



REPUBLIC OF KENYA  
COUNTY GOVERNMENT OF NYANDARUA  
COUNTY TREASURY

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**COUNTY BUDGET REVIEW AND OUTLOOK PAPER**  
**(CBROP)**  
**2020**

*SEPTEMBER, 2020*

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Ol Kalou,

**KENYA**

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## FORWARD

This is the second CBROP that has been prepared within the second County Integrated Development Plan 2018-2022 as the County pursues the implementation of its socio-economic transformative agenda for the County. The County has reviewed its fiscal policy strategy in the last financial year as it strategizes for budget implementation in the FY 2021/22. Resource constraints occasioned by low revenue collection as a result of the COVID-19 has resulted to a deficit in the FY 2019/20 appropriations. However, the Third generation formula on County Allocation is set to give the County some headway in mitigating the challenge of limited resources for budget implementation.

As has been provided for in the PFM Act and Regulations, the County is in pursuit of ensuring that its budget implementation is synchronized with the County Planning Framework. To this end, anchorage to the fiscal principles as stipulated in the PFM has been paramount in ensuring that the resources at the disposal of the County are optimally used for efficiency and effectiveness. This policy document acts as a strategy to ensure that all the County entities are working towards the achievement of its objectives as is enshrined in the Constitution of Kenya.

Socio-economic transformative programmes and projects will be promoted to assist in the recovery of the economy, local and national given the effects of the COVID-19 pandemic. The emphasis in the Departmental programmes and projects continue to be on higher investments in the social enablers and infrastructure development for sustainable growth.

The Medium-Term Budget has also been scrutinized to curtail spending on non-productive areas and ensure resources are directed to priority programmes optimally. It is expected that the programme and strategies herein will fast track the achievement of the County Government's Socio-economic Transformative Agenda.

HON. STEPHEN M. NJOROGI, H.S.C.  
**COUNTY EXECUTIVE COMMITTEE MEMBER**  
**FINANCE AND ECONOMIC DEVELOPMENT**

## **ACKNOWLEDGEMENT**

The County Budget Review and Outlook Paper has been prepared in line with the provisions of the Public Financial Management Act, 2012 Article 118 (1) (a) and has been prepared through concerted efforts by various stakeholders.

The Economic Planning and Development Directorate is grateful to H.E. the Governor Francis Kimemia, and the entire County Executive Committee for their insights and guidance in the implementation and review of the budget. Also, special thanks go to the CECM for Finance and Economic Development, Hon. Njoroge for guidance in spearheading the formulation of this plan.

Immense appreciation to the Economic Planning and Development Directorate team who have worked round the clock for the successful preparation and completion of the document. Since it would not be possible to list everybody individually, I would like to take this opportunity to thank everyone else not mentioned here for their dedication, sacrifice and commitment in this process.

**MUIGAI WAINAINA**  
**CHIEF OFFICER**  
**ECONOMIC PLANNING AND DEVELOPMENT**

## LEGAL BACKGROUND

The County Budget Review and Outlook Paper is one of the key stages in the preparation of the Annual County Budget. Its preparation is enshrined in the Public Finance Management Act, 2012 where section 118 (1) postulates that a County Treasury shall:

- (a) Prepare a County Budget Review and Outlook Paper in respect of the County for each financial year, and
- (b) Submit the paper to the County Executive Committee by the 30th September of that year.

Section 118 (2) of the same Act further provides that the CBROP should contain:

- (a) The details of the actual financial performance in the previous year compared to the Budget appropriation for that year;
- (b) The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;
- (c) Information on:
  - (i) Any changes in the forecasts compared with the County Fiscal Strategy Paper; or
  - (ii) How actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year; and
- (d) 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.

After preparation of the Paper by the County Treasury, the County Executive Committee considers the County Budget Review and Outlook Paper to approve it, with or without amendments and arranges for the same to be laid before the County Assembly, publishes and publicizes the Paper. Preparation of this paper is further backed by the County Governments Act, 2012 and the Constitution of Kenya, which compels County Governments to plan for their Counties and requires the appropriation of the funds to be within the approved planning frameworks.

The main objectives of a CBROP are to specify:

- ❖ The broad strategic priorities and policy goals that will guide the County Government in preparing its Budget for the coming financial year and over the medium term;
- ❖ The financial outlook with respect to County Government revenues, expenditures and borrowing for the coming financial year and over the medium term;
- ❖ An assessment of the current financial year and the projected state of the economy for the succeeding three years;

- ❖ Targets for overall revenues, total aggregate expenditure and domestic and external borrowing for the succeeding financial year and the medium term;
- ❖ The total resources to be allocated to individual programmes within a sector indicating the outputs expected from each such programme during that period;
- ❖ The criteria used to allocate or apportion the available public resources among the various programmes; and
- ❖ Forecast financial position for the financial year to which the Budget relates and the next two financial years.



## ABBREVIATIONS

**ADP:** Annual Development Plan

**ASDSP:** Agricultural Sector Development Support Program

**CARA:** County Allocation Revenue Act

**EU:** European Union

**IDEAS:** Instruments for Devolution Advice and Support

**KCSAP:** Kenya Climate Smart Agriculture Project

**KDSP:** Kenya Devolution Support Program

**KUSP:** Kenya Urban Support Project

**OSR:** Own Source Revenue

**PFM:** Public Finance Management

## CHAPTER ONE

### FISCAL PERFORMANCE FOR THE FY 2019/20

#### 1.0 Overview

The County Government's mandate as stipulated by the Fourth Schedule of the Constitution of Kenya is discharged by Departments through the implementation of projects and programmes. These projects and programmes are allocated funds through the County Budgeting process that is cyclical in nature.

In the Financial year 2019/20, the County's total appropriations were Kshs. 7,983,710,937 as per the Second Supplementary budgets. The total recurrent expenditure in the Financial Year amounted to Kshs. 5,102,091,197 (64%) while the development expenditure was Kshs. 2,881,619,740 (36%).

The revenue estimates comprised of Kshs. 6,323,630,101 (76.24%) of estimates captured in the CARA 2019 Kshs.1, 660,080,836 (23.76%) of estimates not captured in the CARA 2019. The equitable share as captured in the CARA was Kshs. 4,454,927,400, 63.75 % of the estimates for the FY 2019/2020.

Out of the County's Resource Envelope of Kshs. 7,983,710,937, Kshs. 2,881,619,740 (36%) was appropriated to go to the development expenditure. In the year under review, the County thus met the Fiscal responsibilities requirement in the PFM Act (Section 107) that requires that at least 30% of the County Budget be dedicated for development.

The revenue streams captured in the budget estimates and not captured in the CARA 2019 include:

- (a.) World Bank Grant for Climate Smart Agriculture Programme (KCSAP) balance brought forward FY 2018/19 of Kshs. 21,042,937;
- (b.) Rehabilitation of village polytechnics FY 17/18 of Kshs 5,669,246;
- (c.) Rehabilitation of village polytechnics FY 18/19 of Kshs. 1,030,457;
- (d.) World Bank Grant for KDSP - Level I balance brought forward for the FY 2018/19 of Kshs. 43,069,316;
- (e.) Road maintenance levy fund b/f 2018/19 of Kshs. 49,483,869;
- (f.) World Bank Grant for KDSP - Level II b/f FY 2017/18 of Kshs. 282,647,811;

- (g.) World Bank Grant for KDSP - Level II of Kshs. 254,280,493;
- (h.) NHC Engineer Hospital Refund of Kshs. 22,628,148; and
- (i.) Balance brought forward from FY 2018/19 is Kshs. 980,228,559

## 1.1 Approved FY 2019/20 Budget Estimates

### 1.1.1 Revenue.

The County Budget revenues comprised a total of Kshs. 6,323,630,101 of estimates captured in the CARA and Kshs. 1,660,080,836 not in the CARA. The latter was disbursed to the quarter as exchequer releases whilst only Kshs. 5,327,947,558 of the revenues captured in the CARA 2019 were released to the County.

The County Own-source Revenue was under collected by Kshs. 250,519,370 while the equitable share fell short of the anticipated amount by Kshs. 419,172,600. Other revenues that were not realised are IDA (World Bank) Kenya Urban Support Project (KUSP) (UDG) of Kshs. 38,597,502 and EU Grant (Instruments for Devolution Advice and Support- IDEAS) of Kshs. 20,223,224.

**Table 1 captures the budgeted revenue estimates for the FY 2019/2020:**

#### REVENUES

<b>Description</b>	<b>Original Budget Estimates as approved</b>	<b>Approved first supplementary Estimates</b>	<b>Second Supplementary Budget Estimates as approved</b>
Equitable Share Transfers	4,867,000,000	4,874,100,000	4,874,100,000
Own Source Revenue	600,000,000	600,000,000	600,000,000
Linda mama (A-I-A)	30,000,000	30,000,000	30,000,000
<b>Conditional grants</b>			
World Bank (IDA) Loan for Transforming Health Systems	50,000,000	35,000,000	35,000,000
EU grant for potato Tissue Culture Lab (IDEAS)	-	20,223,224	20,223,224
Sweden- Agricultural Sector Development Support Programme (ASDP)	-	15,987,360	15,987,360

<b>Description</b>	<b>Original Budget Estimates as approved</b>	<b>Approved first supplementary Estimates</b>	<b>Second Supplementary Budget Estimates as approved</b>
DANIDA Grant For Universal Healthcare for Devolved System Programme	15,997,500	14,718,750	14,718,750
Road maintenance levy fund	141,049,781	138,354,563	138,354,563
Road maintenance levy fund b/f 2019/20		49,483,869	49,483,869
User fees foregone	12,735,922	12,735,922	12,735,922
Rehabilitation of village polytechnics	39,700,000	37,983,298	37,983,298
Rehabilitation of village polytechnics FY 17/18	5,669,246	5,669,246	5,669,246
Rehabilitation of village polytechnics FY 18/19		1,030,457	1,030,457
Supplement for construction of County headquarters	121,000,000	121,000,000	121,000,000
Leasing of Medical Equipment	131,914,894	131,914,894	131,914,894
World Bank Grant for Kenya Urban Support Programme (KUSP) Level 1	-	8,800,000	8,800,000
World Bank Grant for Kenya Urban Support Programme (KUSP) Level 2	135,543,400	135,543,400	135,543,400
World Bank Grant for Climate Smart Agriculture Programme (KCSAP)	117,000,000	117,268,690	117,268,690
World Bank Grant for Climate Smart Agriculture		21,042,937	21,042,937

<b>Description</b>	<b>Original Budget Estimates as approved</b>	<b>Approved first supplementary Estimates</b>	<b>Second Supplementary Budget Estimates as approved</b>
Programme (KCSAP) b/f FY 2019/20			
World Bank Grant for KDSP - Level I	-	30,000,000	30,000,000
World Bank Grant for KDSP - Level I b/f FY 2019/20	-	43,069,316	43,069,316
World Bank Grant for KDSP - Level II b/f FY 2017/18	-	282,647,811	282,647,811
World Bank Grant for KDSP - Level II	254,280,493	254,280,493	254,280,493
NHC Engineer Hospital Refund		22,628,148	22,628,148
B/F from FY 2018/19- Others		980,228,559	980,228,559
<b>Grand Total</b>	<b>6,521,891,236</b>	<b>7,983,710,937</b>	<b>7,983,710,937</b>

### 1.1.2 Expenditure

In the year under review, the County projected total expenditure amounted to Kshs. 7,983,710,937 as tabulated in the next table.

