, Vocational training centers support, NHIF subsidies for vulnerable groups, Mining exploration and extraction support and Information, communication Technology (ICT).

- b) **Policy, legislation and institutional reforms;** Various legislations have been enacted by the County Government to govern various sectors including health, livestock disease control, social assistance, education, and cooperative Societies. The County has also established its own corporations including the Laikipia County Revenue Board, the Laikipia County Development Authority, among others to improve efficiency in revenue collection and enhance private sector cooperation and integration.
- c) **Strengthening County Government's preparedness and response to pandemics/disasters;** The County Government has formulated policies and regulations to guide disasters risk preparedness and response. Regulations in place include Laikipia County Public Health Regulations, 2020, Laikipia County Covid-19 emergency response fund regulations, 2020 and Laikipia County Emergency Fund regulations, 2020. In addition, the county government aims to collaborate with CEREB member counties, National Government institutions and Civil Society Organizations to strengthen the capacity of the County Government to respond effectively to pandemics.
- d) **Enhancing ICT capacity for business competitiveness and efficiency in service provision;** This targets enhanced investment in development of the requisite ICT and digital infrastructure to facilitate e-commerce and efficient delivery of public services. Specific interventions include; development of new and wide utilization of existing applications like health telemedicine and iCOMs for health and performance management respectively, support programmes enabling households to acquire ICT assets, ensure widespread access to affordable and reliable internet and allocation of more resources to the ICT sector among others.
- e) **Human capital development;** Investment in human capital is critical in driving inclusive economic growth for the County's recovery and re-engineering strategy. Measures include development of labour market interventions and policy reforms, development of technical

education through training and skills development under various county programmes, build workplace resilience to public health emergencies, improve investments in community and primary health care and strengthen the capacity of workers.

- f) Comparative advantage in livestock production;** The county plans to harness the potential of livestock production by implementing interventions such as; supporting the establishment of the feedlot systems to improve the quality and quantity of beef production, improving of the market infrastructure, enhancing delivery of extension and veterinary services, working with the neighbouring counties and ranches to improve security, supporting development of disease-free zones and provision of breeding bulls and AI services for the improvement of the animals' genetics among other measures.

### **3.5 Medium Term Fiscal Framework**

Over the medium term, the County Government will continue to pursue prudent fiscal policy to assure economic stability. The county will ensure full compliance with the national standards and existing legislations to avoid litigations touching on financial administration and management that may delay development and generate possible sanctions impacting negatively on the county financial systems. Moderation in county expenditures will help assure equity and value for money in line with the Constitution of Kenya, 2010 and the fiscal responsibility principles in the PFM Act, 2012.

With respect to revenue, the County Government hopes to maintain strong revenue collection mechanisms that will realize 100 per cent of estimated revenue targets in 2021/2022 and higher in subsequent years. Local revenue collection in the year is projected at KShs 1,006,875,000 and the County Finance Bill 2021/22 is expected to be fully implemented. Measures in place to enhance local collections include; strengthened operations of Laikipia County Revenue Board and partnerships, up scaled automation of revenue collection streams, diversification of revenue sources, improved tax compliance, updating of the records and valuation rolls for all towns, capacity building of revenue collection staff, sustained enforcement in the implementation of the finance bill and adoption of best practises in revenue collection and administration. It is expected that the amount of revenue collected will be 20 per cent higher in year 2021/2022 than in 2020/2021. In addition, the county government is in the process of floating an infrastructure bond to raise more revenue for development projects in the county. The bond targets to raise KShs 1.247 billion and will be issued

under the Infrastructure Financing Programme. The seven-year bond will raise funds to finance the implementation of flagship projects drawn from water and irrigation, roads and urban development sectors.

On expenditure, the County Government will continue with rationalization of expenditure to improve efficiency and reduce wastages. The Government will continue implementing e-procurement, lowering the payable days to a target of 14 days, and link the performance management system with IFMIS for timely reporting. Further the Government will strengthen the audit department to undertake its functions effectively. In its effort to ensure efficiency and effectiveness of public spending, the County Government will continue to strengthen expenditure control through necessary fiscal measures and prudent public financial management reforms. The Government will focus on implementation and completion of ongoing priority projects and programmes as set out in the budget. The County Government will also adhere to strict project timelines and budgets through ground inspection of projects and robust public engagements. Joint initiatives with development partners will be pursued to support increased public expenditure on capital projects.

To address the issue of high wage bill, the county will limit recruitments to only areas with critical needs. Further the existing staff will be rationalized in order to improve productivity. Early and voluntary retirement will be encouraged to staff above 50 years of age. The County Government will continue to enhance capacity building of the county personnel on performance management, area of specialization, financial management and prudence.

Citizens' engagement and public participation will be enhanced to ensure smooth implementation of the Finance bill 2021/22, participatory legislation, development planning, budgeting and programmes/projects implementation.

### **3.6 Risks to the Outlook**

a) **Natural Disasters and man-made hazards;** The forecast of below-average short rains and long rains in 2021 are expected to lead to short-lived pasture and water regeneration, and gradual declines in livestock body conditions and production, limiting household access to food and income. In addition, the rainfall amounts and distribution may vary across various parts of the county posing risks to the production sector which is heavily dependent on rain water. Greater

attention needs to be taken and structures put in place to address overreliance on rain fed production.

- b) **Persistence of Covid-19 pandemic;** Risks will emanate from weaker external demand, reduced tourist arrivals and containment measures due the COVID-19 pandemic. In addition, the economy will be exposed to risks arising from public expenditure pressures and particularly wage related recurrent expenditures. The national Government in collaboration with the county government and other stakeholders will enhance the vaccination programme and take appropriate monetary and fiscal policy measures to preserve macroeconomic stability and strengthen resilience in the economy.
- c) **Technological Risks;** Roll out of the different e-government applications such as IFMIS, GHRIS, IPPD, i-Tax, e-procurement, e-citizen services and iCOMs are important indicators of the significance of technological innovations. However, disruption of mobile services due to infrastructural challenges or cybercrime and fraud could result in a significant loss of potential Government revenue, customer deposits and market confidence. To mitigate against such threats, the county and national government together with other stakeholders will continue to sensitize all users on the importance of enhancing cyber security and prioritizing the implementation of cyber security policies.
- d) **Changes in the Macroeconomic Assumptions;** Kenya's economy is expected to bounce back to a growth of 6.4 per cent in 2021. Inflation rate is expected at 5.0 per cent and within the Government target range. The economy is expected to remain competitive in the external market with the exchange rate against major currencies remaining stable even amidst the Covid-19 pandemic. Due to the uncertainties in the economy since the onset of the pandemic, the unexpected changes in these outcomes may lead to lower local revenue collections and increased expenditure. However, the national government in collaboration with county governments will monitor the above risks and take appropriate measures to safeguard macroeconomic stability.
- e) **Budget implementation and Revenue Enhancement;** The county government will continue mitigating internal risks that include delays in passage of the finance related bills, labour unrest by the unionized members, court cases on revenue collections, weak implementation of large development projects and competing political environment which would adversely affect the



outcomes of development expenditures. On the recurrent expenditures, consistent cost management and increased efficiency will be nurtured to facilitate service delivery.

