



# COUNTY GOVERNMENT OF KAJIADO

MEDIUM TERM

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# 2019 COUNTY FISCAL STRATEGY PAPER

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*“Fostering Socio-economic and political development for sustainable growth”*

February, 2019

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## **FORWARD**

The 2019 Kajiado County Fiscal Strategy Paper (CFSP) outlines a framework for the 2019/20 FY budgeting and the Medium Term. This is aimed at achieving the Medium Term theme '*Fostering Social Economic and Political Development for Sustainable Growth*'. Towards this, the county will invest in the medium term strategic priorities namely: food security and improved nutrition; Ensure healthy lives and promote well-being for all ages; ensure availability and sustainable management of water and sanitation for all; infrastructural development to support economic growth and value addition for increased income.

The programmes and projects to be implemented in 2019/20 FY are aligned with the Kajiado County Integrated Development Plan (CIDP) 2018-2022 and the 2019/20 FY ADP for effective realization of priority outcomes and transformation in the county. The county remains committed to an operationalization policy of completing stalled and on-going projects so as to ensure planned programmes/projects are actualized to benefit the community.

During the medium term, the County will focus on Sectoral Planning and Budgeting for effective policy formulation, resource allocation and implementation. Sector formulation follows the Classification of Functions of Government (COFOG) where different activities are categorized based on the type of goods and services produced. County sectors include: Productive sector; Health Sector; Water, and Environmental Protection and Natural Resources Sector; Education, Youth and Social Services; Physical Infrastructure; and County Administration.

The proposed total resource envelop for FY 2019/20 is estimated at Kshs8.7 Billion with a proposed recurrent expenditure of Kshs6.1 billion (Personnel Emoluments amounting to Ksh.3.3 Billion and Operations and Maintenance totaling to Ksh.2.8 Billion) and development expenditure of Ksh.2.6 Billion.

In the Medium Term, the County Treasury will steer adherence to the fiscal responsibility principles as stipulated in the PFM Act, 2012 in management of public resources.

**MR. MICHAEL SEMERA**  
**CECM – THE COUNTY TREASURY**

## **ACKNOWLEDGEMENT**

This is the second CFSP prepared by the second administration of Kajiado County Government in line with the PFM Act, 2012. It provides a highlight of the broad strategic macroeconomic issues and medium term fiscal framework. It also outlines the spending plans that form the basis for FY 2019/20 budget and the medium term. This document adopted sectoral planning and budgeting to ensure harmonised resource allocation across all functions of the County Government.

Comprehensive consultation and a participatory approach was applied in the preparation of this Fiscal Strategy Paper. County departments were actively involved by providing information on progress reports and budget estimates for programmes/projects for 2019/20FY. The Paper was prepared in accordance with the provisions of the PFM Act, 2012 and the Constitution of Kenya, 2010.

I wish to acknowledge the Governor of Kajiado County, H.E Joseph Ole Lenku and his deputy H.E Martin Moshisho for their invaluable support and leadership throughout the preparation of this document. Special thanks go to the County Executive Committee Members (CECM) and the Chief Officers in charge of various county government departments for their contribution and support through the process. Special acknowledgement goes to the CECM for the County Treasury (CT), Mr. Michael Semera, for his guidance in the development of this Paper. I recognize the effort, support, and advice of the County Assembly through the leadership of the Hon. Speaker Mr. Johnson Osoi and the House Committee in charge of Budget and Appropriation led by Mr Henry Kimiti.

A core team in the County Treasury spent a significant amount of time in putting together this Paper. We are grateful to the Director and the entire staff at the department of Budget and Economic Planning and the Macro working Group for their continuous effort. I take this opportunity to thank the entire staff of the CGK for their dedication, sacrifice and commitment to public service. Finally, I wish to thank our stakeholders for their input in the preparation of the 2019 CFSP.

**MORRIS P. KAAKA**  
**CHIEF OFFICER – COUNTY TREASURY**

## Table of Contents

FORWARD.....	iii
ACKNOWLEDGEMENT .....	iv
Abbreviations .....	vii
Outline of County Fiscal Strategy Paper.....	5
I. RECENT ECONOMIC DEVELOPMENTS AND POLICY OUTLOOK.....	7
1.1 Overview .....	<b>7</b>
1.2 Global and regional economic overview.....	7
1.3 Domestic Economic Developments .....	7
1.4 County Economic Developments.....	9
1.5 Fiscal Performance.....	16
1.6 Budget Out-turn .....	16
1.6 Fiscal Policy.....	18
III. FOSTERING SOCIO-ECONOMIC DEVELOPMENT FOR SUSTAINABLE.....	20
2.1 Overview .....	<b>20</b>
2.2 County’s Strategic Outcomes .....	<b>21</b>
2.2.1 Food Security and Improved Nutrition .....	21
2.2.2 Improved and Equitable Access to Safe and Affordable Water, Adequate Sanitation, Clean and Safe Environment.....	22
2.2.3 Improved Access to Affordable, Equitable and Quality Healthcare .....	22
2.2.4 Infrastructural Development to Support Economic Growth .....	22
2.2.5 Supporting Value Addition to Increase Income.....	23
IV. FISCAL POLICY AND BUDGET FRAMEWORK FOR FY 2019/20.....	24
3.1 Overview .....	<b>24</b>
3.2 The 2019/20 FY Budget Framework and the Medium Term.....	<b>24</b>
Expenditure Projections .....	25
4.3 Fiscal Structural Reforms .....	<b>26</b>
V. MEDIUM TERM EXPENDITURE FRAMEWORK .....	29
4.1 Resource Envelope .....	<b>29</b>
4.2 Medium Term Expenditure Estimates .....	<b>30</b>
4.3 Challenges experienced during the MTF .....	<b>37</b>

**List of Tables**

Table 1: Cumulative Budget Outturn, July 2018 – December 2018 ..... **17**  
Table 2: Kajiado County FY 2019/2020 and the Medium Term Budget Framework ..... **26**  
Table 3: 2019/20 Resource Allocation by Sector..... **30**  
Table 4: Sector Medium Term Expenditure Framework- 2019/20 to 2021/22..... **31**

## **Abbreviations**

ADP	Annual Development Plan
AfDB	African Development Bank
AI	Artificial Insemination
ART	Anti Retro-Virals
AYP	Adequate Yearly Progress
BPS	Budget Policy Statement
BPS	Budget Policy Statement
CA	County Assembly
CARA	County Allocation of Revenue Act
CBROP	County Budget Review Outlook Papers
CEC	County Executive Committee
CECM	County Executive Committee Member
CFSP	County Fiscal Strategy Paper
CGK	County Government of Kajiado
CHVs	Community Health Volunteers
CIDP	County Integrated Development Plan
COFOG	Classification of Functions of Government
CPSB	County Public Service Board
CRA	Commission on Revenue Allocation
DMS	Debt Management Strategy
ECDE	Early Childhood Development Education
FY	Financial Year
GDP	Gross Domestic Product
ICT	Information Communication Technology
KCB	Kenya Commercial Bank
KDSP	Kenya Devolution Support Programme
LAN	Local Area Network
LPDP	Local Physical Development Plan
M&E	Monitoring and Evaluation
MCA	Members of the County Assembly
MCH	Mother and Health Care
MTEF	Medium Term Expenditure Framework
NT	National Treasury
OM	Operations and Maintenance
PDP	Physical Development Plan
PE	Personnel Emoluments
PFM	Public Finance Management
PLHIV	People Living With Human Immuno-deficiency Virus
PPPs	Private Public Partnerships
PWD	Persons Living with Disability
R&D	Research and Development
RMLF	Roads Maintenance Levy Fund
RRI	Risk Reduction Intervals
SMC	School Management Committees
SMEs	Small and Medium Enterprises

## LEGAL BASIS FOR THE PREPARATION OF COUNTY FISCAL STRATEGY PAPER

Under **Section 107 of the PFM Act 2012** and **Regulations 26, 27 and 28 of the PFM Regulations 2014**, the County Treasury is required to prepare the County Fiscal Strategy Paper. They also set out the content requirements for the CFSP which must:

- I. **Align itself with the national objectives** contained in the Budget Policy Statement;
- II. Apply **fiscal responsibility principles** under Section 107 in the management of public finances. Namely:
- III. **Balanced Budgets are mandatory**: The County Government's expenditure shall not exceed its total revenue;
- IV. **Thirty percent of all expenditure is dedicated to development expenditure**: Over the medium term a minimum of thirty percent of the County Government's budget shall be allocated to the development expenditure;
- V. **Limit county wage bill to thirty-five per cent** of the County Government's total revenue:

The County Executive Member for Finance can set the percentage of the County Government's expenditure on wages and benefits for its public officers provided it does not exceed thirty-five per cent of the County Government's total revenue, excluding revenues from extractive natural resources such as coal, oil etc. as prescribed in the Regulations and approved by the County Assembly;

- I. **County debt financing only used for development**: Over the medium term, the County Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
- II. **Sustainable debt**: The county's debt shall be maintained at a sustainable level not exceeding fifteen percent of the County Government's total revenue as approved by the County Assembly; short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited County Government revenue;
- III. **Prudent risk management**: Fiscal risks shall be managed prudently. That is the CEC Member for Finance should outline key areas of uncertainty that may have a material effect on the fiscal outlook and the potential policy decisions they may portend.
- IV. **Predictable taxes**: A reasonable degree of predictability to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.
- V. **Include a statement of fiscal risks in line with prudent management of risks**. This must outline potential policy decisions and key areas of uncertainty that may have a material effect on the county's fiscal outlook.



### **Outline of County Fiscal Strategy Paper**

**Section I:** This section sets the pace and direction for the entire document. It highlights the slogan for the County Government general strategic objective. It also provides a brief description of the International and Kenyan economy and data on macroeconomic variables.