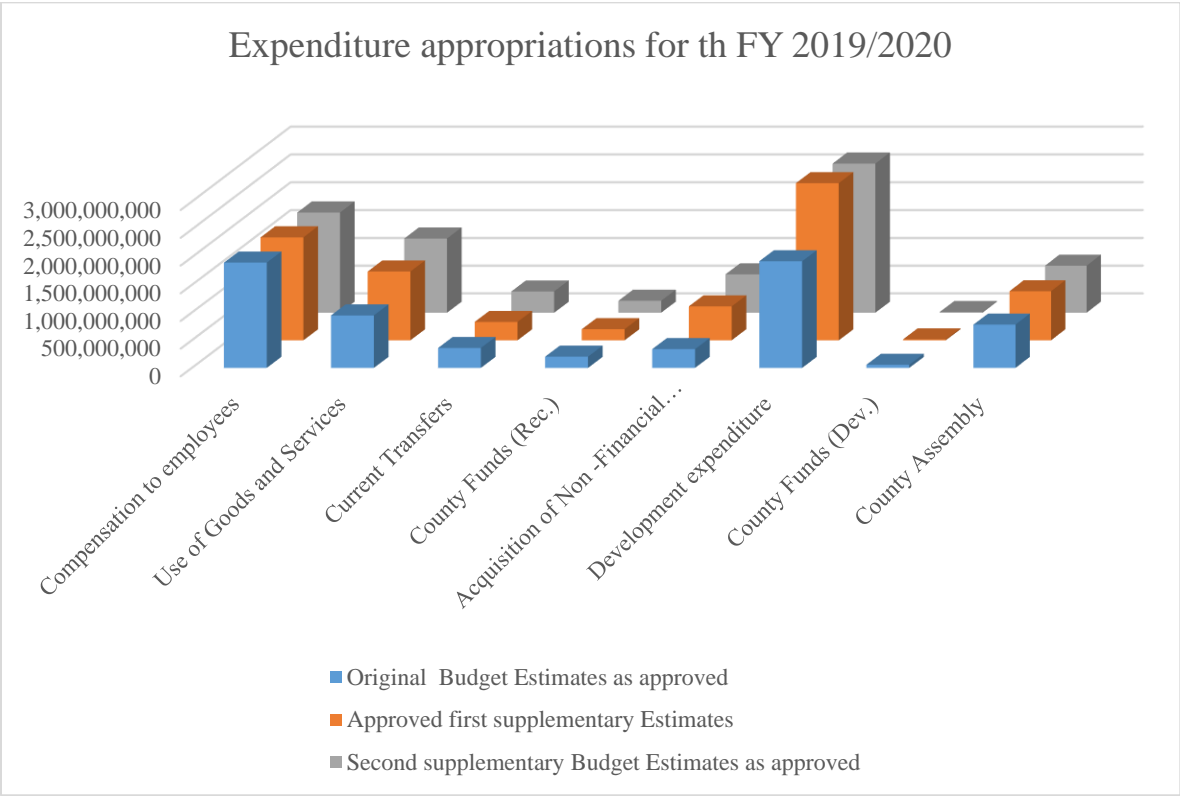
**Table 2: Approved summary of expenditure estimates for the FY 2019/20**

<b>Description</b>	<b>Original Budget Estimates as approved</b>	<b>Approved first supplementary Estimates</b>	<b>Second Supplementary Budget Estimates as approved</b>
Compensation to employees	1,903,000,000	1,858,527,292	1,805,527,292
Use of Goods and Services	948,355,160	1,243,202,427	1,338,770,102
Current Transfers	360,017,562	332,022,110	384,022,110
County Funds (Rec.)	203,400,000	200,900,000	216,400,000

Acquisition of Non - Financial Assets	339,552,500	613,099,763	692,704,763
Development expenditure	1,927,666,213	2,831,700,690	2,685,028,015
County Funds (Dev.)	57,000,000	17,000,000	12,000,000
County Assembly	782,899,801	887,258,655	849,258,655
<b>Total</b>	<b>6,521,891,236</b>	<b>7,983,710,937</b>	<b>7,983,710,937</b>

As tabulated above, the expenditures comprised of Kshs. 1,805,527,292 for compensation to employees, Kshs. 1,338,770,102 for the Use of Goods and Services, Kshs. 384,022,110 as current transfers, Kshs. 216,400,000 as county funds recurrent, Kshs. 692,704,763 as Acquisition of Non -Financial Assets, Kshs. 2,685,028,015 as development expenditure, Kshs. 12,000,000 as county funds development and Kshs 849,258,655 as county assembly allocations (the County Assembly allocation comprises of both recurrent and development expenditures).

**The chart below illustrates the appropriations by category for the FY 2019/2020:**



**1.1.3 Departmental allocations**

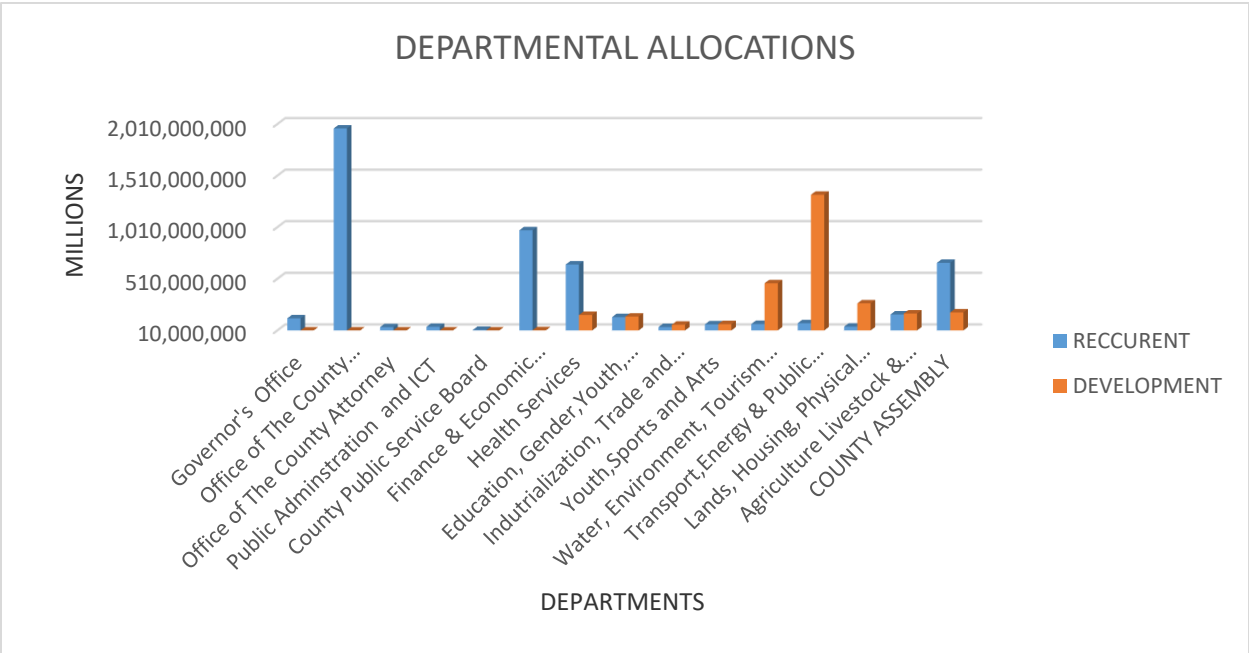
In the 2019/20FY, Departmental allocations were as shown in table 3 with details on recurrent and development allocations as well as proportions for each Department/ office to the whole County Budget.

**Table 3: Approved Departmental allocations for the FY 2019/2020**

<b>DEPARTMENT</b>	<b>RECURRENT</b>	<b>DEVELOPME NT</b>	<b>TOTAL</b>	<b>% ALLOCA TION</b>
<b>Governor's Office</b>	126,723,190	2,900,000	129,623,190	1.6
<b>Office of The County Secretary including compensation to employees</b>	1,967,480,449	-	1,967,480,449	24.6
<b>Office of The County Attorney</b>	41,421,909	1,970,807	43,392,716	0.5
<b>Public Administration and ICT</b>	44,798,444	3,000,000	47,798,444	0.6
<b>County Public Service Board</b>	14,750,000	-	14,750,000	0.2
<b>Finance &amp; Economic Development</b>	979,972,202	12,000,000	991,972,202	12.4
<b>Health Services</b>	648,150,365	160,013,556	808,163,921	10.1
<b>Education, Gender, Youth, Culture, Gender and Social Services</b>	139,050,302	143,823,029	282,873,331	3.5
<b>Industrialization, Trade and Cooperative Development</b>	43,310,263	65,107,251	108,417,514	1.4
<b>Youth, Sports and Arts</b>	68,583,468	70,961,499	139,544,967	1.7
<b>Water, Environment, Tourism &amp; Natural Resources</b>	72,154,927	466,761,522	538,916,449	6.8
<b>Transport, Energy &amp; Public Works</b>	79,987,910	1,324,572,465	1,404,560,375	17.6

DEPARTMENT	RECURRENT	DEVELOPME NT	TOTAL	% ALLOCA TION
Lands, Housing, Physical Planning and Urban Development	46,341,812	272,435,605	318,777,417	4.0
Agriculture Livestock & Fisheries	164,699,026	173,482,281	338,181,307	4.2
County Assembly	664,666,930	184,591,725	849,258,655	10.6
<b>TOTAL</b>	<b>5,102,091,197</b>	<b>2,881,619,740</b>	<b>7,983,710,937</b>	<b>100.0</b>

The chart below illustrates the distribution of the appropriations per department:



**1.2 Actual Revenue Performance FY 2019/20**

The novel COVID-19 pandemic resulted in various challenges which have disrupted the world’s economy at large. To curb the pandemic, the national government set aside measures to curb the spread of the virus which include 7.00 pm to 5.00 am curfew, cessation of movements in and from six Counties, closure of business among others. These measures were cascaded to the Counties which saw the closure of many businesses and an overall reduction in business transactions. The County was unable to collect revenue due to the aforementioned issues.



Table 4 tabulated in the next page highlights the performance of the projected revenues in the year under review. The County had a shortfall in the OSR (Own source revenue) by Kshs. 250,519,370. Other revenues not realized include Kshs. 419,172,600 for the equitable share, Kshs 14,007,060 from IDA (World Bank) Kenya Climate-Smart Agriculture Project (KCSAP), Kshs. 38,597,502 from IDA (World Bank) Kenya Urban Support Project (KUSP) (UDG), Kshs. 20,223,224 from EU Grant (Instruments for Devolution Advice and Support IDEAS) and Kshs. 247,893 for Agricultural Sector Development Support Programme (ASDSP) II.