- f) **Uncertainty associated with the 2022 general elections;** Economic activities might be disrupted due to heated political temperatures as the country gears up to the general election in August 2022. However, the National government will take appropriate measures to assure peace and stability during the electioneering period.

## CHAPTER FOUR:

### RESOURCE ALLOCATION FRAMEWORK

#### 4.1 Introduction

This section highlights the 2020/21 resource envelope. It further highlights changes in the forecasts compared with the County Fiscal Strategy Paper 2020, how actual financial performance for the 2020/21 may have affected compliance with the fiscal responsibility principles or the financial objectives in the County Fiscal Strategy Paper 2020 and reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.

#### 4.2 Financial Outlook

In the financial year 2020/21 the CFSP estimated the county revenues at KShs. 6,853,751,743 comprising of KShs. 4,177,800,000 from equitable share, KShs 1,006,875,000 from own source revenue collections, Opening balance equitable share Kshs 229,834,793; Opening balance emergency fund Kshs 15,128,807 and conditional grants of KShs. 1,424,113,143. The County however received total revenues amounting to KShs 6,420,707,991 comprising of equitable share allocation of KShs 4,177,800,000; County own source revenue of KShs 840,396,632; CRF opening balances of KShs 231,823,895; Opening balance for Emergency Fund of Kshs 15,128,807 and conditional grants of KShs 1,155,558,657 (comprising of KShs 646,948,572.60 for 2020/21; KShs 508,610,084.40 conditional grants balances for 2019/20).

In summary, the following table shows the CFSP projections against the actual performances for the equitable share, Own Source Revenue and the Conditional grants for 2020/21.

The county realized 100 per cent of projected revenue in equitable share, Own source revenue collections at 84 per cent and conditional grants at 81 per cent.

**Table 8: CFSP projections against actual performance for 2020/21**

Source of Revenue	CFSP Projection 2020/21 (KShs)	Actual Performance 2020/2021	Deviation	Realization (%)
Equitable share	4,177,800,000	4,177,800,000	0	100
Own source	1,006,875,000	840,396,632	-166,478,368	84
Conditional grants	1,424,113,143	1,155,558,657	-268,554,487	81
Opening bal. Equitable share	229,834,793	229,834,793	0	100
CRF returns	0	1,989,102	1,989,102	-
Opening bal. Emergency Fund	15,128,807	15,128,807	0	100
<b>Total</b>	<b>6,853,751,743</b>	<b>6,420,707,991</b>	<b>-437,021,957</b>	<b>94</b>

According to Laikipia County Statistical Abstract 2021 Gross County Product (GCP) report, 2019, Laikipia County's main economic activities are agriculture (45.8 per cent), construction (7 per cent), wholesale and retail trade inclusive of repair of motor vehicles (8.7 per cent), transport and storage (8.2 per cent) financial and insurance activities (6.1 per cent) and lastly public administration and defense (6.8 per cent). The rest of the economic activities including mining and quarrying, manufacturing, electricity supply, water supply and waste collection, information and communication, real estate activities, professional technical and support services, education, human health and social work activities and other social activities contributed a combined 17.4 per cent of the GCP.

Over the medium term, the County Government will continue to pursue prudent fiscal policy and reforms to ensure economic stability and promote economic recovery. The 2021 CFSP is premised on the need to create a conducive environment critical to return the economy back to growth path slowed down by the covid-19 pandemic.

The county government fiscal policies focus on government spending in support of revival of businesses and enterprises from these devastating effects. In this regard, the county government has identified and entrenched six pillars towards sustaining the economy namely: Economic stimulus program; Policy, legislation and institutional reforms; Strengthening county government's preparedness and response to pandemics/disasters; Enhancing ICT capacity for business competitiveness and efficiency in service provision; Human capital development; and Comparative advantage in livestock production.

In FY 2020/21 the total expenditure figures for both recurrent and development stood at KShs. 5,864,790,071 against budget estimates of KShs. 7,481,998,096 for the county government executive, translating to 78 per cent budget utilisation. Actual recurrent expenditure amounted to KShs. 4,448,183,974 against budget estimate of KShs 4,813,083,185 translating to 92 per cent budget utilisation while the actual development expenditure was KShs 1,416,606,097 against a budget estimate of KShs 2,668,914,911 which translates to 53 per cent budget utilisation.

Overall, the actual recurrent expenditure represented 76 per cent of the total expenditure while development expenditure accounted for 24 per cent. This was occasioned by reduced cash inflows as projected. However, under the budgeted estimates, recurrent expenditure estimates stood at 64 per cent while the development expenditure estimates stood at 36 per cent which was consistent with the requirement of at least 30 per cent of the total expenditures being on development.

The actual expenditure on compensation of employees stood at Kshs 2,747,751,302 against budget estimate of KShs 2,858,000,425 which translates to 96 per cent utilization. This expenditure represents 43 per cent of the actual total expenditure which is above requirements of Regulation 25 (1)(b) of the County Government PFM Regulations 2015 requiring the same not to exceed 35 per cent of the total county revenue.

Based on the performance in 2020/21 of the allocated budget against the actual expenditure, the following risks need to be addressed going forward;

- Low absorption of the development budget- the year under review witnessed average utilization of development expenditures due to reduced cash inflows from Own source revenues and grants.
- Recurrent expenditure pressures- compensation to employees continues to be the biggest spending item hence the need for continued public service reforms to ensure more resources are freed to support development expenditure.
- Covid-19 pandemic continues to adversely affect the various sectors of the county economy hence the need to continue implementing the post COVID-19 recovery strategies.

### **4.3 Medium Term Expenditure Framework**

The County Integrated Development Plan, Annual Development Plans and Annual Procurement Plans will continue to guide resource allocations in the medium term. In prioritizing core areas of financing and public investment focus will be towards optimal funding of Innovation and Enterprise development, infrastructure development, water for production and social services.