**Section II:** The Recent Economic Developments and Policy Outlook section provides a detailed overview of the macroeconomic variables and economic trends at the Global, Regional and National levels. In addition, it highlights on the fiscal performance, emerging challenges, and revised estimates.

**Section III:** It provides the key actions/ strategies the County Government of Kajiado will take in regards to budget allocation in the budget framework. It assesses the fiscal policy status, fiscal responsibility principles and reforms in expenditure management such as austerity measures.

**Section IV:** The Medium Term Expenditure Framework provides the budget framework, total resource envelope, baseline ceilings for county departments, and sector priorities.

## **I. RECENT ECONOMIC DEVELOPMENTS AND POLICY OUTLOOK**

### **1.1 Overview**

1. Kenya's economic performance recovered in 2018, after a sluggish growth in 2017. The recovery was mainly driven by favorable weather conditions, strong performance in the services sectors as well as easing of political uncertainty. In the first, second and third quarters of 2018 Kenya's economy grew by 5.8 percent, 6.2 percent and 6.0 percent respectively from 4.7 percent in the same quarters in 2017. The average growth for the first three quarters of 2018 was 6.0 percent compared to 4.9 percent in 2017 and is projected to grow by 6.0 percent in 2019.

### **1.2 Global and regional economic overview**

2. The global growth is projected to stabilize at 3.7 in 2018 and 2019 compared to a growth of 3.6 in 2017. This growth is driven by the recently announced trade measures such as a gradual tightening of financing conditions due to ongoing withdrawal of accommodative monetary policy in advanced economies.
3. The economic performance for Sub-Sahara Africa is expected to expand to 3.8 percent in 2019 up from 3.1 percent in 2018 and 2.7 percent in 2017. The improved growth is attributed to a stronger global growth, improved capital market access and higher commodity prices.
4. Growth prospects in East African Community (EAC) region is expected to increase to 5.9 percent in 2018 up from 5.3 percent in 2017 mainly supported by a rebound in agricultural activity and growth in private sector credit. Similarly, the growth in the region is projected to expand to 6.3 percent in 2019 associated with a stable macroeconomic environment, strong private consumption as well as ongoing infrastructural investments.

### **1.3 Domestic Economic Developments**

5. Kenya's economic performance has remained resilient despite emerging global challenges, supported by suitable economic and financial policies as well as strong public and private sector investment. The county's growth is projected to increase to 6.0 percent in 2018 from 4.9 percent in 2017 driven by improved agricultural performance, easing of political uncertainty and better business sentiment.
6. Agricultural sector improved and registered growth of 5.2 percent in the third quarter of 2018 up from a growth of 3.7 percent in the same quarter of 2017, attributed to improved weather conditions. The current improvement in this sector is broad-based and reflected in the expansion of output of key food and cash crops like fruits and coffee. In the third quarter of 2018, the sector contributed 1.0 percentage points to Gross Domestic Product (GDP) growth compared to 0.7 percentage points in similar period in 2017.

7. During the third quarter of 2018, growth in Non-agricultural sector grew by 5.8 percent having performed at 5.1 percent in the same quarter in 2017. This sector has the largest percentage points to real GDP growth at 4.0 percentage points majorly supported by the service sector.
8. Growth in the Electricity and Water supply remained vibrant supported by increased utilization of less intensive energy sources like hydro generated electricity sustained by adequate rainfall as well as geothermal power coupled with a slowdown growth of geothermal growth.
9. The Industry sector recorded an increased growth from 2.3 percent in the third quarter of 2017 to 5.1 percent in the same quarter of 2018 largely contributed by increased activities in the construction, manufacturing and electricity and water supply sectors. In the third quarter, this sector contributed 0.9 percentage points to GDP growth whereby manufacturing and construction sectors accounted for 0.3 and 0.4 percentage points respectively.
10. The services sector registered a positive growth of 5.9 percent in the third quarter of 2018 compared to a growth of 5.6 percent in a similar quarter of 2017. This sector contributed 3.1 percentage points to real GDP growth in the third quarter of 2018 driven by wholesale and retail trade (0.6 percentage points), Real Estate (0.5 percentage points) and Transport and storage (0.4 percentage points).
11. As a result of prudent fiscal and monetary policies, inflation remained stable and within the targeted range in the period. Inflationary pressures in 2018 eased when compared to 2017 due to improved weather conditions that resulted in reduced food prices. The overall inflation rose from 4.5 percent in December 2017 to 5.7 percent in December 2018 attributed to increase in international oil prices.
12. The local currency exchange rate remained broadly stable and competitive compared to major international currencies. Against the dollar, the exchange rate has been relatively less volatile exchanging at Ksh.102.3 December 2018 from 103.1 in December 2017. Similarly, against the Starling pound and Euro, the Shilling strengthened to Ksh.129.7 and Ksh.116.4 in December 2018 from Ksh.138.2 and Ksh.122.0 in December 2017 respectively.
13. The interbank rate remained low at 8.1 percent in December 2018 up from 7.7 percent in December 2017 attributed to ample liquidity in the money market. Similarly, commercial bank' average interest rate was compliant with the interest rate capping law introduced in September 2016.
14. Meanwhile, the Central Bank Rate (CBR) was reduced from 9.5 percent to 9.0 percent in March 2018 leading to a reduction in the lending rate from 13.7 percent in October 2017 to 12.6 percent in October 2018. Also, the deposit rate decreased from 8.2 percent to 7.6 percent

in the same period. Subsequently, the interest spread declined to 5.0 percent in October 2018 from 5.9 percent in October 2018.

15. Inflation rate remained with the targeted range during the period. However, in 2017 inflation was volatile as a result of the prolonged drought that affected food prices. This prompted for government intervention like allowing duty free food items like maize and wheat and subsidizing the maize floor prices. This measures resulted to average month on month inflation of 4.5 percent in December which was within the target.
16. Exchange rate of our local currency remained broadly stable against major international currencies. As at December 2017, the shilling exchange rate against the Dollar was at Ksh103.1 from Ksh102.1 in December 2016. Against the Euro and the Sterling pound, the Shilling weakened to Ksh122.0 and Ksh138.2 in December 2017 from Ksh107.7 and Ksh127.7 in December 2016, respectively.
17. The interest rate cap was maintained as a way to manage inflation expectations. The interbank rate was low at reached 7.7 percent in December 2017, which depicted a low lending rate across the region.

#### **1.4 County Economic Developments**

18. The county adopted sectoral planning and budgeting for effective policy formulation and implementation. Sectoral planning entails grouping of different functions that are closely related with the aim of facilitating coordination of activities for efficiency in implementation of programmes. Sectors are constituted in line with The Classification of Functions of Government (COFOG). County sectors include: Productive sector; Health Sector; Water, Environmental Protection and Natural Resources Sector; Education, Youth, Sports and Social Services; Physical Infrastructure; and County Administration.
19. During the half year of 2018/19 FY, the county recorded major achievements in line with the medium term strategic priorities. Sectoral achievements are as outlined in the next section:
  - a. Productive Sector**
20. This sector comprises of: Agriculture, Livestock and Fisheries; Cooperative Development; Trade, Investment and Industry; Tourism; Lands and Physical Planning sub-sectors.
21. To improve agricultural production and productivity, the department provided extension services to farmers; procured and distributed 7 metric tons of seeds; conducted five (5) crop and food security assessments, conducted 12 field surveillances for migratory pests, established 2 plant clinics, the department also established two (2) plant clinics and carried out

five (5) surveys on Agricultural Mechanization Services. In soil conservation, the department rehabilitated 46 gullies.

22. In order to improve animal production and productivity, the department conducted vaccination 345,683 cattle and shoats against transboundary diseases; administered 1,300 Artificial Insemination (AI) services aimed at improving livestock breeds for better production. facilitated the reseeded of 50Ha of land to enhance hay production.
23. In support of value addition, the department of veterinary services carried out 57 inspections and licensing of slaughter, hides and skins premises; Completion of Isinya mini tannery, and Namelok tomato processing plant projects are ongoing with the ultimate goal of increasing farmers' income. To manage postharvest losses, the department is in the processes of completing the construction of the Rombo maize grain drier and fabrication of 13 silos across the county.
24. In an effort to diversify on alternative sources of food and income, the department of fisheries constructed and equipped six (6) fish ponds; provided 18 harvesting nets; stocked two (2) fish dams; and trained 12 learning institutions and farmer groups in agriculture technology transfer.
25. Under cooperative development, the department facilitated the sensitization and training of 13 training management committees on cooperative movement and management. They developed and adopted efficient and effective management systems through: registering 43 cooperative societies, reviving 7, and audited 23 cooperatives. They also sensitized 600 persons on cooperative movement.
26. The department of Lands, Physical Planning and urban development is in the process of finalizing preparation of the county spatial plan. The plan is expected to provide a county spatial planning framework for integration of economic, social and environmental policies within the county. The department prepared Local Physical Development Plans (LPDPs) for Enkaroni, Illasit and Ilbissil townships; land use zoning plans for Kitengela and Ngong; and 2 Part Development Plans (PDPs).
27. The Lands department has also prepared the following policies and regulations: Land Use Policy, Urban Development Policy, and Land Subdivision Regulation. In order to enhance development control, the department worked on 1,528 subdivision applications, change of users, and amalgamations.
28. The county has set up boundaries in Ngong and Kajiado municipalities by surveying, marking and gazettement. Further, municipality management boards have been gazetted and are now set to operationalize services as set out in the Cities and Urban Areas Act, 2011.