**Table 4: Revenue performance in FY 2019/20**

<b>REVENUES</b>	<b>CARA FY 2019/20</b>	<b>ACTUAL RECEIVED</b>	<b>SURPLUS/DEF ICIT</b>	<b>% RECEIVED</b>
<b>REVENUES IN THE CARA</b>				
Local Revenue(including linda mama)	630,000,000	379,480,630	- 250,519,370	60.24
Equitable Share	4,874,100,000	4,454,927,400	- 419,172,600	91.40
Supplement for Construction of County Headquarters	121,000,000	-	- 121,000,000	-
Compensation for User Fees Forgone	12,735,922	12,735,922	-	100.00
Leasing of Medical Equipment	131,914,894	-	- 131,914,894	-
Road Maintenance Fuel Levy Fund	138,354,563	138,354,563	- 0	100.00
Rehabilitation of Village Polytechnics	37,983,298	37,983,298	-	100.00
Transforming Health Systems for Universal Care Project(WB)	35,000,000	35,000,000	0	100.00

<b>REVENUES</b>	<b>CARA FY 2019/20</b>	<b>ACTUAL RECEIVED</b>	<b>SURPLUS/DEF ICIT</b>	<b>% RECEIVED</b>
IDA(World Bank) Kenya Climate Smart Agriculture Project(KCSAP)	117,268,690	103,261,630	- 14,007,060	88.06
IDA(World Bank) Kenya Devolution Support Programme (KDSP) Level 1 grant	30,000,000	30,000,000	-	100.00
IDA(World Bank) Kenya Urban Support Project (KUSP)(UDG)	135,543,400	96,945,898	- 38,597,502	71.52
DANIDA Grant (Universal Healthcare in Devolved System Program	14,718,750	14,718,750	-	100.00
EU Grant(Instruments for Devolution Advice and Support IDEAS)	20,223,224	-	- 20,223,224	-
Agricultural Sector Development Support Programme (ASDSP) II	15,987,360	15,739,467	- 247,893	98.45
IDA(World Bank) Kenya Urban Support Project (KUSP)(UIG)	8,800,000	8,800,000	-	100.00
<b>TOTAL</b>	<b>6,323,630,101</b>	<b>5,327,947,558</b>	<b>- 995,682,543</b>	84.25
<b>REVENUES NOT CAPTURED IN THE CARA</b>				
World Bank Grant for Climate Smart Agriculture	21,042,937	21,042,937	-	100.00

<b>REVENUES</b>	<b>CARA FY 2019/20</b>	<b>ACTUAL RECEIVED</b>	<b>SURPLUS/DEF ICIT</b>	<b>% RECEIVED</b>
Programme (KCSAP) b/f FY 2018/19				
Rehabilitation of village polytechnics FY 17/18	5,669,246	5,669,246	-	100.00
Rehabilitation of village polytechnics FY 18/19	1,030,457	1,030,457	-	100.00
World Bank Grant for KDSP - Level I b/f FY 2018/19	43,069,316	43,069,316	-43,069,316	0
Road maintenance levy fund b/f 2018/19	49,483,869	49,483,869	-	100.00
World Bank Grant for KDSP - Level II b/f FY 2017/18	282,647,811	282,647,811	-	100.00
World Bank Grant for KDSP - Level II	254,280,493	254,280,493	-	100.00
NHC Engineer Hospital Refund	22,628,148	22,628,148	-	100.00
B/F from FY 2018/19	980,228,559	980,228,559	-	100.00
<b>TOTAL</b>	<b>1,660,080,836</b>	<b>1,660,080,836</b>	-	
<b>GRAND TOTAL</b>	<b>7,983,710,937</b>	<b>6,988,028,394</b>	<b>- 1,038,751,859</b>	86.99

### 1.2.1 Equitable Share

In the FY 2019/2020, The County had projected to receive Kshs. 4,874,100,000 as the equitable share from the National Government. For the period under review, the County only received 91% of the anticipated revenues. That is Kshs. 4,454,927,400. The Analysis of the exchequer releases vis-à-vis the equitable share revenue estimate is shown in table 4.

**Table 1: Exchequer Releases for the period ending 30th June 2020**

<b>RELEASE</b>	<b>REVENUE ESTIMATE</b>	<b>TOTAL EXCHEQUER RECEIPTS</b>	<b>SURPLUS/D EFICIT</b>		
<b>Amount</b>	<b>4,874,100,000.00</b>	<b>4,454,927,400</b>	<b>(419,172,600)</b>		
<b>% of the total</b>	100	91	9		
<b>Releases per quarter</b>					
<b>RELEASE</b>	<b>QUARTER 1</b>	<b>QUARTER 2</b>	<b>QUARTER 3</b>	<b>QUARTE R 4</b>	<b>TOTAL</b>
<b>Amount</b>	848,093,400	877,338,000	1,779,046,500.0	950,449,500	4,454,927,400
<b>% Release</b>	19.04	19.69	39.9	21.33	100.00

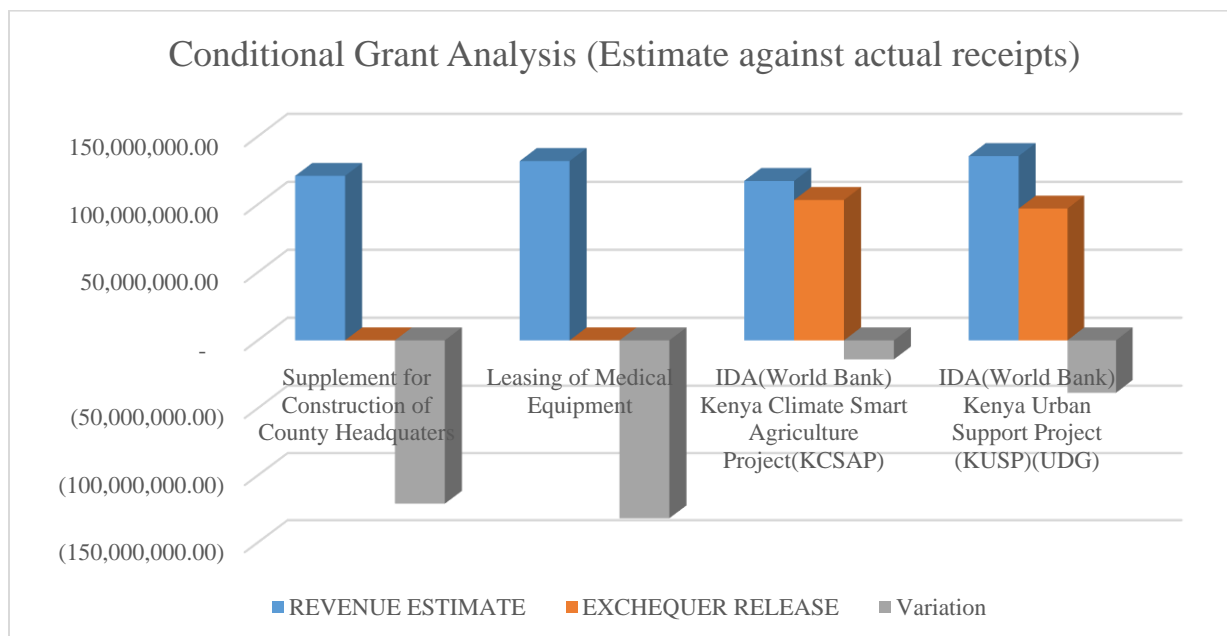
Source: Financial Reporting

### 1.2.2 Conditional grants from National Government and Donor Funds

Of the anticipated conditional grants, Supplement for Construction of County Headquarters of Kshs. 121,000,000 was not received by the County Government while the grant for Leasing of Medical Equipment of Kshs. 131,914,894 was not released to the County but was paid directly at the National Treasury. Others that indicated variations and non-receipts from the anticipated revenues are:

- (i) IDA(World Bank) Kenya Climate-Smart Agriculture Project (KCSAP) Kshs. 14,007,060
- (ii) IDA(World Bank) Kenya Urban Support Project (KUSP)(UDG) Kshs. 38,597,502
- (iii) EU Grant(Instruments for Devolution Advice and Support IDEAS) Kshs. 20,223,224
- (iv) Agricultural Sector Development Support Programme (ASDSP) II Kshs. 247,893.
- (v) World Bank KDSP Level I Kshs. 43,069,316

This is illustrated in the chart -



### 1.2.3 Own Source Revenue (OSR)

Due to the ripple effects of the menace COVID-19, the County was not in a position to raise its full own-source revenue. There was a shortfall of Kshs. 250,519,370. This could be attributed to the measures taken up to cushion county residents and business enterprises.

### 1.2.4 Unspent balances

In FY 2019/20, the County had a total of Kshs. 980,228,559.00 as balance brought forward from FY 2018/2019 budget and other receipts not captured in the CARA. These are as captured in table 5 below:

Description	Amount
World Bank Grant for Climate Smart Agriculture Programme (KCSAP) b/f FY 2018/19	21,042,937.00
Rehabilitation of village polytechnics FY 17/18	5,669,246.00
Rehabilitation of village polytechnics FY 18/19	1,030,457.00
World Bank Grant for KDSP - Level I b/f FY 2018/19	43,069,316.00
Road maintenance levy fund b/f 2018/19	49,483,869.00
World Bank Grant for KDSP - Level II b/f FY 2017/18	282,647,811.00
World Bank Grant for KDSP - Level II	254,280,493.00
NHC Engineer Hospital Refund	22,628,148.00
B/F from FY 2018/19 - Others	980,228,559.00
<b>TOTAL</b>	<b>1,660,080,836.00</b>

## 1.3 Actual Expenditure Performance FY 2019/20

### 1.3.1 County expenditure

In the period under review, the County spent 95.2 % of its recurrent budget and 65.7 % of its development Budget. Overall, County spending stood at 84.5 % of the entire Budget as shown in table 6.

**Table 2: County expenditure for the period ending 30<sup>th</sup> June 2020**

2019/20 FY Budget		Expenditure	% utilisation of Budget
Recurrent	5,102,091,197	4,858,291,393	95.2
Development	2,881,619,740	1,890,546,246	65.7
<b>Total</b>	<b>7,983,710,937</b>	<b>6,572,793,883</b>	<b>84.5</b>

### 1.3.2 Departmental expenditure

#### Office of the Governor

The Office of the Governor ideally is the face of the County. The strategic priority of the Office of the Governor is to provide policy direction for the County, Coordinate Service Delivery, Promotion of Investment and Intergovernmental Relations.

The Office recorded an absorption of Kshs. 129,093,335, 99.59 % in the year under review. In the year under review, Kshs. 2,900,000 was set for development while Kshs. 126,723,190 was set for the recurrent expenditure and facilitation of the programmes not limited to the Service Delivery Unit, Inter-Governmental Relation, Public Civic Education and Investment Promotion for the Transformative Socio-economic agenda of the County. In the Year under review, the Department:

- ❖ Improved and sustained Investor Relations;
- ❖ Held 30 Governor Mashinani forums at the village levels across the County
- ❖ Improved Intergovernmental Relations with the National Government, Development Partners, the Council of Governor's through over 35 forums.
- ❖ Signing and follow up of various Memorandum of Understanding for projects geared towards improving the County;

- ❖ Promotion and facilitation of a Central Region Economic Block which HE the Governor Chairs;
- ❖ Provision of regular updates on the level of Service Delivery/Transformative Agenda;
- ❖ Commissioned the Governor's Service Delivery Unit;
- ❖ Established *COVID-19* Committee to help fight the Pandemic;
- ❖ Participated in the International and National Day celebrations;
- ❖ Through the Governor's Outreach Programme, vulnerable persons have been assisted;
- ❖ Greening of the Environment through tree planting programmes;
- ❖ SDU visited projects across the County and prepared reports to the Governor;
- ❖ Commissioned Road Improvement Infrastructure Programme in the 5 construction units;
- ❖ Developed an M&E Framework for use by the GSDU;
- ❖ Coordinated Civic Education and Public Participation activities; and
- ❖ Regular communication on briefs from the GPS on levels of service delivery

### **Office of the County Secretary**

This office coordinates the County Departmental structures and functions as directed by the County Executive Committee. The County Secretary is also the Head of the County Public Service. To this end, the salaries and other staff welfare expenses are factored under the Department. The Department recorded an absorption of Kshs. 1,967,377,938 which was a 99.99% of its appropriations for the Year. The office fulfilled its mandates through:

- ❖ Development of key draft performance tools including Transport Policy, Service Charter;
- ❖ Coordination, planning and execution of Cabinet meetings;
- ❖ Development of a Human Resource Manual and sensitization of key stakeholders on the same;
- ❖ Introduction, institutionalization and sensitization of staff on performance management;
- ❖ Finalized and coordinated implementation of the Internship Policy;
- ❖ Coordination of KDSP programme;
- ❖ Streamlined operations of County Human Resource Management and Advisory Committee;
- ❖ Timely processing of payroll for staff salaries in line with the Performance Contract Targets;
- ❖ Coordination of County Government Security of staff and buildings;
- ❖ Enhancement of a Complaints and Compliment System;
- ❖ Development of a framework for Public Participation;

- ❖ Development of weekly publications (The Governor Weekly);
- ❖ Sustained and improved media relations resulting in positive coverage of the County Government activities;
- ❖ Development and deployment of content across various social media platforms;
- ❖ Enhanced visibility of H.E. the Governor and other senior County Government Officials in the National landscape;
- ❖ Timely coverage and publicity of H.E. the Governor's Manifesto Programs and Plans;
- ❖ Maintenance of County Headquarters;
- ❖ Custody of County Assets;
- ❖ Held monthly meetings with Chief Officers to track on Departmental Projects; and
- ❖ Coordinated induction of Chief Officers.