The CFSP 2021 lays the framework for resource allocation in the 2021/22 financial year and the medium term. Based on the recent developments and the economic outlook, the CFSP identified key priority areas across the county sectors. With increased budgetary allocations and Infrastructure bond, these priority areas are expected to support economic development and growth recovery for sectors affected by the Covid-19 pandemic. Specific interventions across the key sectors are as highlighted below;

**Finance, Economic planning, Innovation and Enterprise Development;** Through the Innovation and Enterprise development directorate the county government prioritizes strengthening Enterprise through the Economic Stimulus Programs for example, provision of funds to micro, small and medium enterprises and promotion of industrialization through harnessing of innovation.

**Roads, Public works, Land and Energy;** The focus will be on sustaining and expanding cost-effective public utility infrastructure facilities and services in the areas of road transport infrastructure, roads maintenance, spatial planning, survey and mapping, town planning, land governance management and urban development( Smart town Program).

**Water, Environment and Natural Resources;** The Infrastructure Bond will partly be utilised in provision of water for production (rehabilitation and construction of dams, boreholes, springs, storage tanks) as well as establishment of new water schemes in identified clusters; human/wildlife conflict mitigation through installation of electric fences, community patrols and strengthening resource user associations; enhanced solid waste and drainage management to ensure safe and secure environment through acquisition of dumpsites, cemeteries and garbage collection trucks. Interventions on climate change adaptation and mitigation, disaster reduction, increasing community resilience and livelihoods will also be addressed in 2021/22 and the medium term.

**Education, Sports, Youths and Social Services;** The focus is on school infrastructural development at ECDE Centres and vocational training centres; capacity building of ECDE teachers and vocational trainers; provision of specialized equipment, training materials and increased water access to learning institutions; scholarships and bursaries to the needy learners to ensure seamless transition of primary to secondary education and beyond. To ensure sustainable livelihoods business incubation and innovation projects will be initiated at the vocational centres (Production of hospital beds during the COVID-19 pandemic).

**Trade, Tourism, Creative Economy and Co-operatives;** The sector aims at creating an enabling environment for business, mobilization of resources for investments and promotion of sustainable tourism. The county government prioritizes strengthening Co-operative revolving fund, construction and expansion of market structures and business parks, boosting the business capacity of co-operative societies, expanding financial inclusion through SACCOs, marketing of Laikipia as a tourist destination and promoting investments in the County.

**Agriculture, Livestock and Fisheries Development;** The priorities are on enhancing food security, market access and value addition initiatives, disease control and surveillance, breed improvement, fodder production and storage, subsidized farm inputs, contract farming, vector control, farm water harvesting, expansion of irrigation dams, enhanced extension services, water and soil conservation and fisheries.

**Medical Services and Public Health;** The sector focuses on improved scope of health service delivery at all levels, essential medical supplies and healthcare infrastructure. Increased health insurance coverage (universal health coverage - UHC) is also prioritised. During the COVID- 19 pandemic the health sector came up with mitigating measures e.g. administration of COVID 19 vaccines, additional bed capacity, and employment of medical personnel's and provision of PPEs.

The sectoral ceilings targeting various county departments in the year 2021/22 and the medium term are detailed in the following Table 9

**Table 9. Total Sector Ceiling for the MTEF Period 2021/2022-2023/2024**

Total Expenditure (Ksh)			Projections		% Share of Total Expenditure		
County Sector	Estimates 2021/2022	CFSP Ceilings 2021/22	Projections		Estimates	Projections	Projections
			2022/2023 (KShs)	2023/2024 (KShs)	2021/2022	2022/2023	2023/2024
County Assembly	536,869,078	536,869,078	523,830,310	576,213,341	7.2	8.7	8.7
Agriculture Livestock and Fisheries	80,006,320	80,006,320	101,985,071	112,183,578	1.1	1.7	1.7
Education, Youth and Social Services	213,150,707	213,150,707	211,697,171	232,866,888	2.9	3.5	3.5
Public Service and County Administration	3,359,346,109	3,359,346,109	3,147,512,262	3,462,263,488	45.3	52.3	52.2
Lands, Housing and Urban Planning	1,712,344,909	1,712,344,909	703,715,893	774,087,482	23.1	11.7	11.7
Trade, Tourism and Co-operatives	70,215,450	70,215,450	174,737,744	192,211,518	0.9	2.9	2.9
Health	297,236,402	297,236,402	196,987,815	216,686,597	4.0	3.3	3.3
Nanyuki Teaching and Referral Hospital	160,757,133	160,757,133	126,632,621	150,345,666	2.2	2.1	2.3
Nyahururu Teaching and Referral Hospital	140,699,071	140,699,071	109,083,210	119,991,531	1.9	1.8	1.8
Water Environment and Natural Resources	318,280,783	318,280,783	289,351,783	318,286,961	4.3	4.8	4.8
Public Service Board	18,500,000	18,500,000	29,922,599	32,914,859	0.2	0.5	0.5
Revenue Board	135,117,080	135,117,080	86,266,546	94,893,201	1.8	1.4	1.4
County Development Authority	20,500,000	20,500,000	27,503,507	30,253,858	0.3	0.5	0.5
Finance and Economic Planning	330,461,903	330,461,903	262,879,796	289,167,776	4.5	4.4	4.4
Rumuruti Municipality	21,000,000	21,000,000	25,000,000	29,000,000	0.3	0.4	0.4
<b>Total</b>	<b>7,414,484,945</b>	<b>7,414,484,945</b>	<b>6,017,106,328</b>	<b>6,631,366,744</b>	<b>100</b>	<b>100</b>	<b>100</b>