29. Under Land Administration, the department is in the process of plot validation and data automation to address conflicts in plot ownership. Currently, 14,000 new allotment letters have been issued. The department is in the process of formulating/ updating the valuation roll with an aim of establishing a value for all properties within the county data base, 12 towns have been covered so far.
30. The county aims at providing conducive environment for traders through rehabilitation and construction of markets. Construction of Ngong market financed by the World Bank has commenced. Other markets are at different phases of construction; Rombo and Kitengela in phase 1, Kiserian in phase 2 and Mosiro market is ongoing. 21 motor cycle shades at Ngong, Keekonyokia, Mosiro and Kuku are under construction.

#### **b. Water, and Environmental Protection and Natural Resources Sector**

31. The sector comprises of: Water supply, Water infrastructure development; Irrigation; and Environment and Natural Resources sub-sectors.
32. The Water Infrastructure Sub-Sector has a mandate to develop infrastructure to enhance access to safe water for domestic, livestock and institutional consumption in Kajiado. In this regard, the sub-sector has completed the installation of Kuku Water Pipeline and currently installing four (4) water kiosks. Drilling and equipping of three (3) boreholes for the Kitengela water reticulation project is complete while desalination of equipment is ongoing. Two (2) sites have been identified for the construction of water sand dams at Olkeriai River and KMQ and the project is at design stage. The department of Water and Irrigation also completed the Uswa Emurukea Pipeline project.
33. The following achievements have been made in partnership with the National Government and other partners; installation of water pipeline and three (3) tanks at Kimuka Water Project complete; ongoing construction of Oloiyankalani Dam; 36 boreholes under the Kajiado Rural Water Supply Project drilled; and installation of Amboseli Water Pipeline in finalization stages and three (3) water tanks are already installed.
34. The department of Water initiated the construction/equipping/rehabilitation of boreholes namely: Singiraine, Lebitira, Olmoti, Sompot, Elerai Kimana, at Ngama primary, Olkatetamai, Oltinga, Oloikara, Naningoi, Ildrekes, Enkigiri, Olasiti, Orgos, and Impiro.
35. Under the Irrigation Sub-Sector, Mosiro Irrigation project has realized the following achievement; construction of pan; installation of a pipeline; and in the process of installing a solar system panel. The Isinet Water Canal System is also complete. To further enhance food security, the county initiated *School Shamba Project* whereby a total of 29 schools have been identified in a pilot programme to provide water and irrigation infrastructure for one-acre

farming. The objective of these project is to increase the acreage of land under irrigation for sustainable food production. The department of Water and Irrigation also completed feasibility studies for a mega dam in Kitengela.

36. In regards to environmental protection and conservation, the department of environment has been coordinating garbage management mainly by engaging private partners in major towns and direct management in trading centers. Through the *Taka ni Mali* project, Youth and Women have benefited through earning an income while supporting garbage collection. The department is designing the Ngong integrated waste recycling facility which will be implemented through partners. The department also trained and sensitized county departments, NGOs and CBOs on climate change mitigation, adaptation, impact reduction and early warning. Garbage collection and clean ups activities were continually undertaken in major county towns.

### **c. Health Sector**

37. The sector comprises of Medical Services; Public Health and Sanitation sub-sectors.
38. To enhance healthcare access the department operationalized 2 (two) mobile clinics; conducted 503 integrated outreach services; Conducted defaulter tracing of ANC mothers and FIC, 2 ART outreaches; and 6 key populations outreach services. The department also conducted 11 basic refresher trainings for CHOs and CHVs in providing community health services. Basic Obstetric trainings for over 80 staffs. The department also launched an NHIF registration drive (*Mbuzi Moja Afya* Bora Initiative) raising total of Ksh 22,932,748 and over principle 3512 beneficiaries enrolled to NHIF.
39. In addition, 5 dispensaries were upgraded to health centers and 15 new health facilities gazetted (Olekasasi Health Center, and the following dispensaries- Meshenani, Olmerui, Ilmotio, Oloilalei, Ipatimaro, Kalesirua, Lemongo, Enkoireroi, Nentonai, Esarunoto, Karero, Isara, Olekasasi, Gataka, and Lempei Dispensaries) for operationalization. Notably complete facilities have not been operationalized due to lack of equipment and inadequate staffing.
40. The installation of MRI/CT Scan estimated at Ksh.278M and construction of county store at Kajiado Referral were awarded and are at different stages of implementation. Further, the department facilitated the gazettement of Loitokitok, Ngong, Rongai, and Kitengela Sub-County hospitals to level 4 status. In addition, the department awarded various contracts including: the expansion of Ngong and Loitokitok hospital, Ewaso-Kedong Health Center ADB project, and re-awarded 8 stalled projects among others.

41. The county acquired and equipped 5 (five) ambulances in order to enhance emergency and referral services while the installation of 3 (three) health facilities with an EMR system is ongoing. The process of establishing an Accident and Emergency Unit at Loitokitok has commenced.
42. To enhance rehabilitative health services, the county posted staff at Loitokitok, Ngong and Kajiado hospitals to offer mental health services. To enhance diagnostic, treatment and care services, the county is offering specialized lab services in 4 (four) health facilities and has expanded various facilities to offer lab services including having roaming labs.
43. On Healthcare Quality Assurance, the department of health conducted 5 (five) capacity building sessions and 96 support supervision visits to various health facilities by CHMT, SCHMTs, HMTs, additionally, 100 health care workers were recruited.
44. The department also carried out the following activities among others: 39 community units were established in Kajiado East to improve level one services; conducted 4 care-givers trainings on HIV/AIDS; 50 service providers were trained on ART; 100 CHVs trained on home and community based care; carried out RRI in identification of PLHIV; scaled up HIV viral suppression; sensitized adolescent and young people on HIV; distributed 6,000 condoms; formation of AYP technical working groups; 65% treatment success among all cases of MDR-TB; 75 percent of facilities provided IMCI services; renovation of and equipping of 5 youth friendly centres to enhance adolescent and youth health care services and 80% of public facilities supplied with nutrition equipment. To improve maternal child health, the department has established registration desks at facility level for Linda Mama services.
45. To improve environmental health services, the department achieved the following: rehabilitated two (2) public toilets while 1 (one) is under construction; declared 5 (five) villages Open Defecation Free; examined 65 percent of food/ trade premises and food handlers across the county. Feasibility study for the construction of Kimana sewerage system is ongoing.

#### **d. Education, Youth and Social Services Sector**

46. This county sector comprises of Education and Vocational Training; Youth, Sports Development, Gender, and Social Services; Arts and Culture.
47. The department of Education and Vocational Training completed the construction of various ECDE Centres and are now in use. The department also provided learning/teaching materials to pre-primary schools worth Kshs.14.4 million. To enhance school retention, the department provided meals to 57,469 ECDE pupils through the School Feeding Program.



48. The department awarded a contract for the construction of Olkejuado University of Applied Technology. The construction Olkejuado High School dining hall and Oloitokitok High school dormitory are ongoing. To enhance access to tertiary education, the department disbursed school bursary to needy and bright students totaling to 7,500 in secondary schools, colleges and universities.
49. The department of Youth, Sports and Social Services initiated projects and activities towards enhancing youth participation in socio-economic development. They include: mentorship session on leadership and national values; disbursement of Kajiado County Youth and Women Enterprise Development Fund (KCYWEDF) to 175 youth and women groups and enrolled 500 youths into *Vijana Tujiajiri programme* in partnership with Kenya Commercial Bank (KCB).
50. The Sports development sub-sector implemented the following activities: Ongoing construction of a modern stadium at Ngong which has been a rolling project; Leveling of Ooloolua Stadium is ongoing; Sports competitions which involved KICOSCA games held in Kisii, half marathon sports competitions in Kimana; and issued 250 assorted sports gear.
51. In mainstreaming cross-cutting issues, 150 community members were trained on HIV/AIDs preventive and care services, disbursed bursary fund to 100 Persons with Disability (PWSDs) in tertiary institutions, and participated in the annual desert wheel race in partnership with NONDO. In addition, the department purchased and distributed 250 assistive devices and nutritional supplement to the severely disabled persons in partnership with Partners for Care (Assistive devices) and Kajiado County Department of Medical Services (Nutritional supplements).
52. In order to reduce gender disparities and empower women, the department conducted an Ant-FGM & GBV campaign. Departmental staff underwent training on leadership and multi-sectoral approach in partnership with African Centre for Global Health and Social Transformation (ACHEST) - KOGS Partnership.
53. In an effort to promote cultural tourism, the department of Culture and Tourism initiated the construction of 2 (two) ushanga sheds at Kajiado and Magadi.

#### **e. Physical Infrastructure Sector**

54. The sector comprises of the following sub-sectors: Roads and Transport, Energy, Public Works and Housing; and Urban Development.
55. Infrastructural development is key in supporting economic growth in the county. Towards this, the department of Roads and Public Works is in the process of graveling 210km of roads; constructing 10km of drainages; tarmacking 1km of road; 8 bridges/foot bridges; parking

bays/bus parks to accommodate 250 vehicles in collaboration with NaMSIP in Kitengela; and installation of 20 street lights and 5 high masts, including maintenance. The fire department conducted 2 trainings/drills in order to straighten fire emergency response. On housing, the county is in the process of renovating/rehabilitating 5 government houses.

56. The County Government of Kajiado is in the process of rolling out services within Ngong and Kajiado municipalities, in this regard, municipal boundaries have been created, municipal managers appointed, and municipal boards members appointed and gazetted. In addition, the proposal to establish Kitengela municipality awaits the approval of the County Assembly. Through partnerships with the World Bank and NAMSIP, metropolitan planning for Kitengela, Ngong and Kiserian towns has been done to ensure effective administration, management and land development. Further, various projects (mainly roads) within the two municipalities have been tendered, through the Kenya Urban Support Project financed by the World Bank.