### **Office of the County Attorney**

The office of the County Attorney had an appropriation of Kshs. 41,421,909 set for the recurrent expenditure whilst Kshs. 1,970,807 was set for the development expenditure. As at the end of the Financial Year, the office spent Kshs. 42,591,366 an absorption of 98.15%.

Key priorities of the Department are drafting of various Regulations and Acts, tabling various Bills and Regulations before forwarding them to the County Assembly for debate and approval, drawing various Commercial and Conveyance transactions, Alternative Dispute Resolution (ADR) litigation on behalf of the County Government as well as offering general legal services. The office achieved its priorities by:

- ❖ Commencement of establishment of the Office of the County Attorney. Infrastructure has been put in place awaiting recruitment of a County Solicitor, Legal Officers, Legal Clerk, Secretary and a driver. Procurement of Office furniture, General Office Supplies (GOS) and computers and renovation of the newly allocated offices has been achieved.
- ❖ Successful litigations in the Employment and Labor Relations Court for the following matters leading to engagement of new County Executive Committee Members:
  - Nakuru E.L.R.C No. 53 of 2019 Venansio Mbataru Kariuki –Vs- The Governor County Government of Nyandarua, County Government of Nyandarua, County Assembly of Nyandarua.
  - Nakuru E.L.R.C No. 160 of 2019 Rose Esther Muthoni Wamuiya, Faith Wanjiru Mbugua And Simon Mwangi Ng'ang'a –Vs- The Hon. Governor Nyandarua



County, County Government of Nyandarua, Hon. Speaker of County Assembly Nyandarua & County Assembly of Nyandarua

- Nairobi Civil Appeal No. 172 of 2019 Rose Esther Muthoni & 2 others Vs Governor and 2 others
  - Nairobi Civil Appeal No. 87 of 2019 Venancio Kariuki Mbataru Vs Governor and 2 others
  - Successful litigations in favour of the County Government in the following matters.
  - Nakuru ELRC. Misc. App No. 3 Of 2019 Stephen Kinuthia Kiiru Vs Governor, County Government Of Nyandarua & 2 Others, and Nyandarua CPSB & Another as interested parties
  - Nyahururu HCCC 38 of 2016 (formerly Naivasha Civil Suit Number 5 of 2016 George Ndung'u Kimani - Versus - Daniel Waithaka Mwangi & County Government Of Nyandarua
  - Nyahururu HC no 2 of 2020 –Highpoint agencies LTD –vs- County Government of Nyandarua
  - Naivasha HC Civil Suit no 40 of 2019-Njabini Co-Operative Society Vs Benson Mwangi Nderitu (Being an appeal from the judgement of Hon. J. Karanja SPM delivered at Naivasha CMCC No. 226 of 2012) and CGN as an interested party
- ❖ Conducted the swearing-in ceremonies for new County Executive Committee Members (CECMs), County Public Service Board Members and Chief Officers respectively as follows :
- i. CECMs – Hon. Stephen Mwaura Njoroge, Hon. Milkah Wanjiru, Hon. Raphael Njui and Hon. Ann Gathigia.
  - ii. CPSB - William Goko Gatehi, Filbert Sammy Gitaha, Jane Njeri Michuki , Gabriel Githinji Kimotho, John Mwangi Maina and Dr. James Ndirangu Kung'u.
  - iii. Chief Officers - Joseph Maina Machangi, Rose Kajaira Oyolo, Juvenalis Gitau Thiong'o, Lawrence Mwangi Gitau, Martin Kabubii Mwangi, Mary Waithera Gathegu, Muigai Wainaina, Samuel Kiriri Muchunu, Samson Kabugi Njau Mweru, Florence Wanzila Annan, Isaac Waithaka Wanjiru, Mary Wangui Ndorongo, Nelson Kimilu Mutua and Sarah Waithira Ndegwa
- ❖ Conducted a Legislative Drafting Forum of a total of 20 proposals together with County Departments and the Assembly Committee on Legal, Labour & Intergovernmental Relations & Coordination.

- ❖ Punctual gazettelement of County official Publications.
- ❖ Published the amended Nyandarua County Alcoholic Drinks Control Act, 2019 and Nyandarua County Bursary Fund Act, 2019.
- ❖ Negotiations and settlement of historical pending bills and current financial year legal fees.
- ❖ Vigorous engagement with National offices i.e. County Commissioner, Land Registry, Ministry of Water, WASREB, Ministry of Public Works in handling the issue of the Headquarters among others.
- ❖ Providing legal advice and opinions when called upon to all Departments, County Public Service Board, County Assembly, Olkalou Municipal Board and Olkalou Water and Sanitation Board, all who have registered their appreciation for services rendered.
- ❖ Attendance of various Committees including the County Executive Committee and involvement in the County Governments *COVID-19* Pandemic preventive and social assistance measures within the County.
- ❖ Construction of the County court lending it usable by the judiciary. This will assist bring justice closer to the people and enhance the enforcement of laws.
- ❖ Negotiating, drafting, vetting and interpreting agreements, contracts, MOUs etc as per request by Departments.

### **County Public Service Board**

With an appropriation of Kshs. 14,749,457, the County Public Service Board recorded a 100 % absorption rate as at the end of the Financial Year 2019/2020. The over-expenditure arose from reallocation of funds at the supplementary budget which had already been spent

Human Resource Planning and Development is essential for the implementation of sound and coherent programmes in the County in a sustainable manner. To facilitate development and sustenance of coherent human resource for high standards in the public service of the County, the Board is involved in setting up optimal County offices and staffing levels for effective service delivery, entrenching values and principles to all County staff and maintaining discipline within the County Public Service.

### **Finance and Economic Development**

Public Finance Management is a key facet for the implementation of all County Programmes and projects. In the financial Year 2019/2020, the Finance and Economic Development in advancing its programmes and facilitating those of other Departments, recorded a 92.03 % absorption rate. The expenditures in the Department were Kshs. 948,902,886 against a budget of Kshs. 991,972,202. Key to note is the acquisition of the machinery for the County Rural Roads

Programme that is meant to drive the Socio-Economic Agenda of the Government through Infrastructural Development. This machinery is currently implementing projects in 5 units across the County. Key County Funds that are largely recurrent in nature are also domiciled in this Department. These are the County Emergency Fund, County Bursary and County Staff Mortgage Fund.

Kshs. 12 Million of the Department's Budget had been set to go to Development Expenditures under the Nyandarua County Trade Development and Investment Authority that is meant to change the face of Investment and Trade Development in the County. The Department achieved the following:

- ❖ Prepared timely monthly, quarterly and annual Financial Reports;
- ❖ Coordinated the External Audit by Office of the Auditor General (OAG);
- ❖ Processing of requisitions and payments to enhance project implementation through absorption of resources;
- ❖ Prepared various reports and responses to the County Assembly;
- ❖ Prepared all Planning and Budget Documents i.e. Budget Circular, Annual Development Plan, CBROPs, CFSPs, Debt Management Strategy Paper, Programme and Itemized Budget, Appropriation Acts, An Annual Cash Flow Projection and 2 Supplementary Budgets;
- ❖ Coordinated the preparation County Work Plans;
- ❖ Coordinated the preparation and implementation of the County RRI's.
- ❖ Prepared Projects Implementation, Annual Progress Report for 2019/20 FY;
- ❖ Prepared the 2019 Finance Act;
- ❖ Held various Public Participation for Budget Estimates and Finance Act;
- ❖ Mobilized Kshs. 379 Million from Own Source Revenue;
- ❖ Conducted various Internal Audits on Revenue, payments, Assets and liabilities, Pending Bills, Payroll among others;
- ❖ Facilitated the acquisition of goods, services and works for all County Departments;
- ❖ Prepared Consolidated County Procurement Plan;
- ❖ Facilitated the acquisition of the roads machinery;
- ❖ Facilitated the implementation of various County Funds i.e. Bursary, Mortgage and Emergency Fund.

### **Transport, Public Works and Energy**

The Department had an appropriation of Kshs. 1,324,572,465 for development expenditure in the FY 2019/2020 and Kshs. 79,987,910 for recurrent expenditure. The Department recorded an absorption of Kshs. 962,615,326 (68.53%)

County Rural Roads Programme was facilitated for roll out across the County. It is expected that the programme will help the County cut costs of road rehabilitation and general works hence optimally utilize the available resources. The Department carried out the following:

- ❖ Improved rural road network including grading, gravelling, drainage culvert installation and bush clearing across the County.
- ❖ Procured equipment/machinery for construction of road networks across the County.
- ❖ Maintenance of road network in the entire County
- ❖ Procured and installed transformers
- ❖ Procurement and installation of floodlights
- ❖ Initiated the Construction of No. 3 bridge in Geta ward, Wangui bridge in Ndaragwa central ward, Mwakama bridge in Geta ward, and Kihuho Kwa MOA bridge in Mirangine Ward which are still ongoing
- ❖ Boda Boda sheds construction and installation.
- ❖ Construction and supervision of ECDE classrooms in various Wards.
- ❖ Completion of Nyandarua County Ardhi House.
- ❖ Ongoing construction and supervision of the County Assembly offices, County Headquarters, Law Courts and Civil Registry.

## **Health Services**

The Department recorded an absorption rate with 65.16%. Only Kshs. 526,631,586 was absorbed in the Financial Year against a budget of KShs 808,163,921.

The Department's priorities notwithstanding, *COVID-19* Pandemic to a large extent affected the implementation of some programmes and projects in the Department.

In the Department, Kshs. 160,013,556 had been set for the development projects whilst Kshs. 648,150,365 for planning, general administration, preventive and curative health care among other recurrent programmes in the Department. The Department achieved the following:

- ❖ Upgrade of JM Kariuki Hospital through;
  - Construction of an Incinerator Housing,
  - Construction of Modern Mortuary,
  - Renovation of Maternity Theatre

- Equipping of JM ICU
- Renovation of JM Kariuki Kitchen
- ❖ Expansion of Manunga and Bamboo Health Centres
- ❖ Renovations and maintenance of various Health Facilities.
- ❖ Procured health products for all the Health Facilities
- ❖ Equipment for various facilities.
- ❖ Issued sanitizers and masks across the County
- ❖ Trained and sensitized citizens on *COVID-19* Pandemic precautionary measures

### **Lands, Housing & Physical Planning**

Key priorities of the Department in the Financial Year 2019/2020 were to streamline land ownership and promote investment in the County, the Budget prioritized buying land (for public facilities), land survey & mapping, drainage construction, Urban Development and construction of lands offices. The Department was allocated a sum of Kshs. 272,435,605 for development whilst Kshs. 46,341,812 was an appropriation for the recurrent expenditures. The Department recorded an absorption of Kshs. 220,962,289 (69.32%).