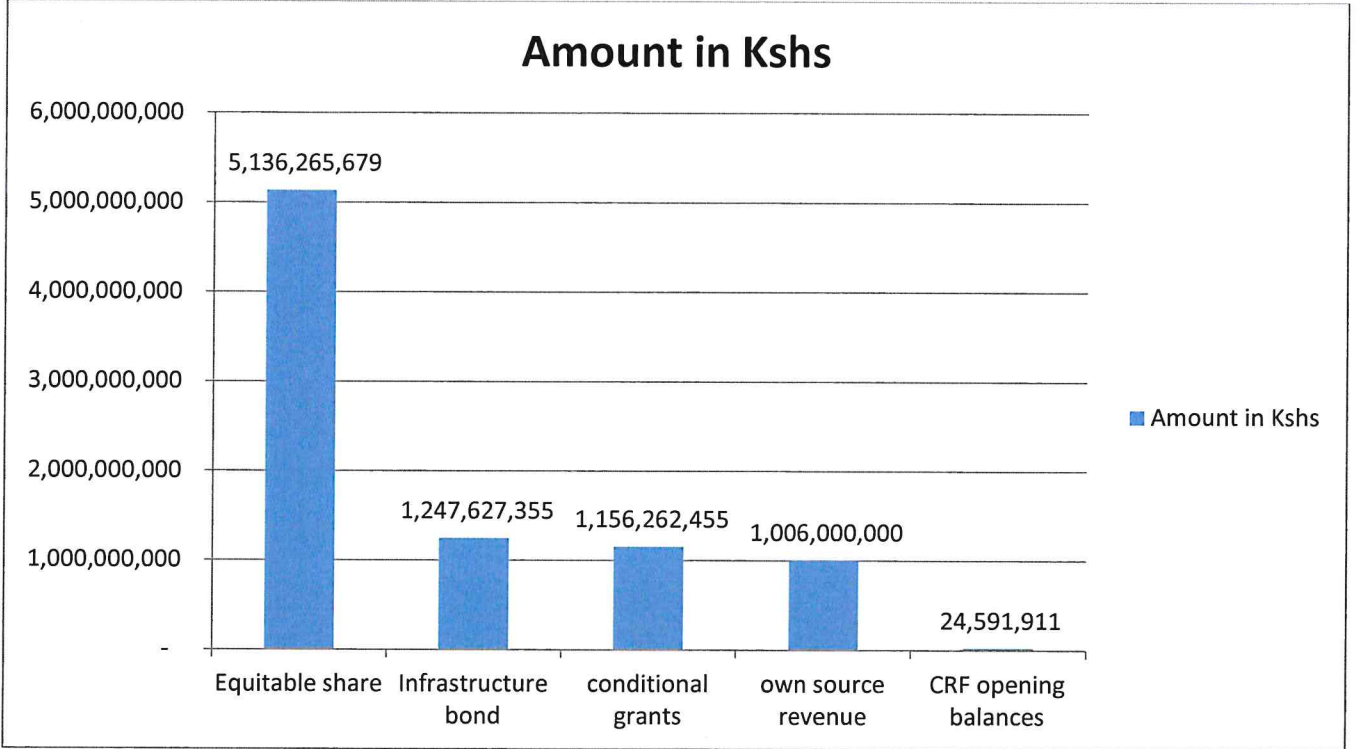
NB: Conditional grants for 2021/22, 2022/23 and 2023/24 are excluded

#### 4.4 Proposed Budget 2021/22 Framework

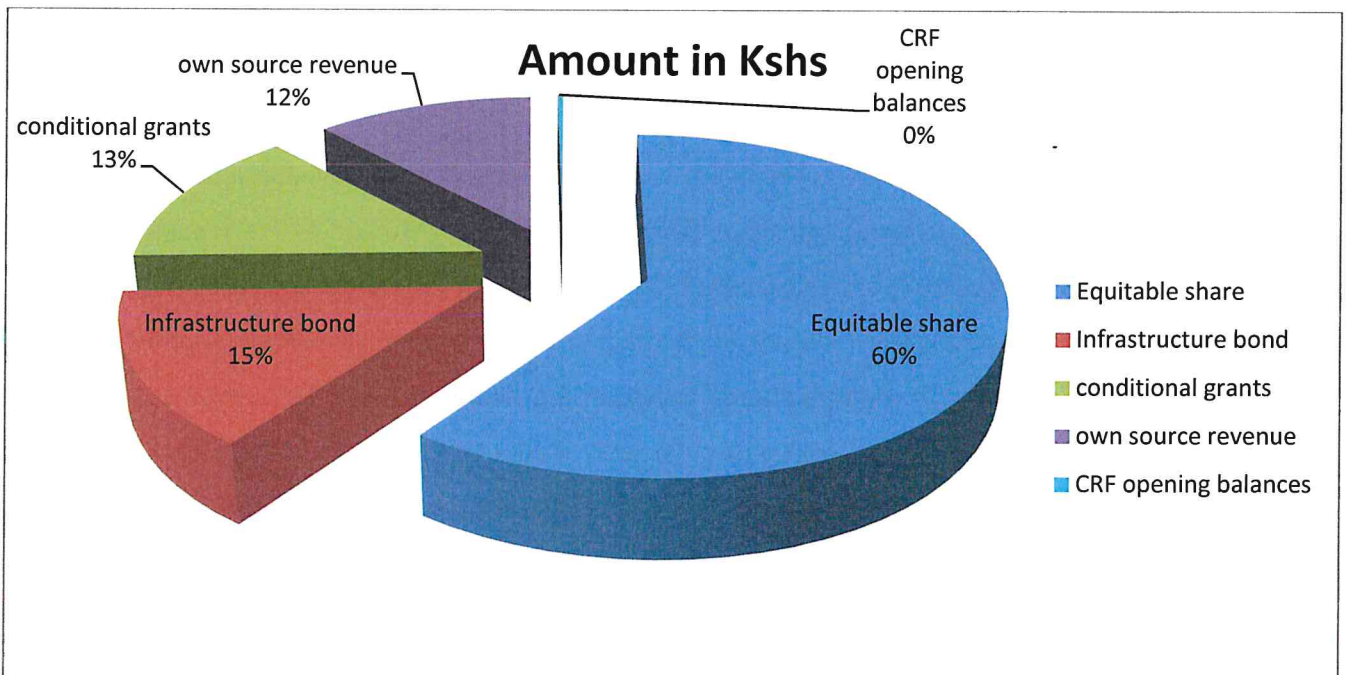
##### (a) Revenue Projections

In the FY 2021/2022, the County government expects to receive total revenue amounting to KShs 8,570,747,400 comprising of equitable share allocation of KShs 5,136,265,679; Own source revenue projected at KShs 1,006,000,000; Infrastructure bond amounting to KShs 1,247,627,355, conditional grants (excluding non-receivable leasing of medical equipment grant of KShs 153,297,872) to the tune of KShs. 1,156,262,455 (comprising of transforming health systems for universal care project KShs 28,777,132, climate smart agriculture project KShs 349,961,100 , DANIDA grant KShs 9,256,500, E.U ideas project KShs 15,626,168, Agricultural sector development support program KShs 23,833,630 and Kenya devolution support program investment grant of KShs 167, 353,974, grants bank balances as at 30<sup>th</sup> June 2021 of KShs 358,555,828 and grants not received in 2020/2021 of KShs 202,898,123) and County Revenue Fund opening balance of KShs 24,591,911. This is as captured in the following figure.