#### **g. County Administration Sector**

57. The sector is constituted by Office of the Governor and Deputy Governor; County Treasury; County Assembly; Public Service & Citizen Participation; County Public Service Board; ICT sub-sectors.
58. The county through the office of the Governor strengthened partnership and collaboration with the National Government, Commissions, Development Partners and Institutions to mobilize support in implementation of county programmes/projects and policies. Through the Office of the Governor, the County participated in the 2018 devolution conference held in Kakamega and also lead the county in national celebrations and county functions.
59. The department of Public Service and administration coordinated implementation of Performance Management System (PMS) where senior officers have signed performance contracts aimed at enhancing effective and efficient service delivery. In addition, the county enacted the County Administrative and County Inspectorate Service Acts into law, conducted 15 public participation forums, initiated preparation of public participation guidelines which is ongoing, recruited and trained various county staff and continues to strengthen information communication technology across the county departments.
60. The County Treasury has continued to implement reforms and various strategies to strengthen public financial management system at the county. Various departments within the county treasury coordinated capacity building sessions for staff with an aim of enhancing capacity in financial management, planning and budgeting. The sessions were financed through the Kenya Devolution Support Programme (KDSP) which is world bank funded. Annual and medium term financial and economic policies were formulated to enhance growth including 2018-2022 CIDP, 2018 CBROP, 2019 ADP, 2018 Finance Act and the 2018 Financial Statement.

61. In order to carry out the mandate of legislation, the Kajiado County Assembly (CA) enacted the following Bills: Kajiado County Appropriation Act, 2018; Kajiado County Emblems and Names Act, 2018; Kajiado County Administrative Structures Act, 2018; Kajiado County Inspectorate Service Act, 2018; and Kajiado County Finance Act, 2018. To enhance its oversight role, the CA debated and adopted 37 committees' reports and approved 8 individual members' motions that addresses issues affecting their electorates.
62. To enhance the principal of Public participation as enshrined in Article 196(1) of the Constitution of Kenya, 2010 the CA facilitated 25 public participation forums during consideration of Inspectorate Bill, Finance Bill, Administrative Bill and County Integrated Development Plan II (2018-2022). In addition, the CA conducted four (4) trainings for Honorable Members, eighteen (18) training for staff and one (1) for Audit Committee to enhance understanding of core mandate as well as improve delivery of service.

### **1.5 Fiscal Performance**

63. The 2018/19 FY budget totaled to Kshs.9.5 Billion comprising of development expenditure amounting to Ksh.4.1Billion (42.8 percent) and recurrent expenditure of Ksh.5.4 Billion (57.2 percent). Whereby 31.3 percent represented Personnel Emoluments and 26 percent was Operations and Maintenance expenditure. Analysis of these allocations indicate that the county adhered to the fiscal responsibility principles outlined in Section 107 of the PFM Act, 2012.
64. Own Source Revenue (OSR) performance in the first two quarters of 2018/19FY showed a positive growth. The growth was driven in part by the reforms/measures implemented in revenue collection. As a result, local revenue collected from July to December 2018 amounted to Ksh.364 million against a target of Ksh.792 million translating to 46 percent performance. This was an improvement when compared to the same period in 2017 where a total of Ksh.139 million was realized against a target of Ksh.485million representing 28 percent performance.
65. On the other hand, absorption of the expenditure budget was rather slow particularly on development. Total expenditure in the first two quarters of 2018/19 FY amounted to Ksh.2.9 billion where development expenditure totaled Ksh.514million and recurrent expenditure amounted to Ksh.2.3 billion. Slow absorption of development expenditure is attributed to bulk and lengthy procurement processes and capacity deficits. To tackle this issue, the ongoing Kenya Devolution Support Program (KDSP) is building capacity in regards to planning, procurement and budget execution.

### **1.6 Budget Out-turn**

66. In the first half year of 2018/19 FY, total revenue receipted amounted to Ksh.3.31billion against a target of Ksh.4.76billion implying an underperformance of Ksh.849million. The

underperformance was with regard to Ksh.140million from equitable share, Ksh.428million from Own Source Revenue and Ksh.281 from conditional grants.

67. There was a positive growth in actual total resource envelop of 70 percent compared to actual performance in similar period of 2017/18 FY where actual performance was 48 percent. This is associated to improved weather conditions and good performance in businesses that contributed to improved economic performance.
68. Actual performance of equitable share was Ksh.2.86 billion against a target of Ksh.2.99 billion indicating 95 percent performance while local revenue amounted to 364 million against a target of Ksh.792 million representing a performance of 46 percent. On the same note, conditional grants was Ksh.85 million against a target of Ksh.366 million indicating a performance of 23 percent.
69. During the first six months of 2018/19 FY, budget execution lagged behind mainly due to lower absorption of development funds. Actual performance on development expenditure totaled to Ksh.514million against a target of Ksh.2.03billion representing an underspending of Ksh.1.52billion and/or an absorption rate of 25 percent. On the other hand, recurrent expenditure performance was Ksh.2.3billion against a target of Ksh.2.7billion revealing an absorption rate of 86 percent (Table 1).

**Table 1: Cumulative Budget Outturn, July 2018 – December 2018**

Revenue Summary	Dec 2018			Deviation	2018/19 FY Approved Budget
	Target	Actual Performance	% Performance		
Equitable share	2,998,700,000	2,858,728,706	95	-139,971,294	5,997,400,000
Local Revenue	791,928,498	363,893,593	46	-428,034,905	1,583,856,996
Conditional Grants	366,391,733	85,149,630	23	-281,242,103	732,783,466
Balance B/F (2017/18)	600,000,000	0		0	0
<b>Total</b>	<b>4,757,020,231</b>	<b>3,307,771,929</b>		<b>-849,248,302</b>	<b>9,514,040,462</b>
<b>Expenditure Summary</b>					
Recurrent Expenditure	2,722,194,863	2,343,880,394	86	-378,314,469	5,432,989,965
Development	2,034,825,368	514,848,317	25	-1,519,977,050	4,069,650,735
<b>Total</b>	<b>4,757,020,231</b>	<b>2,858,728,712</b>		<b>-1,898,291,519</b>	<b>9,514,040,462</b>

Source: Kajiado County Treasury

## **1.7 Fiscal Policy**

### **1.7.1 Economic Policy Outlook**

70. Kenya's Real GDP is projected to expand by 6.1 percent in 2018/19FY, 6.2 percent in 2019/20 FY, 6.4 percent in 2020/21 FY and 7.0 percent in 2022/23 FY. This positive growth will be driven by a pickup in agricultural as well as manufacturing activities supported by improved weather conditions, strong macroeconomic environment, vibrant service sector, sustainable business and consumer confidence as well as ongoing public infrastructural investments.
71. Over the medium term, the county government will benefit from the set macroeconomic environment to ensure that county's financial and non-financial policies target to boost economic growth. Kajiado county government will focus on five strategic outcomes: food security and improved nutrition; Ensure healthy lives and promote well-being for all; Ensure availability and sustainable management of water and sanitation for all; Infrastructural development to support growth and Support value addition to increase income.
72. The county's economic growth prospects for 2019/20 FY and in the medium term take into consideration the global, sub-Sahara Africa, East African Community and the National growth prospects, emerging challenges as well as domestic risks. The prospects take into account the governments' strategic direction pointed out in the 2019 ADP and the CIDP (2018-2022).
73. The County Government of Kajiado will implement the planned programmes and projects outlined in the 2018-2022 County Integrated Development Plan (CIDP) which will implement it through the Annual Development Plans so as to achieve the county strategic priorities in the medium term.
74. In addition to the above, measures being undertaken by the County Government to achieve the medium term theme "Fostering Socio-economic and Political Growth for Sustainable Development" are expected to enhance and promote inclusive growth across the county.
75. The County Government will embrace sectoral planning. This shall enable county sectors develop ten-year sectoral plans as component parts of the CIDPs. These plans shall be programme based, the basis for budgeting and performance management and be reviewed every five years by the county executive and approved by the county assembly but updated annually.

### **1.7.2 Risks to the Economic Outlook**

76. The risks from the global economies will also affect the county economy, these include: Trade tensions among major advanced economies regarding imposition of tariffs on selected imports by the United States from its main trading partners particularly China; and Noneconomic factors for instance political uncertainties and geopolitics in the Middle East and some countries in the sub-Saharan Africa region.
77. Shortfall in Own Source Revenue collection has continued to affect service delivery and execution of planned programmes and projects. The current trend in the performance of OSR indicates that the county will be at risk in achieving the planned objectives.
78. The County has continued to accumulate pending bills owing to revenue shortfalls and late disbursements that slow down project implementation pace. The county will aim at reducing pending bills by at least 20 percent through employing efficient project/ programme implementation strategies.
79. The ever increasing wage bill poses a fiscal risk to the implementation of the county government priorities. The department of Human Resources and the Public Service Board will endeavor to establish optimal staffing levels and staff rationalization without necessarily hiring new personnel but for only the core functions.
80. Reduction of the expected equitable share is likely to negatively derail implementation of planned programmes and projects as set out in the 20118-2022 CIDP. In addition, delays in exchequer releases may slow down implementation of programmes and projects.
81. The county's' economy will continue to be exposed to external risks emanating from climate change impacts like drought and flash floods which may shift the focus of the county government.
82. The County Government will continuously monitor the above risks and apply appropriate measures to safeguard macroeconomic stability.