Ardhi house and the KUSP Programme for Urban Development remain the key Flagship Projects for the Department in the last Financial Year. The allocations were used to:

- ❖ Complete the County Spatial Plan ( 95% );
- ❖ The construction of Lands Offices is at 98% complete and already operational;
- ❖ Complete drainage and walkways at Ndaragwa, Njabini, Ol-joro-rok, Ndunyu Njeru, Engineer, Olkalou and Miharate;
- ❖ Complete 26 Colonial villages have been surveyed to complete.700 tittle deeds have already been issued;
- ❖ The Department through Ol-kalou Municipality procured a Waste Management truck with four industrial garbage bins under the World Bank KUSP Programme Allocation and is now operational;
- ❖ Complete the construction of the Ol-Kalou Urban Market Stalls and Candy Shops which are now at 98% Completion Status;
- ❖ Installation of Solar Street Lights within Ol-Kalou Municipality which is at 95% Completion Status;
- ❖ Upgrade of Ol-Kalou Estate Roads within the Municipality, which is 70% Complete;
- ❖ Provision for Olkalou parking lot is complete, and the additional parking lot is at 90% completion status;
- ❖ Acquisition of more than 65 parcels of land has been done; and
- ❖ Construction of Walkway to Administration area, it is 95% Complete.

## **Trade, Industrialisation & Cooperative Development**

The FY 2019/20 Budget for this Department aimed at promoting trade, cooperative movement and cottage industries in the County through an upgrade, rehabilitation & completion of market sheds, construction of Jua kali sheds and purchase of milk coolers for cooperatives. It also purposed to enhance value addition to reduce postharvest losses, enhance cheap credit and fairness in weights and measures. This Department had an allocation of Kshs. 108,417,514 and recorded absorption of Kshs. 77,388,297 (71.38%). The Department managed to:

- ❖ Construct 6 markets
- ❖ register 30 new cooperatives societies'
- ❖ install 6 Milk coolers
- ❖ Promote good governance and ethics in cooperatives
- ❖ Construct jua Kali shed

## **Education, Gender, Culture and Social Services**

The Department is mandated with the promotion of education in the County, the FY 2019/20 Budget emphasized the completion and construction of ECDE Centres, completion of Youth Polytechnics and provision of sanitation materials and learning materials in the ECDE centres. This Department had a total allocation of Kshs. 282,873,331 and managed to absorb Kshs. 202,949,168. The Department had an absorption at 71.75 % of its budget.

With the advent to of the novel **COVID-19**, the Department played an essential role through offering social services to the vulnerable. Food rations and other socio assistance was done by the Department. The Department allocated amounts were used for:

- ❖ Construction and equipping of 26 ECDE classes. (8 complete,18 ongoing)
- ❖ Procurement and distribution of furniture, resting materials, learning and play materials for 498 ECDE centres.
- ❖ Procurement and distribution of teaching materials for 498 ECDE centres.
- ❖ Construction of 40 ECDE toilets (16 complete, 24 ongoing).
- ❖ Training of 1,320 ECDE teachers on competence-based curriculum.
- ❖ ECDE milk feeding programme with 22,700 beneficiaries.
- ❖ Provision of County Education Bursaries to needy learners with 26,076 beneficiaries.
- ❖ Participation of 7 ECDE teams in County drama festivals.
- ❖ Increased trainees' enrolment in VTCs from 1,809 to 1,918

- ❖ Disbursement of Kshs. 39.7M subsidized Vocational Training Centres Support Grants (SVTCSG) to all 1,918 trainees.
- ❖ Construction to completion of Mirangine VTC sanitation facility.
- ❖ Implementation of NVCET curriculum with the certification of trainees increasing from 470 to 694.
- ❖ Participation of VTCs in regional level (Nyeri, Muranga, Kiambu, Kirinyaga, Nyandarua, Laikipia counties) ball games.
- ❖ Produced 154,816 cloth face masks in response to the *COVID-19* Pandemic for Nyandarua community.
- ❖ Emergency *COVID-19* Pandemic food distribution worth Kshs.33M to over 23,000 households.
- ❖ Christmas celebration food distribution to over 3,000 less fortunate households in the society.
- ❖ Procurement and distribution of catering service equipment, tents and chairs, water tanks among other items to 53 community groups and 1,175 elderly persons.
- ❖ Women empowerment sensitization programme to over 500 women leaders on entrepreneurship in the community.
- ❖ Issuance of sanitary towels / kits to 4,430 vulnerable boys and girls in the community.

### **Agriculture, Livestock & Fisheries**

With a budget of Kshs, 338,181,307 in the FY 2019/20, only appropriations of Kshs. 254,339,586 (75.21%) were absorbed by the Department.

In the Financial Year under review, the Department had planned to concentrate on enhancing access to information, skills and adoption of modern technologies to increase Agricultural production, Productivity for food security and improved livelihoods. To achieve this, the Department was to focus on strengthening of Institutional Policy, Legal Framework and Integrated Extension Services, enhancing access to quality inputs and safety of food products, promotion of postharvest handling services, market access, and sustainable land use and mechanized agriculture. The Department remains a key beneficiary of conditional grants in the County that operationalize various programmes in the Department.

The Department carried out the following:

- ❖ 33,805 cattle were vaccinated against Foot and Mouth Disease and Lumpy Skin Diseases;
- ❖ 11,432 Bovine, 58,710 Ovine and 3561 caprine were slaughtered and inspected. They generated revenue of Ksh 5.4 Million;
- ❖ 6,771 certificates of transport and 2640 movement permits were issued;
- ❖ Three slaughterhouses (Milangine, Olkalou, Miharati) were repaired;
- ❖ The re-stocking and stocking of 360,000 fish fingerlings;
- ❖ Support for Kahuruko Fish Farmers Group with the construction of fish ponds and de-silting tank;

- ❖ A total of 10,000 bags of DAP and 1,660 bags of NPK fertilizer was procured and distributed to farmers at a subsidized rate;
- ❖ ATC Ol Joro Orok was refurbished and other infrastructural work is done;
- ❖ A total of 11,550 avocado trees, 2,583 passion fruits and 1,712 tree tomato trees, 2000kg of sunflower, 8500 Bamboo seedlings procured and distributed to farmers;
- ❖ 10,000 seedlings of macadamia and 10,000 seedlings of avocado from the National Government received and distributed to farmers;
- ❖ Purchase of chemicals for various migratory pests and fall armyworms control;
- ❖ Procurement of 4,000 giant bamboo seedlings, 76,923 pyrethrum clones procured for Farmers Countywide;
- ❖ Horticultural farmers promoted with 570kg of snow peas seeds and 300 plastic crates to access the export market;
- ❖ Purchase of 451 bags of potato seeds for vulnerable farmers;
- ❖ Construction of grading sheds at Gathaara, Githioro and Mirangine Wards;
- ❖ Renovation of the soil testing lab at Gatimu Ward and procurement of 1 mobile soil testing kit;
- ❖ Equipping of a mushroom house at North Kinangop Ward;
- ❖ Enhancement of market access for 1800 pyrethrum farmers through contracted farming;
- ❖ Procurement of the following agricultural machinery for the AMS;
  - i. 1 flail mower;
  - ii. 3-row ridge formers; and
  - iii. Workshop tools.
- ❖ Procurement of 20 piglets and feeds for farmers;
- ❖ Procurement of various high quality feeds and fodder seeds for farmers;
- ❖ Purchase of 10,500 chicks for youth/women – Kinangop, Ndaragwa and OlJoroorok Wards;
- ❖ Construction of Livestock sale yards at Geta is ongoing;
- ❖ Construction of Model Zero-Grazing at Njabini ATC to enhance training;
- ❖ About 200 dairy cattle were registered with KSTUD book; and
- ❖ Approximately 270 tons of silage fodder were conserved and about 25 Ha. of fodder were established.

### **Public Administration and ICT**

In the Financial Year 2019/20, the Department had a total approved appropriation of Kshs. 47,798,444 and recorded an absorption rate of 84.95% of its budget. Kshs. 3 Million in the Department had been appropriated for development whilst Kshs. 44,798,444 was appropriated for recurrent expenditures for the facilitation of the programmes in the Department that are not limited



to County Administration, Provision of Security services to County Assets and ensured compliance with County Legislation and relevant National Laws and Coordination of County Government functions for efficient service delivery. The Department carried out the following:

- ❖ Capacity building of staff. Five (5) administrators completed SMC at various KSG campuses;
- ❖ Development of Directorate Scheme of Service awaiting ratification by the CPSB;
- ❖ Development of Directorate Service Charter. Development of directorate's operations manual;
- ❖ Held Barazas and Public Participations;
- ❖ Identified and reported issues requiring action by the Government in the Sub County and Wards. Daily reporting in the official WhatsApp and office Sub-County logbook. Reporting of incidents in the Sub-County in the prescribed format within seven days;
- ❖ Smooth office operations. Purchase of office furniture and fittings and general office supplies has been very successful;
- ❖ Disasters and emergency response. Sensitizing Wananchi on disasters and their mitigations. Timely reporting of disaster incidences. coordinated disaster responses in sub-counties;
- ❖ Supervision of County Government and other development programmes and projects in the Sub-Counties and Wards. regular project progress reports and visits on-site and ensuring projects are implemented according to specifications and demanding value for money;
- ❖ Termination and Configuration of Optic Fiber Internet Services at County Health Facilities. Engineer Hospital, Njabini Health Centre, Manunga Health Centre, Ndaragwa Health Centre;
- ❖ Point-to-point Internet connection to Sub Counties, Revenue Offices and Youth Centres. Njabini Revenue, Engineer Revenue, Kipipiri Sub County & Revenue Office, Ol jororok Sub County office and Ndaragwa Sub County office;
- ❖ Installation and configuration of Firewall, Domain configuration and Storage configuration. County Headquarters server room

- ❖ Supply and Delivery of Switches for Business Continuity planning. Ardhi house and Old Headquarter;
- ❖ Purchase of uniforms for enforcement officers;
- ❖ Enhanced level of compliance in the matatus transport sector;
- ❖ Enforcement of the Irish Potatoes Policies and Regulations;
- ❖ Enforcement of market due to *COVID-19* Pandemic up to compliance levels with the government protocols;
- ❖ Provision of security to government premises;
- ❖ Prepared an Enforcement Bill which is at the County Assembly awaiting approval;
- ❖ Ensured the County Government complies with Key Result Area 4 (Civic Education and Public Participation) under the Kenya Devolution Support Programme (KDSP), funded by the World Bank;
- ❖ Formulated and developed a draft County Public Communications Policy;
- ❖ Formulated and developed a draft County Access to Information Bill;
- ❖ Formulated and developed draft County Access to Information Procedures;
- ❖ Formulated and developed a draft County Public Participation Framework;
- ❖ Facilitated and managed implementation of County Communication Platforms;
- ❖ Initiated discussions on the establishment of a County Media and Public Relations Centre, including a radio station;
- ❖ Developed and implemented County Publicity and Communication Strategies and Campaigns;
- ❖ Developed press releases on various issues of interest to citizens and County Government employees;
- ❖ Handled inquiries from the public, the press, and related organizations;
- ❖ Organized promotional events such as press conferences, round tables and visits;
- ❖ Prepared media coverage in mainstream media outlets on issues relating to the County;

- ❖ Wrote and/or produced presentations, press releases, articles, leaflets, 'in-house' journals, information for web sites and promotional videos on various topical issues;
- ❖ Handled internal and external communication of the County Government;
- ❖ Implemented strategies for increasing the visibility of the County Government in the national and international arena;
- ❖ Facilitated production of reports highlighting programs, developments, achievements and success stories in the County;
- ❖ Managed the design, development and dissemination of outreach materials and activities to target selected audiences and media, including fact sheets and tweets to keep the public informed on achievements made by the County Government; and
- ❖ Managed implementation of the County's public complaints handling system.