**Figure 3: Projected Revenue for FY 2021/22**



**Figure 4: Percentage Distribution of Revenue Sources in FY 2021/22**





The key sources of local revenue include: health service fees and charges, land rates, business permits, cess, parking fees, natural resource exploitation, garbage dumping fees, lease charges, market fees, and technical services and building approvals. The respective contributions on own sources revenue are detailed in annex 3.

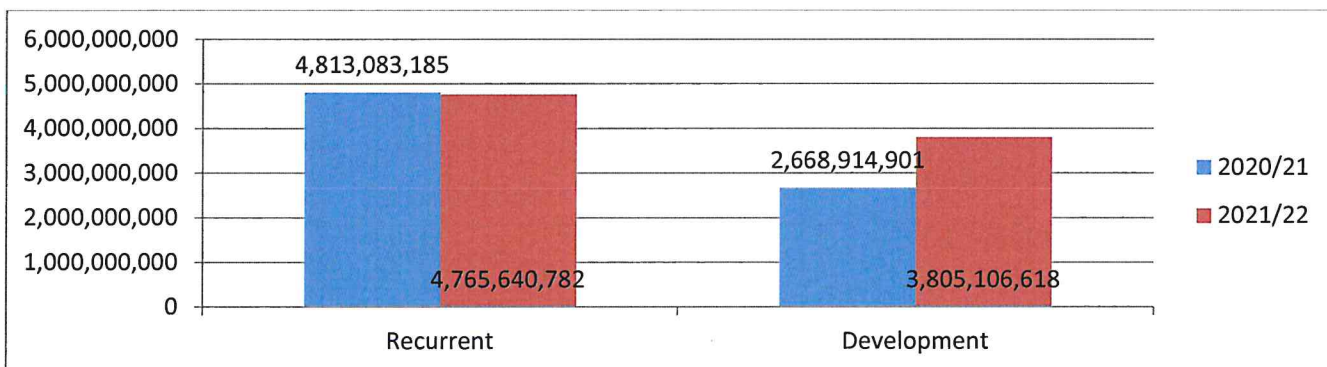
**(b) Expenditure Forecast**

In the financial year 2021/22 the approved budget’s total expenditure is estimated at KShs 8,570,747,400. This expenditure represents an increase of 15 per cent compared to the approved expenditure in the financial year 2020/2021 which was KShs 7,481,998,096.

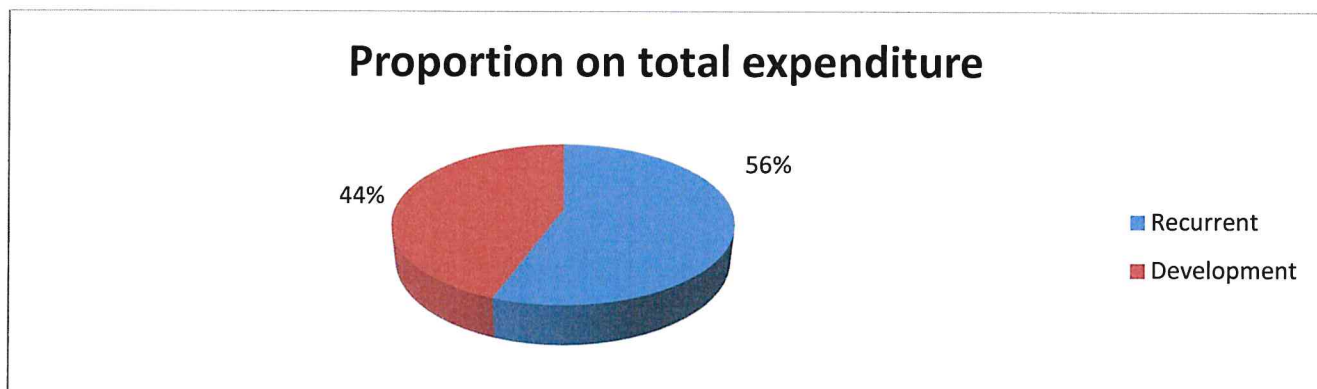
In FY 2021/22, the county recurrent expenditure is projected at KShs 4,765,640,782 from KShs 4,813,083,185 in 2020/21 representing a percentum decrease. This recurrent expenditure represents 56 per cent of the total expenditure.

Overall development expenditures are expected to be Kshs 3,805,106,617 representing 43 per cent growth compared to KShs 2,668,914,901 in 2020/21 budget as shown in figure 5.

**Figure 5: Recurrent and Development Expenditures for 2020/21- 2021/22 FY**



**Figure 6: Total Expenditures for the 2021/22 FY**



The major spending Sectors include: County Administration and Public Service (42 per cent); Lands Housing and Urban Development (21 per cent) and Health (8 per cent) as provided in table 10 below;

**Table 10. Sector Expenditure allocations 2021/2022**

Department	Recurrent	Development	Total	% allocation
Public Service And County Administration	3,328,093,020	292,183,665	3,620,276,685	42
Finance, Economic Planning and Enterprise Development	250,702,394	235,376,589	486,078,983	6
Health	520,587,453	204,660,641	725,248,094	8
Agriculture, Livestock And Fisheries	28,939,737	751,949,311	780,889,048	9
Land, Housing And Urban Development	21,036,268	1,746,315,898	1,767,352,166	21
Education And Social Services	85,177,793	131,403,643	216,581,436	3
Trade, Tourism and Co-operatives Development	16,215,450	54,000,000	70,215,450	1
Water, Environment And Natural Resources	23,019,589	295,261,194	318,280,783	4
Rumuruti Municipality	5,000,000	43,955,676	48,955,676	1
County Assembly	486,869,078	50,000,000	536,869,078	6
<b>Grand Total</b>	<b>4,765,640,782</b>	<b>3,805,106,618</b>	<b>8,570,747,400</b>	<b>100</b>

Note: All personnel emoluments are paid from the county administration and public service sector

## **CHAPTER FIVE:**

### **CONCLUSION AND WAY FORWARD**

#### **5.1 Conclusion**

The Financial Year 2020/21 presented an unprecedented scenario in the economic development process of the county as the expenditure commitment and revenue projections were adversely affected by COVID 19. Due to the constrained revenue streams and more so the own source revenue, development expenditures contracted and with resultant effects on the growth of the pending bills. To foster recovery, the county prioritized strategic initiatives to grow and promote businesses by providing conducive trading environment with the intent of raising the County Gross Product to KShs 400 billion. This is expected to create more jobs and raise average individual daily incomes to KShs 1,000 over the medium term.