## **II. FOSTERING SOCIO-ECONOMIC DEVELOPMENT FOR SUSTAINABLE GROWTH**

### **2.1 Overview**

83. The 2019 Kajiado County Fiscal Strategy Paper (CFSP), is the second to be prepared under the new County Administration and the sixth since the advent of devolution. It outlines the broad strategic macroeconomic issues and the fiscal framework to guide spending plans, as a basis of 2019/20 budget and the medium-term.
84. The 2019 CFSP seeks to actualize the priorities laid down under the five broad thematic areas for the County as well as the agenda spelt out in the 2018-2022 County Integrated Development Plan (CIDP). Further, the experience and lessons learnt from implementation of the FY 2018/19 budget of the County Government will play a significant role in informing the priorities for the FY 2019/20 and the Medium Term.
85. Over the medium term, the country growth remains prospective due to investments in strategic areas under “The Big Four” Plan, namely: increasing the share of manufacturing sector to GDP; ensuring all citizens enjoy food security and improved nutrition by 2022; expanding universal health coverage; and delivering at least five hundred thousand (500,000) affordable housing units. These efforts will support the business environment, create jobs and ultimately promote broad based inclusive growth.
86. In order to support a rapidly-growing economy as envisaged in the Kenya Vision 2030, the County Government of Kajiado will continue to sustain and expand the on-going public investments in infrastructure. Main areas of focus will include road construction and rehabilitation which include construction of new roads, rehabilitation and maintenance of existing roads. Improvement of rural access roads, gravelling and grading of major roads across the County, construction of drainages along roads and installation of bridges, culvert and drifts will be implemented. The County will implement the *Unganisha* urban roads network in major towns to enhanced connectivity. Through the World Bank Financing, the County will implement various infrastructural development within the municipalities. The county will aim at implementing sustainable infrastructural development that is climate sensitive especially in roads, energy and housing technology.
87. In promoting business across the county, and further the department of trade constructed markets across the county, rehabilitated and constructed sale yards and installed lighting. In order to encourage entrepreneurship, the county government will continue to invest in key areas of intervention including promotion of agri-business, provision of agricultural and livestock extension services and distribution of seeds for improved crop and livestock production and enhanced income to farmers. Under livestock production, hay production and conservation will be given priority to ensure sustained feeds supply throughout the year. This

will be implemented through extension services to farmers, supply of subsidized hay seeds and mechanization. The department will aim at value addition on tomato, milk, hides and skins.

88. Health sector plays a vital role in ensuring the wellbeing of the citizens. Medium term priorities for the sector includes completion of the ongoing infrastructural development programme, equipping, and development of systems to support and expand health care services and improve sanitation at the community level.
89. In order to address enhance and sustain access to water, the county will aim at investing in infrastructural development by construction of dams, pans and boreholes. Water reticulation, use of solar powered generators and maintenance of water facilities will be a priority. To attain sustainable use of water resources, the department will train the water management committees and establish a Kajiado County Water Company to be in charge of central management of water. To address the issue of waste management, the department of Environment will implement the integrated waste management system in Ngong and promote the taka ni mali concept to encourage communities manage the environment.
90. The Medium Term Expenditure Framework (MTEF) is being prepared against a background of global economic downturn and increased expenditure pressures. The priorities and goals outlined herein are based on the Sustainable Development Goals (SDGs) and CIDP 2018-2022 focusing on:
  - i. Food security and improved nutrition;
  - ii. Ensuring healthy lives and promoting well-being for all
  - iii. Ensuring` availability and sustainable management of water and sanitation for all
  - iv. Infrastructural development to support economic growth
  - v. Supporting value addition to increase income

## **2.2 County's Strategic Outcomes**

### **2.2.1 Food Security and Improved Nutrition**

91. Agriculture sector plays an important role in the country's development agenda contributing approximately 60 per cent to the economy and employing 70 per cent of the rural population. SGD 2 states that counties can support agricultural production and local economic growth by strengthening extension services to farmers and providing basic transport infrastructure to farmers.
92. In this regard, the county department of agriculture will invest in the following key areas: hay production and conservation to be achieved through extension services, subsidized hay seeds and mechanization; improved dairy farming; training of farmers on appropriate farming technologies; animal disease control and management; and increased agricultural production of key crops such as maize, beans and potatoes.



93. Further, this SDG encourages counties to use healthcare services and Early Childhood Centers (ECDs) to identify and tackle malnutrition. The county will continue to implement the *School Feeding Program* that is currently feeding (No.) 57,469 ECD children countywide with porridge. Other nutrition monitoring interventions will be prioritized to ensure a healthy population.
94. The *School Shamba Project* is also a key development component of improving food security in schools. Currently, the government has identified 29 schools countywide where this project will be piloted. County investments will be directed to ensure schools in Kajiado have sustainable food production systems.

### **2.2.2 Improved and Equitable Access to Safe and Affordable Water, Adequate Sanitation, Clean and Safe Environment**

95. Kajiado County lies in the semi-arid area of Kenya and as such most parts of the county experience acute shortage of water. Poor sanitation is greatly attributed by the lack of efficient water supply and investment in sewerage infrastructure especially in the urban areas.
96. Towards increasing access to water to county residents for domestic, livestock and industrial use, the county government will invest in different water programmes: drilling of boreholes; construction of water pans to harvest rainwater; expansion of existing water distribution pipelines; promotion of institutional and household level water harvesting, storage and utilization. The county will also capacity build the water management committees to ensure sustainable use of water. The county is also actualizing the construction of mega dams as a flagship project.

### **2.2.3 Improved Access to Affordable, Equitable and Quality Healthcare**

97. The health department aims at providing quality, affordable and accessible healthcare services to promote well-being and ensure healthy lives for all. This target will be achieved through management of communicable and non-communicable diseases, Neglected Tropical Diseases, Prevention and promotion of primary healthcare, improvement of maternal and child health and enhancing access to healthcare and sanitation services.
98. Over the medium term, the department of health targets to increase the Universal health coverage of Kajiado residents in regards to the “Big 4 Agenda” through massive registration through “Mbuzi Moja Afya Bora Initiative”, enhancing supplies to primary health facilities, strengthening service deliveries through outreaches, improved infrastructure, increase commodity and increased investment in human resource, financing to health and improved health governance. In addition, the county is upgrading the Kajiado County Referral Hospital into a level V hospital in order to reduce referrals outside the county.

### **2.2.4 Infrastructural Development to Support Economic Growth**

99. The Kenya vision 2030 recognizes an efficient physical infrastructure as one of the panacea for social economic transformation. The sector aims at ensuring that there is efficient, affordable and reliable infrastructure for sustainable, economic growth and development in the medium term through: construction, modernization, rehabilitation and effective management of all infrastructural facilities within the county.

100. To this the end, the County Government of Kajiado has made significant steps in the development of the physical infrastructure in the last financial years. The County department of Roads will continue to implement the *Unganisha Urban Road Network Project* in major towns in collaboration with various development partners. Physical infrastructure will also entail street lighting in major towns, e-government investments, completion of the county library and implementation of infrastructural projects in Kajiado and Ngong Municipalities.

### **2.2.5 Supporting Value Addition to Increase Income**

101. To promote growth of the agro-processing sector, the county government of Kajiado Government will support value addition to agricultural produce across various value chains. This will involve processing tomato meat, hides & skins, and dairy products in the county in order to obtain more value and create additional jobs and wealth creation. In this regard, the Namelok tomatoe processing plant and Isinya mini tannery are under construction. Beadwork artists are increasing across the county, hence there is need for value addition to this industry. The county government will upscale the *Ushanga Initiative Project* to increase income to the artistic groups countywide.

102. The County will work towards facilitating investment through enacting of requisite laws and regulations to create a conducive environment to attract investment

## **II. FISCAL POLICY AND BUDGET FRAMEWORK FOR FY 2019/20**

### **3.1 Overview**

103. This section highlights on the fiscal policies and reforms to be implemented and the budgetary framework for the Financial Year 2019/20. The County Government will continue to ensure sustainability, accountability and prioritization in public finances. In this regard, the government will execute key revenue reforms, expenditure strategies and development policies to enhance public financial management.

104. Over the Medium Term, the county will actualize the targets/outputs/outcomes outlined in CIDP II within the planned budget by effecting revenue reforms and prioritized spending. Sectors/Departments resource requests for the 2019/20FY budget will be realistic considering resource constraints and in light of realizing the principles of fiscal responsibility.

### **3.2 The 2019/20 FY Budget Framework and the Medium Term**

105. CFSP 2019 highlights the thematic areas, development strategies, and policy framework for the implementation of the FY 2019/20 budget. Prioritization of the allocation of resources is guided by the County Integrated Development Plan (CIDP) II and the Annual Development Plan (ADP) 2019/20.

106. Prioritization of ministerial allocation of funds will be based on three categories:

- ✓ In regards to recurrent expenditure, non-discretionary expenditures such as salaries and wages will take the first priority;
- ✓ On-going and stalled capital projects: Emphasis is given on the completion of infrastructural projects including equipping; and
- ✓ New projects/ programmes in the 2018 -2022 CIDP and ADP 2019/20 will be prioritized when apportioning development expenditure.

### **Revenue Projections**

107. In the FY 2019/20 the total resource envelope for the County Government is projected to be Kshs.8.7 billion comprising of: National Government equitable share, estimated at Kshs.6.29 billion; and Own Source Revenue (OSR) at Kshs.1.59 billion and is expected to grow at 5 percent in the medium term. In addition, the resource envelope includes conditional grants amounting to Kshs.843.6 million.

108. According to the National Treasury, in general County Governments' OSR performance has been deteriorating in the last three years both as a proportion of targeted collections and in absolute terms. In addition, OSR is financing an increasing smaller proportion of County Governments' spending, which confirms a growing reliance by counties on transfers from the National Government. The County Government of Kajiado will continue implementing revenue reforms to enhance OSR performance against the targeted amount.

109. The National Treasury finalized a national policy to support enhancement of County Governments' OSR, which will assist County Governments to determine their revenue potential; improve revenue forecasting; support counties in developing principal laws to anchor their revenue measures in line with the Constitution; and to ensure that counties have established appropriate institutional arrangement for collecting OSR; and guide the adaptation of more effective revenue management systems with common standards.