### **Youth, Sports and Arts**

The Olkalou Stadium and the Studio are key flagship projects that were rolled out in the FY 2017/18 and 2019/2020 respectively. The Olkalou Stadium is a phased project that has continually been funded by the County.

In the FY 2019/2020, appropriations of Kshs. 70,961,499 were set for the development expenditures in the Department while Kshs. among others, equipping of Youth Centres and development of the studio. Kshs. 68,583,468 was appropriated of the recurrent expenditures in the Department for the facilitation of other programmes therein. With the advent of the **COVID-19**, the second supplementary reorganized programmes in the Department to mitigate and respond to the Pandemic. The Department recorded absorption of Kshs. 114,105,545 that is 81.77%. The Department:

- ❖ Issued 33 teams with uniforms and 110 teams with balls 120 Youth groups issued with equipment;
- ❖ Constructed 4 Greenhouses;
- ❖ Operationalized three Youth Centres;
- ❖ Supported Nyandarua County FKF Sub-branch league;
- ❖ Upgraded 10 playgrounds;
- ❖ In Olkalou Stadium, constructed VIP Dias which is almost complete with mechanical works and fowl water drainage ongoing, Perimeter wall construction is complete;

- ❖ Promoted sports talents by sponsoring youth in athletics and in Kenya Youth InterCounty Sports Association Games;
- ❖ Provided youth with a platform to showcase their skills and talents;
- ❖ Established a Music Production Studio;
- ❖ Involved the youth in sensitizing the public on *COVID-19*
- ❖ Hosted a movie production theatre group with over 100 youth who were from 70 Nationalities

### **Water, Environment, Tourism and Natural Resources**

The Department had an appropriation of Kshs. 538,916,449 and managed to absorb Kshs. 433,884,297 recording an absorption of 80.51 %.

Water resource development has been a focal area for the Department. To this end, water reticulation has continually been the focus of the Department. Development projects under these programmes among others in the Department had an appropriation of Kshs. 466,761,522. To facilitate programmes that are recurrent, the Department had an appropriation of Kshs. 72,154,927.

The Department carried out the following:

- ❖ 63 water projects planned for water articulation networks by laying pipes and fittings. Trenching and pipes laying were completed on time and the water networks were connected to the community.
- ❖ Pump testing done to 8 projects which enable the Department to identify their yield capacity m<sup>3</sup>/hr, depth determination and water analysis was conducted.
- ❖ Contracted the construction of 8 masonry water tanks of which 7 are already complete and in use
- ❖ Plastic tanks of different size ranging from 10m<sup>3</sup>, 500lrs and 10,00ltrs were distributed to various water projects, public institutions and vulnerable person in the County. Some of these tanks were placed on fabricated and erected platforms. Others were placed to collect harvested roof water in public primary schools.
- ❖ Supply, delivery and installation of solar panel and inverters, solar-powered submersible pump, panel support structure and the solar controller was completed in 9 water projects within the County. Powerhouse constructed.
- ❖ 8 water project land was fenced to improve the protection of both the land and clean for supply.

- ❖ To enable the supply of water, 11 water towers steel made were constructed many elevated to a height of 9metres. The installation of 10m<sup>3</sup> plastic tanks was done and water supplied to the community.
- ❖ 9 boreholes were drilled, casing, gravel pack, welding and drill rods materials were delivered and supplied to this boreholes and installed.
- ❖ 19 Schools and Public Institutions were installed with gutters for roof water harvesting to increase the water collection, storage use and hygiene
- ❖ New construction of one (1) intake was completed and two (2) other intake were rehabilitated. This is to enable an increase in water supply for domestic use.
- ❖ Seven (7) water project especially the borehole drilling projects were successfully conducted for Environmental Impact Assessment to approve the project as viable for implementation.
- ❖ To extend the water supply to the community, 4 water kiosk were constructed, 1 dam was desilted and a hydrogeological survey was conducted to 7 borehole water projects.
- ❖ 2,160 6kg filled cooking gas cylinders ere supplied to the community across the County to enhance the protection of the Aberdare Forest.
- ❖ Stormwater drains was done in the 5 Sub-County Headquarter by achieving 15km cleaned drains.
- ❖ The 400metres of Gwa Kiongo Dam was completed in time
- ❖ 42,700 trees seedling were planted in Health Centre, Dams and Schools
- ❖ Five (5) staff from various Directorates and three (3) staff from the County Assembly participated in a climate change sensitization workshop as a basis for mainstreaming climate change resilience in the County Planning, Budgeting and Implementation
- ❖ The directorate was involved in a climate change proposals to Global climate Fund through NEMA.
- ❖ 8 irrigation project were completed. This was meant to increase the acreage under irrigation and promote the small scale farming for food security.
- ❖ The development of the Ol'klaou Arboretum has been ongoing, the construction of the water tower is complete, trees have been planted to green the Arboretum, and payment construction is ongoing.

## **County Assembly**

The County Assembly plays an essential role of oversight and approval of various Planning and Budgeting Policy documents among other roles and responsibilities as stipulated in the Constitution of Kenya 2010 and the County Government Act, 2012.

For the facilitation of programmes and projects that are recurrent, the County Assembly had appropriations of Kshs. 664,666,930 vis-à-vis an approved Budget Estimate of Kshs, 184,591,725. The absorption rate of the County Assembly was 96.57.

### **Challenges experienced**

In carrying out its role during the FY 2019/2020, Nyandarua County encountered the challenges not limited to the *COVID-19* Pandemic that has resulted to a myriad of other multiplier challenges ranging from diminishing revenue streams, increase expenditure for mitigation of the effects of the Pandemic. These challenges pose a monumental hurdle to the County in its operationalization of programmes. It is important that going forward, the County Government and the National Government and its agencies institute mitigation measures to curb uncertainties that culminate to these challenges to allow for the implementation of the programmes and projects.

A highlight of these challenges is elucidated below.

#### **1. Delay in the passing of the County Allocation of Revenues Act (CARA)**

Public Financial Management Act requires Budgets Estimates to be submitted to the County Assembly by 30<sup>th</sup> April of every year. However, by this time of the year in 2019, the County Allocation of Revenue Act (CARA) was not ready. With the publishing of the Act, a downward revision on the Fuel Levy Fund and the Grant for the Rehabilitation of the Village Polytechnics was inevitable. This directly hinders implementation as envisaged with the tentative allocations.

#### **2. COVID-19 Pandemic**

With the advent of the novel *COVID-19* Pandemic, the socio-economic effects and impacts have been multifaceted. In mitigating the effects of the Pandemic, a reallocation of resources meant for development has been inevitable. This has impacted negatively on the County meet its Socio-Economic Transformative Agenda as envisaged in the County Integrated Development Plan.

#### **3. Lack of disbursement of funds**

In the FY2019/2020, the Equitable Share for the County was Kshs. 4,874,100,000 as per the CARA 2019. The same was to be released to the County in line with the disbursement schedule approved by the Senate. However, this was not the case. There was a delay in approving the disbursement to the County hindering the implementation of some programmes. Also, this allocation and other Conditional Grants have not been disbursed to the County as at the closure of the Financial Year. Lack of disbursement of funds as set up in the CARA impacts on projects and programmes implementation as encapsulated in the County Approved Budget.

#### 4. IFMIS downtimes

Challenges with IFMIS as a result of downtimes and poor Internet Connectivity

#### 5. Unfavourable Weather Conditions

Heavy rains that interfered with the construction of roads and other constructions. The County has resolved to award tenders early to give ample time for implementation.

#### 6. A shortfall in Own Source Revenue achieved 60% of the target.

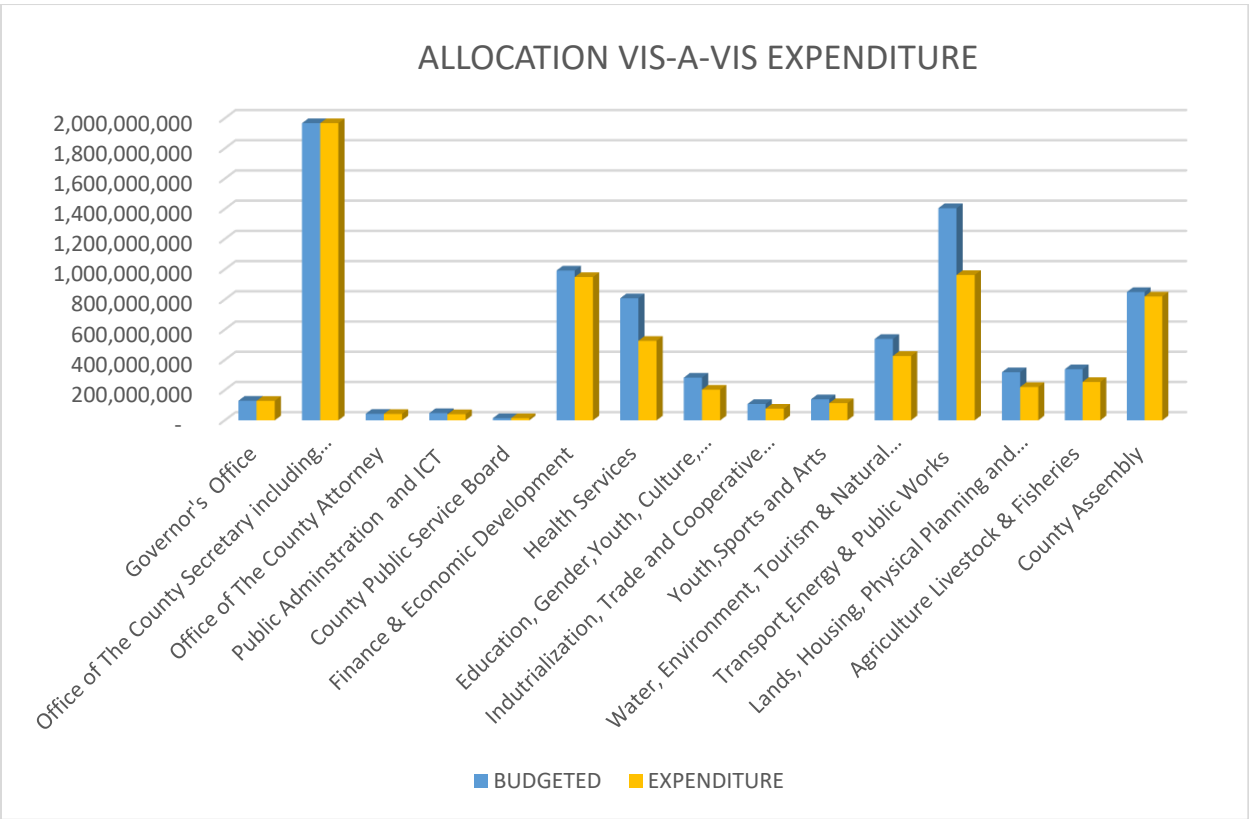
The collection of revenue at the first two quarters kicked off greatly but with the emergence of COVID 19 Pandemic and the imposed measures to curb the pandemic, revenue collection declined in the last quarter. The highest revenue collection is usually during the last quarter of the Financial Year and it's where the collection was hindered greatly by the Pandemic. Going forward, the County will endeavor to achieve its revenue targets despite the emerging issues