The proposals contained therein the 2021 CBROP are geared towards realising the development objectives contained in the County Integrated Development Plan (2018-2022), Annual Development Plan and the fiscal responsibility principles outlined in the PFM Act 2012. The realization of the objectives within the FY 2020/2021 is anchored on the proposals contained in the ADP 2021/22 whose summary of expenditures by programmes is detailed in Annexes 4.

As budgetary resources are limited, it is critical that county departments prioritize their programmes within the available ceilings to ensure that use of public funds is in line with county government priorities. Towards minimizing pending bills, all departments will be required to clear outstanding liabilities in addition to adhering to the principles of project management for example preparing bills of quantities in advance. County Sector Working Groups need to carefully consider detailed costing of projects, strategic significance, deliverables (output and outcomes), alternative interventions, administration and implementation plans for efficient and effective utilization of resources. There is need to adhere to the budget calendar as outlined in Budget Circular of August 2021 as detailed in Annex 1.

In pursuit of this, effective budget implementation at the county level will be facilitated through capacity building and the development of systems for close monitoring and evaluation of spending entities to ensure that resource application bears maximum benefits to the citizen. The involvement of all stakeholders in budget execution will be key in enhancing overall budget implementation. In addition, the prioritization of public needs will be key in shaping the final budget policies and allocations for the 2021/22 financial year.

The county will continue to strengthen its revenue collection and management systems with the goal of generating more revenues while ensuring the stability of the fiscal framework and financial health of the County. The identification of other sources of revenue like the infrastructure bond and leasing programme will avail more resources for development programmes. The Revenue Board will revitalise revenue collection measures in order to ensure that the various projections for revenue streams provided in Annex 3 will be realized.

## ANNEXES

### Annex 1: Deadlines for Submission of Annual Budgets and Feasibility Study Data

S/No	Activity	Due Date
1	Issue County Treasury Budget Circular	30 <sup>th</sup> August, 2021
2	Submit County Annual Development Plan to the CECM-Finance	23 <sup>rd</sup> August, 2021
3	Submit County Annual Development Plan to the County Executive Committee	27 <sup>th</sup> August, 2021
4	Submit County Annual Development Plan to the County Assembly	1 <sup>st</sup> September, 2021
5	Submit the County Budget Outlook Paper (CBROP) to the County Executive Committee Member-Finance	15 <sup>th</sup> September, 2021
6	Submit the County Budget Outlook Paper (CBROP) to the County Executive Committee	30 <sup>th</sup> September, 2021
7	Submit the County Budget Outlook Paper (CBROP) to the County Assembly	7 <sup>th</sup> October, 2021
8	Launch/Convene Sector Working Groups	4 <sup>th</sup> October, 2021
9	Submit Sector Working Groups Reports to the County Treasury	29 <sup>th</sup> October, 2021
11	Submission of Budget Proposals and Feasibility Study data by County Sectors to County Treasury	25 <sup>th</sup> November, 2021
12	Review and Analysis of Annual Budget Proposals by County Budget Team	29 <sup>th</sup> November, 2021 up to 20 <sup>th</sup> January, 2022
14	Public Participation Meetings on CFSP	6 <sup>th</sup> - 10 <sup>th</sup> December, 2021
15	Submit the County Fiscal Strategy Paper (CFSP) to the County Executive Committee Member-Finance	14 <sup>th</sup> December, 2021
16	Submit the County Fiscal Strategy Paper (CFSP) to the County Executive Committee	16 <sup>th</sup> December, 2021
17	Submit the County Debt Management Strategy (CDMS) to the County Executive Committee	16 <sup>th</sup> December, 2021
18	Submit the County Fiscal Strategy Paper (CFSP) to the County Assembly	23 <sup>rd</sup> December, 2021
19	Submit the County Debt Management Strategy (CDMS) to the County Assembly	23 <sup>rd</sup> December, 2021
20	Dispatch of Reviewed Annual Budget Proposals to Sectors	20 <sup>th</sup> January, 2022
21	Conduct Public Participation Fora on Annual Budget Estimates	31 <sup>st</sup> January – 4 <sup>th</sup> February, 2022
22	Submit Finalized Sector Annual Budget Estimates to the County Treasury	10 <sup>th</sup> February, 2022
23	Submit Finalized County Annual Budget Estimates to the County Executive Committee	17 <sup>th</sup> February, 2022
24	Submit Finalized County Annual Budget Estimates to the County Assembly	24 <sup>th</sup> February, 2022
25	Submit Proposed Annual Procurement Plans to the Supply Chain Unit	24 <sup>th</sup> March, 2022
26	Submit County Annual Cash Flow Projections to CRA and copied to IBEC and National Treasury	14 <sup>th</sup> April, 2022
27	Debate and Approval of County Annual Budget Estimates	27 <sup>th</sup> May, 2022
28	Submission of Finance Bill to the County Assembly	30 <sup>th</sup> September, 2022
29	Approval of Finance Bill by the County Assembly	29 <sup>th</sup> October, 2022
29	Quarterly /Cumulative Compliance Reports of Revenue and Expenditure	Within two weeks after the end of every quarter

## Annex 2: Analysis of individual expenditure items 2020/21

TITLE AND DETAILS	Total Payment
Basic salaries of permanent employees	2,337,163,010
Basic wages of temporary employees	409,576,197
Personal allowances paid as part of salary	1,012,094
Utilities, supplies and services	32,355,100
Communication, supplies and services	15,943,311
Domestic travel and subsistence	103,342,286
Foreign travel and subsistence	3,958,194
Printing, advertising and information supplies & services	27,048,341
Rentals of produced assets	4,684,269
Training expenses	11,988,520
Hospitality supplies and services	98,774,047
Insurance costs	159,884,853
Specialised materials and services	179,479,066
Office and general supplies and services	43,899,138
Fuel, oils and lubricants	54,853,739
Other operating expenses	107,792,552
Routine maintenance – vehicles and other transport equipment	7,275,586
Routine maintenance – other assets	22,498,220
Construction of Buildings	86,719,245
Refurbishment of Buildings	5,320,082
Construction of Roads	223,597,077
Construction and Civil Works	418,792,980
Purchase of Vehicles and Other Transport Equipment	5,000,000
Overhaul and Refurbishment of Construction and Civil Works	350,000
Purchase of Household Furniture and Institutional Equipment	280,893
Purchase of Office Furniture and General Equipment	13,919,622
Purchase of Specialised Plant, Equipment and Machinery	1,981,000
Research, Studies, Project Preparation, Design & Supervision	1,286,589
Rehabilitation of Civil Works	548,000
Emergency Fund	33,686,337
Current Grants to Government Agencies and other Levels of Government	406,190,346
Laikipia County Revenue Board	56,014,955
Laikipia County County Assembly	567,592,777
Laikipia County Development Authority	12,313,022
Laikipia County Health Institutions	28,232,285
Laikipia County VTCs	49,229,182
Rumuruti Municipality Board	44,561,940
Laikipia County-Cooperative Fund	10,000,000
Laikipia County Leasing Fund	196,001,216
Laikipia County Car and Mortgage Fund	7,500,000
Scholarships and other Educational Benefits	1,094,000
Transfer to Bursary Fund Account	25,000,000
Subsidies to small businesses, cooperatives, and self employed	48,050,000
<b>Total Net Expenditure</b>	<b>5,864,790,071</b>