### **Expenditure Projections**

110. The overall development expenditure projection for FY 2019/20 is Kshs.2.6 billion, 30 percent of the total estimated budget and Recurrent Expenditure at Kshs.6.1 billion, which is 70 percent of the total estimated budget.

### **Recurrent Expenditure Projections**

111. The 2019/20 FY recurrent expenditure estimates amount to Kshs.6.1 billion, representing 70 percent of the total estimated budget. Further, it includes a PE budget of Kshs.3.3 billion reflecting a 38 percent of the entire county budget. The Operations and Maintenance budget of 2.1 billion which is 32 percent of the total budget.

112. The 2019 BPS highlights that counties are to prepare and submit action plans including timelines, for achieving sustainable wage bills to the National Treasury. The National Treasury shall engage with all the Counties in reviewing the plans and provide any required technical assistance required in streamlining wage bills.

### **Development Expenditure Projections**

113. The Kshs.2.6 billion development expenditure will support critical infrastructure outlined in with the 2018-2022 CIDP and FY 2019/20 ADP. The development outlays will focus on the five thematic areas as outlined in chapter 2 in order to foster socio-economic and political growth. Through stakeholder consultation and sectoral planning, the county will identify specific projects, programs and activities to be implemented during the fiscal year.

114. Development projects will be financed through the following strategy: project allocation for the 25 wards– 29 percent; flagship projects (high impact projects) – 48 percent; and conditional grants- 23 percent.

115. Resource allocation for the 2019/2020 FY as presented in this CFSP remains provisional and will be firmed through the County Allocation Act, 2019 which will confirm the actual resource allocation due to the County.

**Table 2: Kajiado County FY 2019/2020 and the Medium Term Budget Framework**

Revenue Summary	Approved Estimates	Budget Estimates	Projections	
	2018/19	2019/20	2020/21	2021/22
Equitable share	5,997,400,000.00	6,293,000,000.00	6,607,650,000.00	6,938,032,500.00
Local Revenue	1,583,856,996.00	1,598,660,097	1,614,646,698	1,630,793,165
Conditional Grants	732,783,466.00	843,614,365.00	885,795,083.25	930,084,837.41
Balance B/F	1,200,000,000.00	0	0	0
<b>Total</b>	<b>9,514,040,462.00</b>	<b>8,735,274,462.00</b>	<b>9,108,091,781.22</b>	<b>9,498,910,502.36</b>
Expenditure Summary				
Personnel Emoluments	2,976,958,934.00	3,305,006,880.70	3,331,446,935.75	3,358,098,511.23
Operations and maintenance	2,467,430,793.00	2,809,685,242.70	2,978,266,357.26	3,122,595,654.10
Development	4,069,650,735.00	2,620,582,338.60	2,798,378,488.21	3,018,216,337.03
<b>Total</b>	<b>9,514,040,462.00</b>	<b>8,735,274,462.00</b>	<b>9,108,091,781.22</b>	<b>9,498,910,502.36</b>

Source: Kajiado County Treasury

#### a. Fiscal Structural Reforms

116. Over the medium term, the county will formulate and implement the following fiscal policies through a participatory process that will contribute to the achievement of the medium term theme “*Fostering Socio-economic development for sustainable growth*”.

117. Spending on non-productive areas will be curtailed and resources directed to priority programmes. During the Medium Term planning focus will be on incorporating strategic interventions in key deliverable areas of development such as food security, increasing health coverage, infrastructural development (roads, energy, housing and ICT), ensuring water availability and sustainability, and value addition.

118. The County will introduce Sectoral Planning to fulfill the requirement in the County Government’s Act, 2012, Section 109. The 10-year Sector Plans will provide detailed statement of sector performance, issues, opportunities, development objectives, policies, and strategies. Sector plans are component parts of the County Integrated Development Plans (CIDPS).

119. The County will roll-out a Project Implementation Framework, which will address the following issues: Monitoring and Evaluation function; Participatory planning and budgeting; and sustainability of projects.

120. As part of reforms in revenue administration, the county restructured the department of Revenue to incorporate regional revenue administration headed by a Director General Revenue supervisors are tasked to ensure collectors at every level are followed up to deliver; enforcement and reporting to ensure that revenue targets are realized and hence ease budget implementation.

121. To enhance mobilization of Own Source Revenue (OSR), the county government has put in place robust revenue enhancement strategies/measures to increase performance and cushion against further revenue shortfalls including: -

- a. Full automation of all revenue streams: Complete automation will help in sealing the leakages inherent in manual receipting.
- b. Restructuring of the revenue department to include the Director General Revenue, Regional Managers, supervisors, and statisticians in order to enhance revenue administration.
- c. Enhancing revenue enforcement: A revenue enforcement team will be constituted and subjected to thorough sensitization on county fees and charges as spelt out in the Finance Act, modalities of dealing with customers - both compliant and defaulters, regular monitoring to ensure compliance. Provision of equipment and other resources including vehicles and impounding equipment.
- d. Enforcement in revenue collection as per the Finance Act.
- e. Approaching development partners for grants and loans.
- f. Engaging the private sector to join in Public Private Partnerships on some projects
- g. Expanding own-source revenue generation mechanisms: The internal measures include; taxes, fees, fines, rates, accruals, cess, Appropriations in Aid (AIA), Royalties, cross border trade and contributions by civil society organizations and private sector.
- h. Formulation of relevant policies and laws: The County Government will focus on formulation of relevant policies, laws and regulations to enhance both generation and effective utilization of existing resources.
- i. Mainstreaming and enhancing local revenue sources growth. Local revenue mapping will help in establishing revenue potential. An in depth analysis of revenue streams to inform on areas that need further investment to grow these sources will be a priority.

122. In order to finance and actualize the CIDP 2018-2022, the county has been welcoming partnerships and stakeholder involvement. In 2019/18, the county will benefit from programmes such the World Bank and Private Public Partnerships.

123. There will be intensive capacity building of the newly recruited and existing county employees through programs such as the Kenya Devolution Support Programme (KDSP) on Public Finance Management.

## **V. MEDIUM TERM EXPENDITURE FRAMEWORK**

### **4.1 Resource Envelope**

124. The Medium Term Expenditure Framework (MTEF) for 2019/20-2021/22 ensures that resource allocation is based on prioritized programs that are aligned to the CIDP II. The total projected budget estimate for FY 2019/20 is Kshs.8.7 billion. The PFMA, 2012 Section 117 (2) states that the CT shall align its CFSP with the national objectives in the Budget Policy Statement (BPS). In this regard, the equitable share for 2019/20 is projected to be Kshs.6.29 billion as indicated in 2019 Budget Policy Statement.

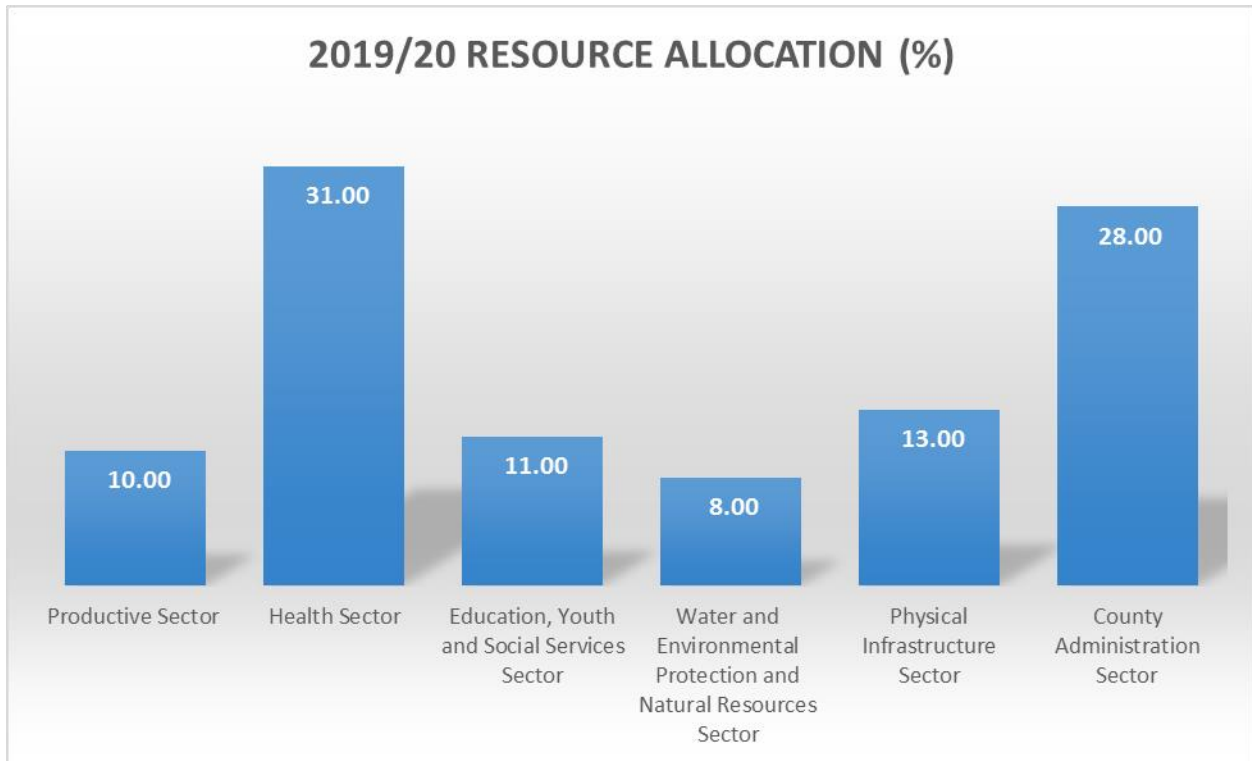
125. The 2019 CFSP focuses on strategic policy initiatives for the Medium Term of the current administration to improve the socio-economic growth, development and sustainability. It will concentrate on the five thematic areas as indicated in chapter two. The county will also introduce sectoral planning for effective and efficient planning purposes. The following are the sectors, which will guide the prioritization of programs and projects and allocation of resources:

- i. Productive Sector;
- ii. Health Sector;
- iii. Water, and Environmental Protection and Natural Resources Sector;
- iv. Education, Youth and Social Services;
- v. Physical Infrastructure; and
- vi. County Administration.