**Table 3: Summary of Budgeted Verses the Actual Expenditure**

Department	Budgeted	Expenditure	Unspent Balances	% of Absorption
Governor's Office	129,623,190	129,093,335	529,855	99.59
Office of The County Secretary including compensation to employees	1,967,480,449	1,967,377,938	102,511	99.99
Office of The County Attorney	43,392,716	42,591,366	801,350	98.15
Public Administration and ICT	47,798,444	40,604,242	7,194,202	84.95
County Public Service Board	14,750,000	14,749,457	543	100.00
Finance & Economic Development	991,972,202	948,902,886	43,069,316	95.66
Health Services	808,163,921	526,631,586	281,532,335	65.16
Education, Gender, Youth, Culture, Gender and Social Services	282,873,331	202,949,168	79,924,164	71.75

Department	Budgeted	Expenditure	Unspent Balances	% of Absorption
Industrialization, Trade and Cooperative Development	108,417,514	77,388,297	31,029,217	71.38
Youth, Sports and Arts	139,544,967	114,105,545	25,439,422	81.77
Water, Environment, Tourism & Natural Resources	538,916,449	426,416,435	112,500,014	79.12
Transport, Energy & Public Works	1,404,560,375	962,615,326	441,945,049	68.53
Lands, Housing, Physical Planning and Urban Development	318,777,417	220,962,289	97,815,128	69.32
Agriculture Livestock & Fisheries	338,181,307	254,339,586	83,841,721	75.21
County Assembly	849,258,655	820,110,183	29,148,472	96.57
<b>TOTAL</b>	<b>7,983,710,937</b>	<b>6,748,837,639</b>	<b>1,234,873,298</b>	<b>84.53</b>

*Summary of Departmental allocations versus the actual expenditures by County Executive Departments (KShs.)*





The table below shows the transfers & payments done, county expenditure for all the Departments, the County Assembly, unrealized revenues and unspent balances. These were Kshs. 734,372,210, KShs. 4,022,628,947, KShs. 820,110,183, Kshs. 995,682,543 and Kshs. 1,410,917,054 respectively.

**Table 4: Expenditure on Other transfers & payments**

OTHER TRANSFERS & PAYMENTS	
Bursary fund	115,400,000
Mortgage fund	60,000,000
Pension and retirement benefits	133,950,100
Emergency fund	41,000,000
Hospital transfers and other transfers	384,022,110
<b>Sub totals</b>	<b>734,372,210</b>
Expenditure by Departments	4,022,628,947
County Assembly	820,110,183
Un surrendered imprest at 30th June 2019 b/f	0
<b>Total Expenditure</b>	<b>4,842,739,130</b>
Unrealized revenue (including Leasing of medical equipment)	995,682,543
Unspent balances (including surrendered imprests at 30th June 2020)	1,410,917,054
<b>Grand total</b>	<b>7,983,710,937</b>

#### 1.4 Fiscal Performance in relation to Fiscal Responsibility Principles

Section 107 of the PFM Act, 2012 and regulation 25 of the PFM (County Governments) Regulations, 2015 sets out the fiscal responsibility principles which the County Governments have to observe. These include the following:

- I.County Government’s expenditure on wages and benefits for its public officers shall not exceed thirty-five (35) per cent of the County Government’s total revenue;
- II.The County public debt shall never exceed twenty per cent of the County Governments total revenue at any one time;

III. The approved expenditures of a County assembly shall not exceed seven per cent of the total revenues of the County Government or twice the personnel emoluments of that County assembly, whichever is lower;

IV. The County Government actual expenditure on development shall be at least thirty per cent. An analysis of the County's adherence to the fiscal responsibility principles for the period under review is as follows:

**Table 5: Analysis of the County's adherence to the fiscal responsibility principles for the period ending 30th June 2020**

Indicator	Budgeted (KShs.)		Ratio (%) in relation to the total Budget
County expenditure	Recurrent	5,102,091,197	63.91
	Development	2,881,619,740	36.09
	<b>Total</b>	<b>7,983,710,937</b>	<b>100.00</b>
	Expenditure on wages & benefits (executive and Assembly)	2,326,393,810	29.14 <sup>1</sup>
Expenditure by County Assembly	Recurrent	664,666,930	8.33
	Development	184,591,725	2.31
	<b>Total</b>	<b>849,258,655</b>	10.64
County Debt financing		-	

### **Expenditure on Wages and Benefits**

The County's expenditure on wages and benefits accounted for 29.14% of the total Budget. The County Budget was therefore in line with the set limit of 35 % of the Revenues.

### **Expenditure on Development**

Out of the budgeted Kshs. 2.8 Billion for development, Kshs. 1.8 Billion was spent. It is worth noting that not all the resources were disbursed to the County and an under collection in Own – Source Revenue was registered, premises for this variation.

<sup>1</sup> The proportion is calculated using the total budget inclusive of balances brought forward.

## **Public Debt**

The County's budget was financed by own revenue from the equitable share, conditional grants and locally generated revenue. The County Government did not, therefore, consider Debt Financing through internal or external borrowing to Finance the FY 2019/20 Budget.

## **Approved expenditures for County Assembly**

The County Assembly approved an expenditure of KShs. 849,258,655 accounted for 10.64% of the County's total Budget. This was more than the set limit of 7%. The approved ceiling for recurrent expenditure was Kshs. 664,666,930 representing 8.33% of the County's total Budget.

The recurrent ceiling for the County Assembly was set in the County Allocation of Revenue Act 2019 which did not adhere to the requirement that the allocation should be the lower of twice the personnel emoluments or 7% of the Budget.

The County Assembly was also allocated Kshs 184,591,725 which represents 2.31% of the total budget towards the completion of the office Complex was a non-ceiling Item. This further increased the share of the Budget allocated to the County Assembly.

## **Development expenditure**

The approved development expenditures for FY 2019/20 was Kshs. 2,881,619,740, that is, 36.09% of the County total Budget. However, the actual expenditure on development amounted to Ksh. 1,893,609,593 which accounted for 65.7 % of the budgeted amount and 28.81% County's total expenditure. This indicates a low absorption for development funds.

From the analysis above, indications are that there were huge discrepancies between the Budget and the actual expenditure in relation to the adherence to the Fiscal Responsibility Principles as stipulated in the PFM Act.

## **Operational performance**

The County's operations are structured in terms of Departments which are headed by a County Executive Committee Member with the Chief Officers as the Departmental Accounting Officers. For seamless Service Delivery, all Departments have to work in unison and synergize.

## CHAPTER TWO

### ECONOMIC AND FINANCIAL FORECAST FOR FY 2021/2022 AND THE MEDIUM - TERM

#### 2.1 Macroeconomic Outlook and Policies

The section gives an overview of recent economic developments, medium-term fiscal framework, risks to the outlook and proposed interventions to the risks. It allows the County to review and analyse recent economic performance to position its outlook in the next financial year and over the medium term.

#### 2.2 Recent Economic Developments

##### 2.2.1 The Global Economy outlook

As per the 2020 budget circular, global growth is projected to pick up to 3.4 per cent in 2020 from an estimated 3.0 per cent growth in 2019. The projected pick up is on account of recoveries in stressed emerging markets and macroeconomic policy support in major economies. In advanced economies, growth is expected to slow down to 1.7 per cent in 2020 from an estimated 2.3 percent in 2018 mainly due to trade tensions between the United States of America (U.S.A) and China, uncertainties surrounding the Brexit outcome, rising global oil prices due to tensions between U.S.A and Iran and the pace of normalization of monetary policy in the advanced economies.

Among emerging markets and developing economies, growth is expected to pick up to 4.6 per cent in 2020 from an estimated 3.9 per cent in 2019 reflecting recoveries in stressed economies such as Turkey, Argentina and Iran as well as pick up in growth for Brazil, Mexico, India, Russia and Saudi Arabia which recorded significant slowdowns in 2019 relative to 2018. Growth prospects for sub-Saharan Africa continue to strengthen. Growth is projected to improve to 3.6 per cent in 2020 from 3.2 per cent in 2018 and 2019, supported by higher commodity prices, improved capital market access and contained fiscal imbalances in many countries. Growth in the East African Community (EAC) region is estimated to improve to 6.0 per cent in 2020 from 5.6

per cent in 2019 mostly supported by the stable macroeconomic environment, rebound in agricultural activities on the backdrop of favourable weather conditions, ongoing infrastructure investments, and strong private consumption.

However, the World Economic Outlook (WEO) latest forecast shows that the 2021/22 FY Budget is being prepared within the context of economic uncertainty that is causing global market panic. According to WEO forecast, global growth is projected at -4.9 percent in 2020, 1.9 percentage points below April 2020. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecasted. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020.

As with the April 2020 WEO projections, there is a higher than usual degree of uncertainty around this forecast. The baseline projection rests on key assumptions about the fallout from the pandemic. In economies with declining infection rates, the slower recovery path in the updated forecast reflects persistent social distancing into the second half of 2020 a hit to productivity as surviving businesses ramp up necessary workplace safety and hygiene practices. For economies struggling to control infection rates, a lengthier lockdown will inflict an additional toll on activity raising the possibility that financial conditions may tighten more than assumed in the baseline.

### **2.2.2 The National Economy outlook**

In the domestic arena, Kenya's economic growth has remained strong and resilient even under emerging global challenges, supported by strong public and private sector investment and appropriate economic and financial policies. The broad-based economic growth has averaged 5.7 percent for the last six years (2013 to 2018) outperforming the average growth rate of 4.7 percent in the period 2008 to 2012 and 5.4 percent in the period 2003 to 2007. Growth is estimated at 5.6 percent in 2019 and projected to recover to 6.1 percent in 2020 (BPS 2020)

Per capita income rose from Ksh 113,539 in 2013 to an estimated Ksh 202,859 in 2019, a 79 percent increase. This enabled the generation of around 831,000 new jobs per year in the period 2013 -2018 up from 656,500 new jobs per year in the period 2008 -2012

In the third quarter of 2019, the economy grew by 5.1 percent compared to a growth of 6.4 percent in a similar quarter in 2018, mainly supported by strong performance in the services sub-sector such as information and communication, transportation and storage, and accommodation and restaurant. The agriculture sector recorded a decreased growth of 3.2 percent in the third quarter of 2019 compared to a growth of 6.9 percent in a similar quarter of 2018, as a result of delayed long rains. Consequently, the sector's contribution to GDP growth declined to 0.6 percent in the third quarter of 2019 compared to 1.3 percent in the same period in 2018. The non-agricultural sector (service and industry) remained vibrant and grew by 5.7 percent in the third quarter of 2019 down from a growth of 6.5 percent in a similar quarter in 2018. It has the largest percentage point's contribution to real GDP growth at 4.0 in the third quarter of 2019, mainly supported by the services sector

According to the updated IMF forecasts of April 2020, due to the outbreak of the COVID-19, the GDP growth is expected to slow down to 1% in 2020 and pick up to 6.1% in 2021, subject to the post-pandemic global economic recovery. However, if it takes longer than expected to bring the COVID-19 pandemic under control, the GDP could contract to 1.0% in 2020, and see a delay in the projected recovery in 2021. The downside risks include a protracted global recession undermining Kenya's export, tourism and remittance inflows, further tightening of COVID-19 health response measures that disrupt the domestic economic activity, fiscal slippages and weather-related shocks.