### Annex 3: Analysis of own source revenue for year 2020/21-2021/2022

	Revenue targets	Actuals	Actuals	Target	Actuals	Target
	Revenue class	2018/2019	2019/2020	2020/2021	2020/2021	2021/2022
1	1520101 Land Rates Current Year	88,152,570	78,551,294	70,000,000	78,981,301	70,000,000
2	1520102 Land Rate Penalties	13,602,331	434,098	10,000,000	2,540,737	10,000,000
3	1520103 Land Rates Other Years	8,392,918	-	7,000,000	14,490,118	7,000,000
4	1520104 Other Property Charges	193,211	572,100	3,000,000	-	3,000,000
5	1520201 Business Permits, Current Year(2)	77,969,075	78,910,612	95,000,000	97,044,645	95,000,000
6	1520202 Business Permits Late Payment Penalties, Current Year	3,694,054	1,234,217	4,000,000	2,338,677	4,000,000
7	1520203 Business Permits, Other Years (Including Penalties)	642,385	74,915	1,000,000	606,687	1,000,000
8	1520304 Wheat & Maize Cess	3,982,275	5,213,680	7,000,000	5,290,810	7,000,000
9	1520311 Fruits & Vegetables / Produce Cess	5,186,940	6,677,095	7,700,000	10,725,390	7,700,000
10	1520314 Log Cess	261,650	263,200	800,000	676,640	800,000
11	1520315 Charcoal Cess	4,450	14,300	200,000	257,980	200,000
12	1520321 Livestock Cess	14,197,010	9,989,920	22,000,000	14,162,417	21,125,000
13	1520322 Goat Cess	1,159,680	761,420	-	719,390	-
14	1520501 Ground/Plot Rent - Current Year	4,142,252	924,070	7,000,000	1,714,201	7,000,000
15	1520502 Ground Rent - Other Years	3,383,434	1,800	5,000,000	30,428	5,000,000
16	1520503 Stand Premium	13,775	-	-	379,400	-
17	1520504 Temporary Occupation License (TOL)?TOP	333,812	743,000	1,000,000	1,463,800	1,000,000
18	1530101 Debts Clearance Certificate Fee	943,600	774,000	1,500,000	1,662,600	1,500,000
19	1530102 Application Fee	2,777,400	3,669,913	5,700,000	5,343,000	5,700,000
20	1530103 Plot Transfer Fee	413,700	538,800	600,000	700,900	600,000
21	1530104 Plot Subdivision Fee	215,600	321,000	500,000	5,645,700	500,000
22	1530105 Business Subletting / Transfer Fee	1,381,700	1,409,000	2,000,000	2,850,400	2,000,000
23	1530106 Isolation Fee (Surcharge on Business Permit)	1,000	2,000	-	-	-
24	1530107 Document Search Fee	10,000	11,450	-	16,000	-
25	1-2901 encroachment	4,048,960	1,746,949	-	-	-
26	1530203 Impounding Charges	160,050	349,150	-	1,090,000	-
27	1530202 Court Fines	286,120	283,000	-	406,500	-
28	Liquor licences	25,337,800	13,064,800	15,500,000	23,092,000	15,500,000
29	1530221 Telephone Calls Reimbursement/Salary recovery (income)	-	20,892	-	210,974	-
30	1530301 Sand, Gravel, and Ballast Extraction Fees	53,018,216	53,334,530	60,000,000	52,558,860	60,000,000
31	1530302 Quarry Extraction Fees	421,510	778,070	675,000	3,693,800	675,000
32	1530321 Garbage Dumping/Conservancy Fee	19,021,156	24,149,963	24,000,000	26,142,942	24,000,000

	Revenue targets	Actuals	Actuals	Target	Actuals	Target
	Revenue class	2018/2019	2019/2020	2020/2021	2020/2021	2021/2022
33	1530331 Game and Nature Park Fee	11,495,587	10,638,788	14,000,000	6,780,994	14,000,000
34	1540104 Consent to Charge Fee/Property Cert Fee	15,000	-	-	-	-
35	1550101 Market Entrance / Gate Fee	9,829,250	6,702,440	12,500,000	11,559,695	12,500,000
36	1550102 Market Plots Rent	302,400	3,660	500,000	90,150	500,000
37	1550103 Market Shops Rent	2,065,774	1,484,551	3,000,000	108,080	3,000,000
38	1550104 Market Kiosks Rent	624,200	36,450	800,000	-	800,000
39	1550105 Market Stalls Rent	872,669	1,062,705	1,200,000	3,125,982	1,200,000
40	1550201 Enclosed Bus Park Fee	39,571,763	30,628,220	45,000,000	28,027,270	45,000,000
41	1550211 Other Vehicles Enclosed Park/Reserved Fees (Cars, Lorries, etc.)	2,411,700	1,750,000	4,000,000	1,607,450	4,000,000
42	1550221 Street Parking/ motorbike Fee	24,154,930	24,196,500	36,000,000	25,910,147	36,000,000
43	1550225 Clamping Fee	5,236,920	7,254,100	7,000,000	11,894,190	7,000,000
44	1550228 Clamping Tampering Fee	-	40,000	-	55,500	-
45	Boda boda Fees	-	-	4,000,000	6,500	4,000,000
46	1560101 Housing Estates Monthly Rent	17,666,596	17,907,773	22,000,000	21,361,444	22,000,000
47	1560103 Damages Recovery / Eviction Fee	2,000	-	-	8,400	-
48	1560201 Social Hall Hire	53,500	59,900	50,000	49,900	50,000
49	1560211 Stadium Hire	104,000	161,500	150,000	8,000	150,000
50	1570131 Vocational/Training School Fee	-	3,146,456	30,000,000	10,383,000	30,000,000
51	1570200 OTHER EDUCATION-RELATED FEES	86,100	-	-	-	-
52	1580111 Food Quality Inspection Fee	1,000	-	-	-	-
53	Public health license	6,953,974	10,788,699	19,000,000	17,201,310	19,000,000
54	1580211 Health Centres Services/Hospital fee	306,539,780	268,032,152	350,000,000	265,857,132	350,000,000
55	Medical Examination Certificate	827,299	779,550	1,000,000	445,400	1,000,000
56	1580231 Public Toilets Fee	4,510	-	-	200	-
57	Annual Renewal Certificates	7,082,360	41,000	-	34,000	-
58	1580241 Burial Fees	101,900	189,100	-	207,990	-
59	1580311 Disinfestation Fee (Insects, Worms, Rodents, etc.)	-	626,520	-	-	-
60	1580401 Slaughtering Fee	9,895,791	9,631,111	10,000,000	9,025,780	10,000,000
61	1580402 Hides & Skins Fee	4,700	46,800	-	521,210	-
62	1580403 Manure Sale	1,964,450	1,183,060	4,000,000	2,111,400	4,000,000
63	1580411 Slaughter Houses Inspection Fee	987,879	3,845,410	13,000,000	5,895,000	13,000,000
64	AI Services	-	-	3,000,000	-	3,000,000
65	1580311 Disinfestation Fee (Insects, Worms, Rodents, etc.)	-	-	500,000	-	500,000
66	livestock Movement Permit	-	-	-	101,100	-