126. A look at the sector resource allocation reveals the Health Sector as the highest beneficiary with 31 percent allocations of the county resources. This is closely followed by the County Administration with 28 percent of county resources. Physical infrastructure sector is allocated 13 percent while Education, Youth and Social Services is allocated 11 percent of the resources. The Productive Sector is allocated 10 percent whereas Water, Irrigation and Natural Resources is allocated 8 percent of the county resources. This is as illustrated in table 3.



**Table 3: 2019/20 Resource Allocation by Sector**



#### **4.2 Medium Term Expenditure Estimates**

127. The County ceilings allocations was prioritization in accordance to the strategic outcomes/ thematic areas for the Medium Term. The Commission on Revenue Allocation (CRA) guides in the allocation for both the County Executive and County Assembly.

128. The 2019/20 MTEF by county government departments is outlined in the table below. Conditional grants have been excluded from the respective departmental ceilings for clarity in budgeting.

**Table 4: Sector Medium Term Expenditure Framework- 2019/20 to 2021/22**

SECTOR	Sub-Sector	Final Approved Estimates	O/M Ceilings	Development Ceilings	P/E Ceilings	TOTAL CEILING	Projections		Appr. Estim.	Ceilings	Projections	
		2018/19	2019/20				2020/22	2021/22	2018/18	2019/20	2020/22	2021/22
<b>Productiv e Sector</b>	Agriculture, Livestock and Fisheries	597,718,794.00	129,383,535.27	100,000,000.00	223,883,893.20	453,267,428.47	498,594,171.32	548,453,588.45	7.28	5.78	5.78	5.78
	Cooperative Development	8,779,708.00	8,861,592.50	10,861,592.50	-	8,861,592.50	11,947,751.75	13,142,526.92	0.11	0.14	0.11	0.11
	Trade, Investment and Industry	141,052,502.00	22,554,926.13	100,000,000.00	46,848,651.12	169,403,577.25	186,343,934.98	204,978,328.47	1.72	2.16	2.16	2.16
	Tourism and Wildlife	5,316,530.00	5,366,114.95	-	-	5,366,114.95	5,902,726.45	6,492,999.09	0.06	0.07	0.07	0.07
	Lands and Physical Planning	194,761,501.00	28,532,617.28	50,000,000.00	38,286,714.96	116,819,332.24	128,501,265.46	141,351,392.01	2.37	1.49	1.49	1.49
	<b>Sector Total</b>	<b>947,629,035.00</b>	<b>196,698,786.13</b>	<b>250,000,000.00</b>	<b>309,019,259.28</b>	<b>755,718,045.41</b>	<b>829,089,849.95</b>	<b>911,998,834.95</b>	<b>11.54</b>	<b>9.61</b>	<b>9.61</b>	<b>9.61</b>
<b>Health Sector</b>	Medical Services	1,897,791,892.00	406,557,363.17	245,000,000.00	1,596,628,969.47	2,248,186,332.64	2,473,004,965.90	2,720,305,462.49	23.11	28.67	28.67	28.67
	Public Health and Sanitation	376,393,027.00	41,833,424.09	130,000,000.00	-	171,833,424.09	189,016,766.50	207,918,443.15	4.58	2.19	2.12	2.12
	<b>Sector Total</b>	<b>2,274,184,919.00</b>	<b>446,390,787.35</b>	<b>375,000,000.00</b>	<b>1,596,628,969.47</b>	<b>2,418,019,756.82</b>	<b>2,659,821,732.50</b>	<b>2,925,803,905.75</b>	<b>27.70</b>	<b>30.84</b>	<b>30.84</b>	<b>30.84</b>
<b>Educatio n, Youth and Social Services Sector</b>	Education & Vocational Training	745,401,983.00	66,291,655.21	200,107,000.00	341,744,455.68	608,143,110.89	668,957,421.98	735,853,164.17	9.08	7.76	7.76	7.76
	Youth, Gender & Social Protection	131,109,746.00	23,881,237.76	20,000,000.00	36,018,589.80	79,899,827.56	87,889,810.31	96,678,791.34	1.60	1.02	1.02	1.02
	Arts & Culture	33,408,400.00	6,468,168.35	20,000,000.00	-	26,468,168.35	29,114,985.18	32,026,483.70	0.41	0.34	0.34	0.34
	Sports Development	46,370,327.00	15,009,016.04	100,000,000.00	-	115,009,016.04	126,509,917.64	139,160,909.41	0.56	1.47	1.47	1.47
	<b>Sector Total</b>	<b>956,290,456.00</b>	<b>111,650,077.35</b>	<b>340,107,000.00</b>	<b>377,763,045.48</b>	<b>829,520,122.83</b>	<b>912,472,135.11</b>	<b>1,003,719,348.62</b>	<b>11.65</b>	<b>10.58</b>	<b>10.58</b>	<b>10.58</b>
<b>Water and Environm ental Protectio n and Natural Resource s Sector</b>	Irrigation	50,000,000.00	4,037,306.25	50,000,000.00	-	54,037,306.25	59,441,036.88	65,385,140.56	0.61	0.69	0.69	0.69
	Water Infrastructure	400,279,576.00	35,578,761.34	308,000,000.00	85,502,829.36	429,081,590.70	471,989,749.77	519,188,724.75	4.88	5.47	5.47	5.47
	Environment and Natural Resources	119,019,273.00	82,784,230.91	41,400,000.00	-	124,184,230.91	136,602,654.00	150,262,919.40	1.45	1.58	1.58	1.58
	<b>Sector Total</b>	<b>569,298,849.00</b>	<b>122,400,298.50</b>	<b>399,400,000.00</b>	<b>85,502,829.36</b>	<b>607,303,127.86</b>	<b>668,033,440.64</b>	<b>734,836,784.71</b>	<b>6.93</b>	<b>7.75</b>	<b>7.75</b>	<b>7.75</b>

SECTOR	Sub-Sector	Final Approved Estimates	O/M Ceilings	Development Ceilings	P/E Ceilings	TOTAL CEILING	Projections		Appr. Estim.	Ceilings	Projections	
							2020/22	2021/22			2018/18	2019/20
		2018/19		2019/20								
Physical Infrastructure Sector	Roads, Transport, Energy, Public Works and, Housing	976,117,929.00	79,734,039.48	579,774,114.00	79,734,039.48	739,242,193.00	813,166,412.26	894,483,053.48	11.89	9.35	9.35	9.35
	Urban Development	282,207,801.00	16,400,000.00	310,000,000.00	-	326,400,000.00	359,040,000.00	394,944,000.00	3.44	4.16	4.16	4.16
	<b>Sector Total</b>	<b>1,258,325,730.00</b>	<b>96,134,039.48</b>	<b>889,774,114.00</b>	<b>79,734,039.48</b>	<b>1,065,642,192.96</b>	<b>1,172,206,412.26</b>	<b>1,289,427,053.48</b>	<b>15.33</b>	<b>13.48</b>	<b>13.48</b>	<b>13.48</b>
County Administration Sector	Office of The Governor and Deputy Governor	303,584,944.00	218,092,830.47	-	100,103,982.48	318,196,812.95	350,016,494.25	385,018,143.67	3.70	4.06	4.06	4.06
	County Assembly	722,287,239.00	365,570,934.00	100,000,000.00	256,716,305.00	722,287,239.00	794,515,962.90	873,967,559.19	8.80	9.21	9.21	9.21
	County Treasury	611,175,369.00	259,110,585.77	76,324,944.70	198,867,071.64	534,302,602.11	587,732,862.32	646,506,148.55	7.44	6.81	6.81	6.81
	Public Service & Citizen Participation	405,799,062.00	245,832,148.94	-	197,130,624.25	442,962,773.19	487,259,050.51	535,984,955.56	4.94	5.65	5.65	5.65
	County Public Service Board	98,853,496.00	56,451,634.66	-	47,645,080.56	104,096,715.22	114,506,386.75	125,957,025.42	1.20	1.33	1.33	1.33
	ICT	63,070,566.00	33,376,150.66	70,000,000.00	-	103,376,150.66	113,713,765.73	125,085,142.30	0.77	1.32	1.32	1.32
	<b>Sector Total</b>	<b>2,204,770,676.00</b>	<b>1,178,434,284.50</b>	<b>246,324,944.70</b>	<b>800,463,063.93</b>	<b>2,225,222,293.13</b>	<b>2,447,744,522.44</b>	<b>2,692,518,974.69</b>	<b>26.85</b>	<b>28.38</b>	<b>28.3</b>	<b>28.38</b>
Funds and Grant	<b>SUB-TOTAL</b>	<b>103,540,796.99</b>	<b>232,173,352.08</b>	<b>662,336,058.00</b>	<b>-</b>	<b>843,614,365.00</b>	<b>343,153,213.43</b>	<b>343,153,213.43</b>	<b>0.01</b>	<b>8.88</b>	<b>3.77</b>	<b>3.44</b>
<b>GRAND TOTAL</b>		<b>9,514,040,461.99</b>	<b>2,809,685,242.70</b>	<b>2,620,582,338.60</b>	<b>3,305,006,880.70</b>	<b>8,735,274,462.00</b>	<b>9,098,406,547.32</b>	<b>9,973,931,880.70</b>				

Source: Kajiado County Treasury

### 4.3 Key sector Medium Term Plans

129. The table below indicates the classification of sectors, sub-sectors, their roles and resource allocation for the FY 2019/20

<b>Productive Sector</b>	
Sub-Sectors	Agriculture, Livestock and Fisheries; Cooperative Development; Trade, Investment and Industry; Tourism; and Lands and Physical Planning
Sector Role	Plays a key role in accelerating economic growth through enhancing food security; income generation; employment and wealth creation
Key sector Medium Term Plans	<ul style="list-style-type: none"> <li>• Enhance food security through the implementation of hay production, conservation, supply of subsidized seeds and mechanization;</li> <li>• Enhance value addition to increase income targeting tomato, milk, meat, hides and skins specific projects include: Isinya tannery, Namelok Tomato Processing; Rombo Maize drier project; and Dairy Production Project</li> <li>• Promote irrigation in order to promote crop production e.g. through the School Shamba Project;</li> <li>• Supporting the cooperative movement through trainings and capacity building;</li> <li>• Implementation of the Ngong market; Complete all the ongoing markets, promote fair trade and investment;</li> <li>• Promotion of local tourism;</li> <li>• Enhance land physical planning for proper utilization of land through strategies such as land banking and Spatial planning</li> <li>• Preparation of Local Physical Development plans and Local Physical Development Plans</li> <li>• Digitization of land records</li> <li>• Development of the County valuation roll</li> <li>• Municipality services in Ngong, Kajiado and Establishment of Kitengela municipalities.</li> </ul>
<b>Health Sector</b>	
Sub-Sectors	Medical Services; Public Health; and Sanitation.
Sector Role	To promote the provision of sustainable, accessible, quality and equitable healthcare that is evidence based, technology driven and client centered
Key sector Medium Term Plans	<ul style="list-style-type: none"> <li>• Eliminate communicable conditions –TB, HIV/Aids</li> <li>• Halt, and reverse the rising burden of non-communicable conditions</li> <li>• Reduce the burden of violence and injuries.</li> <li>• Provide essential health care and to minimize exposure to health risk factors</li> <li>• Strengthen community health services;</li> <li>• Universal Healthcare Coverage;</li> <li>• Upgrading of Kajiado Hospital to level 5 status;</li> <li>• Upgrading of all the sub-county hospitals;</li> <li>• Construction of Kajiado West sub-county hospital;</li> <li>• Completion of stalled and other incomplete projects;</li> </ul>

	<ul style="list-style-type: none"> <li>Promoting a sustainable environment by maintaining public health and sanitation.</li> </ul>
<b>Water, and Environmental Protection and Natural Resources Sector</b>	
Sub-Sectors	Water Infrastructure; Irrigation; and Environment and Natural Resources
Sector Role	Ensure accessibility of clean water, enhance sustainable management of the environment and natural resources, increase utilization of land through irrigation and provide water for infrastructure.
Key sector Medium Term Plans	<ul style="list-style-type: none"> <li>Investing in water and sanitation infrastructure;</li> <li>Construction of mega dams;</li> <li>Drilling and equipping of boreholes targeting schools, hospitals and surrounding communities, and Irrigation infrastructure;</li> <li>Rehabilitation of water infrastructure (boreholes, pans, dams and pipelines)</li> <li>Reviving Noulturesh water supply to Kajiado and other areas.</li> <li>Water reticulation in Kitengela;</li> <li>Kimuka pipeline extension;</li> <li>Training of water management committees;</li> <li>Formation of the Kajiado County Water Management Board;</li> <li>Waste and refuse management; <i>'taka ni mali project'</i></li> <li>Establishment of a waste management plant;</li> <li>Tree planning and beautification of towns.</li> </ul>
<b>Education, Youth and Social Services Sector</b>	
Sub-Sectors	Education & Vocational Training; Youth, Gender & Social Protection; Arts & Culture; and Sports Development
Sector Role	To provide quality, and equitable education and vocational training for sustainable education. Coordinate youth development, sports, gender and disability mainstreaming and other social services.
Key sector Medium Term Plans	<ul style="list-style-type: none"> <li>Enhancing retention of learners by through implementation of <b><i>School Feeding</i></b> and the <b><i>School Shamba Projects</i></b>.</li> <li>Provision of learning/teaching materials to Pre-primary schools;</li> <li>Rehabilitation and equipping of Vocational Training Centres</li> <li>Teacher training and capacity development –Vocational Training Centres and the ECDE;</li> <li>Construction of the Kajiado Technical University with other partners.</li> <li>Construction and rehabilitation of sports infrastructure –Ngong and Kajiado Stadium;</li> <li>Sporting activities and competitions;</li> <li>Disbursement of the School bursary;</li> <li>Disability mainstreaming and disbursement of the Fund;</li> <li>Kajiado County Youth and Women Enterprise Development Fund</li> <li><b><i>Vijana Tujajiri</i></b> Empowerment <b><i>Program</i></b> in Partnership with KCB Foundation</li> <li>Promote culture through projects such as the <b><i>Ushanga Initiative Project</i></b> with the aim of enhancing women empowerment.</li> </ul>

<b>Physical Infrastructure Sector</b>	
Sub-Sectors	Roads, Transport, Energy, Public Works and, Housing; and Urban Development
Sector Role	To provide cost-effective public utility infrastructure facilities and services in the areas of energy, roads, transport, housing, water infrastructure and urban development
Key sector Medium Term Plans	<ul style="list-style-type: none"> <li>• Street lighting in major urban areas;</li> <li>• Construction of road network in urban areas (<i>Uganisha Urban Roads network</i>);</li> <li>• Rehabilitation and maintenance of road infrastructure;</li> <li>• Purchase of heavy plant and machineries.</li> <li>• Fire emergency response and establishment of fire stations, acquisition of new fire engines, transport and fleet management;</li> <li>• Construction of county headquarters and Ardhi house;</li> <li>• Construction, management and maintenance of government houses and offices;</li> <li>• Establishment of municipalities and development of infrastructure within municipalities;</li> <li>• Slum upgrading; and</li> <li>• Development of affordable low cost housing – eco- <i>manyatta</i> housing</li> </ul>
<b>County Administration Sector</b>	
Sub-Sectors	Office of The Governor and Deputy Governor; County Treasury; County Assembly Public Service & Citizen Participation; County Public Service Board; and Information and Communication Technology
Sector Role	Plays a key role in county leadership; administration; human resource management; public financial management; and representation, oversight and legislation for effective service delivery
Key sector Medium Term Plans	<ul style="list-style-type: none"> <li>• Implementation of County Government legislations</li> <li>• Roll out a comprehensive performance management system;</li> <li>• Implementation of human resource management strategies;</li> <li>• Intergovernmental relations; regional integration;</li> <li>• Citizen engagement through various forums for inclusive development;</li> <li>• Develop an effective project implementation framework with key deliverables such as Monitoring and Evaluation;</li> <li>• Public finance management – Efficient revenue mobilization and accounting, financial reporting, Ensuring value for money in project and programme implementation</li> <li>• Execute programs according to the requirements in the PFMA, 2012</li> <li>• Representation; Legislation and Oversight; Completion of the County Assembly chambers</li> </ul>

## 2019/20 Flagship Projects Implementation Plan

**114.** Flagship/transformational projects are considered to have high impact in terms of employment creation, increasing county competitiveness and revenue generation.

Project Name	Location	Objective	Output /Outcome	Performance indicators	Target	Implementing Agency	Source of Funding	Cost (Ksh.)
<b>Unganisha Urban Roads Network</b>	Main urban areas	To enhance connectivity and access to services within the urban centres	Enhanced movement of goods and access to services	Kms. of urban roads tarmacked	20 Kms	Dpt. Of Roads and Public Works	CGK/WB/ other partners	100 M
<b>Hay production</b>	Countywide	To improve animal production and productivity	Increased animal production and productivity	No. of hay bales harvested and stored	500,000	Dpt. of Agriculture	CGK/Partners	30 M
				No. of county hay barns constructed;	7			60 M
				No. of hay harvesting equipment procured	10			20 M
<b>Kajiado Teaching and referral hospital</b>	Kajiado Sub County Hospital	To improve access to healthcare services	Increased access to healthcare services	Referral and teaching hospital established	1	County Dpt. of Health	CGK/ GoK/ Partners	298 M
<b>Mega dams</b>	Kajiado East-Kitengela	To Increase access to safe and clean water	Increased access to safe and clean water	Preliminary and final designs developed and presented	1	GoK/Dpt. Of Water	CGK/Partners	20 M
<b>Solid waste &amp; Sewage Management-Ngong Integrated Waste Recycling Plant</b>	Ngong	To manage solid and liquid waste management	Management of liquid waste	No. of Recycling Plants constructed	1	GoK/CGK	Gok/Italian Government	2.1 B
<b>OlKejuado University of applied technology (OLKUAT)</b>	Kajiado Central	To enhance access to Tertiary Education	Increased access to Tertiary Education	Technical university established	Adm. Block and lecture halls	GoK/CGK	CGK/Partners	600 M

### **4.3 Challenges experienced during Implementation of the MTEF**

The following are some of the challenges experienced during the MTEF implementation:

- i. Weak project implementation framework;
- ii. Sustainability of community development projects;
- iii. Lengthy procurement processes;
- iv. Weak monitoring and evaluation system that links into resource allocation and decision making;
- v. Delays in disbursement of funds to the county, resulting to low budget absorption.

130. In summary, during the Medium Term the county will drive its agenda through the thematic areas that are transformative as anchored in the CIDP II. The county will also cut on wasteful spending and channel funds to the thematic areas. Through vigorous fiscal reforms, the county will ensure that it reaches the target for the Own Source Revenue set. More so, it will implement sectoral planning and budgeting for effective and efficient policy formulation and implementation.