	Revenue targets	Actuals	Actuals	Target	Actuals	Target
	Revenue class	2018/2019	2019/2020	2020/2021	2020/2021	2021/2022
67	1590101 Beacon Search Pointing Fee	37,500	1,500	500,000	60,250	500,000
68	1590102 Survey Fee	1,617,500	11,837,460	15,500,000	12,179,628	15,500,000
69	Allotment Fee	9,000	10,100	-	355,500	-
70	1590111 Buildings Plan Preparation Fee	903,300	1,765,630	2,500,000	4,442,303	2,500,000
71	1590112 Buildings Plan Approval Fee	6,453,546	12,642,670	13,000,000	15,859,559	13,000,000
72	1590113 Buildings Inspection Fee	1,422,620	1,167,506	2,500,000	3,041,497	2,500,000
73	1590121 Right-of-Way / Way-Leave Fee (KPLN, Telkom, etc.)	1,339,616	99,100	2,000,000	517,800	2,000,000
74	1590132 Sign Boards & Advertisement/promotion Fee	17,553,207	14,730,358	21,000,000	15,126,255	21,000,000
75	1590201 Fire-Fighting Services	3,625,441	2,786,397	4,000,000	4,160,350	4,000,000
76	1590202 weight & measures	603,760	871,100	4,000,000	1,062,370	4,000,000
77	Disposal of Assets	-	-	10,000,000	6,377,600	10,000,000
<b>TOTALS</b>		<b>815,770,157</b>	<b>730,967,503</b>	<b>1,006,875,000</b>	<b>840,396,633</b>	<b>1,006,000,000</b>

#### Annex 4: Summary of Proposed Budget by Programme in 2021/2022 ADP

Department	Programme	Amount (KShs.)	Sector Total
County Administration and Public Service Management	County Administration	128,000,000	3,190,000,000
	Human Capital Management and Development	2,922,000,000	
	County Public Service Board	15,000,000	
	Information Communication and technology	7,000,000	
	Security and Policing Support Services	60,000,000	
	Public Safety, Enforcement and Disaster Management	44,000,000	
	Public Participation and Civic Education	14,000,000	
Finance Economic Planning and County Development	Administration and Personnel Services	146,500,000	358,000,000
	Public Finance Management Services	48,500,000	
	Development Planning Services	25,500,000	
	Laikipia County Revenue Board	62,500,000	
	Laikipia County Development Authority	75,000,000	
Medical Services and Public Health	General Administrative and Planning Services	274,000,000	1,900,000,000
	Preventive and Promotive	261,000,000	
	Curative and rehabilitative	865,000,000	
	Nanyuki Teaching and Referral Hospital Board	250,000,000	
	Nyahururu Teaching and Referral Hospital Board	250,000,000	
Agriculture, Livestock and Fisheries	General Administration, Planning and Support Services	56,000,000	540,500,000
	Crop Development and Management	137,500,000	

Department	Programme	Amount (KShs.)	Sector Total
Development	Irrigation Development and Management	65,000,000	
	Livestock Resource Development and Management	80,000,000	
	Veterinary Services Management	150,000,000	
	Fisheries Development and Management	52,000,000	
Infrastructure, Lands, Housing and Urban Development	Road network improvement	447,718,000	645,234,000
	Housing Improvement and Urban Development	101,640,000	
	Physical planning and Survey	66,550,000	
	Public Works	6,050,000	
	Renewable / Green energy services	1,452,000	
	Administration planning and support services	21,824,000	
Education, Sports and Social Development	Administration, Planning and support services	94,777,793	175,727,793
	Education and Training	68,250,000	
	Sports, Talent Development and Social Services	12,700,000	
Trade, Tourism, Cooperatives, and Industrial Development	Administration, Planning and Support Services	20,000,000	326,720,000
	Trade Development and Promotion	135,00,000	
	Industrial Development and Investment Promotion	120,600,000	
	Tourism Development and Promotion	16,400,000	
	Cooperative Development and Marketing	34,720,000	
Water, Environment and Natural Resources	General Administration, Planning and Support Services	33,000,000	401,148,000
	Water development	289,000,000	
	Environment and natural resources	79,148,000	
County Assembly	County Assembly Infrastructure Improvement	170,000,000	680,000,000
	General Administration support services	410,000,000	
	Legislature and oversight	100,000,000	
Total		8,217,329,793	

### Annex 5: Summary of budget Proposal by sectors

Sector/Sub-sector Name	Amount (KShs.)	Percentage of the total Budget
County Administration and Public Service Management	3,190,000,000	38.82
Finance Economic Planning and County Development	358,000,000	4.36
Medical Services and Public Health	1,900,000,000	23.12
Agriculture, Livestock and Fisheries Development	540,500,000	6.58
Infrastructure, Lands, Housing and Urban Development	645,234,000	7.85
Education, ICT and Social Development	175,727,793	2.14
Trade, Tourism, Cooperatives, and Industrial Development	326,720,000	3.98
Water, Environment and Natural Resources	401,148,000	4.88

Sector/Sub-sector Name	Amount (KShs.)	Percentage of the total Budget
County Assembly	680,000,000	8.28
<b>TOTAL</b>	<b>8,217,329,793</b>	<b>100.0</b>