Estimating the economic effects of the COVID-19 is a daunting task due to the many economic aspects it touches. The number of hours worked per person were reduced due to the lockdown, Purchases of non-essential goods were postponed or even cancelled, increased volatility in financial markets and negative investor sentiment, government's attempt to ease the economic pain with supportive measures and trade becoming cumbersome and more expensive. Social distancing measures are dragging output capacity and activity, while foreign measures weigh on tourism and trade.

Public policies have managed to keep the inflation within the target range (5.2%) and it is expected to remain stable in the next two years (April 2020 World Economic Outlook IMF). Core inflation (Non-Food-Non-Fuel) remained below 5.0 percent in the period under review reflecting subdued demand pressures in the economy. Fuel inflation declined from 6.9percent in December 2018 to 2.5 percent in December 2019 on account of declining energy prices

Kenya's economy is being hit hard through supply and demand shocks on external and domestic fronts, interrupting its recent broad-based growth path. Apart from the COVID-19 (coronavirus) pandemic, the locust attack which started early 2020, has affected many parts of Kenya especially the North East. It has hurt food security and growth of the agriculture sector in the country. The expected second locust invasion further clouds the outlook. As young and more aggressive swarms hatch and spread in the country, it will be difficult to get supplies to kill the crop pest.

The Kenya Shilling has been relatively stable supported by continued narrowing of the current account deficit and adequate foreign reserve buffer. The Shilling appreciated against the US Dollar and the Euro exchanging at an average of Ksh 101.4 and Ksh 112.7 in December 2019 from Ksh 102.3 and Ksh 116.4 in December 2018, respectively. However, against the Sterling Pound, the Shilling weakened exchanging at an average of Ksh 133.0 in December 2019 compared to Ksh 129.7 in December 2018. The Kenya Shilling has continued to display relatively less volatility, compared to most Sub-Saharan currencies. This stability reflects strong inflows from tea and horticulture exports, resilient diaspora remittances and improved receipts from services particularly tourism.

The interest rates were low and stable for the period 2008 to 2011 due to ample liquidity in the money market. However, interest rates increased in 2012 following a tight monetary policy stance in order to ease inflationary pressures. Interest rates remained stable and low in the period 2013 to October 2019, except from June to December 2015 when world currencies were under pressure. During the period, the Central Bank Rate (CBR) was adjusted appropriately to anchor inflation expectations. The Central Bank Rate was reduced to 8.5 percent on 25<sup>th</sup> November 2019 from 9.0 percent in August 2018 as there was room for easing monetary policy stance to support economic activity. The interbank rate declined to 5.9 percent in December 2019 from 8.2 percent in December 2018 due to enhanced liquidity in the money market. The interest rates for government securities have been declining indicating that the implementation of government domestic borrowing program supported market stability. The 91-day Treasury bills rate declined to 7.2 percent in December 2019 compared to 7.3 percent in December 2018. The 182-day Treasury bills rate declined to 8.2 percent from 8.4 percent while 364-day increased to 9.8 percent from 9.7 percent.

## **Medium-Term Development Strategy**

The Medium-Term Development Strategy (MTDS) represents the set of strategies and actions to be undertaken over the medium-term that we deem likely to move our country closer to our long-term goals. In addition to being the management tool for making progress towards the long-term goals, the MTDS will serve and support the following priorities for achieving the "Big Four" Plan:

- i. Delivering better public services within a tight fiscal environment;
- ii. Responsible management of public resources;
- iii. Building a resilient, more **productive and** competitive green economy;
- iv. Deepening governance, anti-corruption and public financial management reforms to guarantee transparency, accountability and efficiency in public spending.

In the actualization of priorities as set by the MDAs and County Governments, all the implementation plans have been cascaded from the Medium Term III. The County Government will continue to address the remaining policy, legal, regulatory, and governance challenges as a priority to ensure that we attain our full potential.

The Medium-Term Budget will further support the ongoing priorities for achievement of the Support and Implementation of the policies and programmes under the CIDP II as it is expected to accelerate and sustain inclusive growth, create opportunities for productive jobs, reduce poverty and income inequality for the attainment of the Sustainable Goals.

#### **Prioritization and Allocation of Resources**

The Medium-Term Budget will be thoroughly scrutinized to curtail spending on non-productive areas and ensure resources are directed to priority programmes. Expenditure prioritization will be undertaken with a view of ensuring the provision of core services while minimizing costs and eliminating inefficiencies. The essence is to arrive at a mix of interventions that are likely to optimize the attainment of the ultimate goal by establishing an appropriate framework for prioritizing actions, given that resources available over the Medium Term, may not be sufficient to pursue all the actions reflected in this document.

The resource allocation criteria is based on the County resource endowments, prioritization of ongoing and high impact projects. The ripple effects of the COVID-9 pandemic are projected to affect the implementation of the FY 2021/22 budget and beyond. As such, strategic measures will need to be employed to ensure that the County absorbs the expected economic shocks. It is therefore requisite that the County develops a County Recovery Stimulus Programme and mobilize resources from development partners, invest in productive sectors, among others.



## 2.3 County Economic Outlook and Policies

The County economic outlook banks on global and national economic stability and improvement. Despite the swift and comprehensive policy response at both national and international levels, the county's economy will experience a slump given the pandemic. However, the county government will have a comprehensive recovery strategy to mitigate this. A brief of some of the interventions that will support the strategy are elucidated below.

### **1. Equitable Share:**

In forecasting and setting budgetary ceilings for Departments and Directorates, growth of the equitable share from the National Government is expected to rise by 4 per cent annually given the premise of stable macroeconomic variables and absence of shocks to distort the growth and stability of the Country. The projected equitable share for the FY 2021/22 is expected to grow by 4% or gain substantially if the new formula for resource allocation is adopted.

### **2. Own-Source Revenue:**

In the Current FY, the County targets to collect Kshs. 830 Million. This is targeted to come from additional streams and revision of charges as encapsulated in the Finance Bill for 2020. Full automation of revenue collection is meant to enhance the processes and systems that are already in place for revenue collection. Following these efforts, it is projected that in the FY 2021/22 and 2022/23, the County's own-source revenue will be grow by 4% annually. This will enhance the County Resource envelope which in return will increase development allocation in the subsequent budget within the County.

### **3. Acquisition of Equipment to Enhance the County's Scope for Road and Civil works:**

Nyandarua County has 0.8 per cent of paved roads in the County and an approximately 224 Kms of tarmac roads. The County is oddly placed in comparison to other Counties from Central region. Given the prohibitive costs that are attached to the road projects, the County has planned to mitigate this through the acquisition of equipment to cut on costs and massively work on providing a sustainable solution. The machinery is already in place with an operationalization policy that will enhance the implementation of the rural roads projects across the county.

### **4. Increasing Access to Clean Water:**

The County is one of the water catchment areas in the country but the majority of the population can't access water as expected. 14.4% have access to piped water, 2.0% from the borehole, and 24.3% from wells, and 22.2% from rain. The sanitation of some of the water sources is questionable given lack or poor treatment. The County, through the Department of Water,

Environment, Tourism & Natural Resources purposes to reduce the distance taken to access clean water by households across the County by drilling more boreholes and increasing the length of connectivity. Further, this is meant to improve the welfare of households.

Key focal areas for the Department for funding are rehabilitation of dams and water pans for water harvesting, drilling and reticulation of boreholes and supply of water to the citizenry of Nyandarua.

#### **5. Proper Housing and Settlement with the Advent of Urbanization:**

Nyandarua County has only 39.8% of its homes with cemented floors and 55.1% of its homes with earth floors. 16.1 % of its homes with stone and cement walls with 21% of its homes with mud walls 47.7% of houses have their walls made of wood. With regard to ownership, 70.1 % of the houses occupied on an owner-occupier basis with 24.2% being on rental terms. Article 25 of the Universal Declaration of Human Rights forthrightly puts it across that everyone has the right to a standard of living adequate for the health and well-being of himself and of his family. This, the Department of Lands, Housing, Physical Planning and Urban Development is pursuing through laying out of the County Spatial plans, conduction of survey for squatter villages and facilitation of the construction of 2,000 affordable housing units in the County.

To action the latter, the County Government has already set aside 20 acres of Land for Affordable Housing purposes at Olkalou (13 acres) and Engineer (7 acres), prepared the Designs and made consultations with the National Housing and Corporation (NHC) and MoU already signed whereby an identified financier is to finance Kshs. 300 Million each financial year for the next 5 years for 200 units each year. The Kenya Urban Support Programme is projected to continue funding as per the set conditions for operationalization of the Municipal Board and infrastructural support for the identified townships at an approximated Kshs. 135 Million annually over the next 2 fiscal years.

#### **6. Promotion of Early Child Education (formative education) and Tertiary Education (polytechnics)**

The education sector has been on a downward trend in the County given poor performance, inadequate or poor infrastructure, low transition rates from the pre-primary to primary, secondary and tertiary institutions. This is detrimental for the human capital of the County. Lack of competitiveness of students from the County could raise the dependency levels due to lack of income and a hike in social ills such as drug abuse, theft, prostitution among others.

The County is heavily investing in Early Childhood Education to promote the transition to Primary education. This is currently being implemented through feeding programmes to tackle the

problems of malnutrition as highlighted in the Kenya Household and Demographic Survey of 2014 that showed malnutrition in Nyandarua County at 29.4% for children under 5 through stunted growth (height for age) measures and also enhance daily attendance for children.

Transfers to polytechnics are expected to remain the same for the projected 3 years at Kshs. 31,416,170 per year. These funds together with the facilitation of the students through the Higher Education Loans Board (HELB) will promote sustainability of the polytechnics across the County.

## **7. Universal Health Care**

Moving forward, the County Government will continue to focus on primary healthcare, progressively address human resources needs by recruiting and replacing those that exited service through retirement, natural attrition, and resignation among others. The county will provide basic equipment in Primary Health Care facilities and ensure availability of Pharmaceutical and non-pharmaceutical commodities in all health facilities. The County Government will also forge multi-sectoral collaboration. Community Health Workers are crucial to the success of the UHC program and the County Government through the department of health is developing strategies to motivate the community health volunteers and also strengthen the community health units. Accordingly, the County Government will create a sense of ownership and increasing motivation among community health workers through training, equipping, re-designations and promotions. To further enhance access to UHC, the County Government is working towards upgrading of JM Kariuki Memorial County Referral Hospital, Engineer County Hospital, Ndaragwa Health Centre, Mirangine Health Centre and Bamboo Health Centre. Building strong referral system to reduce overcrowding and waiting times and at the same build patient confidence to change treatment-seeking behaviour.

## **8. Improving Agricultural Productivity for Food Security**

Agriculture contributes to over 70% to the County's Economy. The crop value chain is the leading crop enterprise in the County in terms of wealth creation, food security and employment creation. Currently, the County cultivates an average of 37,000 Ha of potatoes per year with an average production of about 555,000 tons with a market value of Kshs. 9 Billion.

The dairy value chain is the second leading agricultural activity in the County. In the Livestock sector, breed improvement and enhancement of extension services remain top priorities for the Department. The average annual milk production is 238 million litres with a value of Kshs. 7.6 Billion.

As the County pursues diversification for income generation and economic sustainability, the productivity in the sector is inevitably enhanced to tap value addition, manufacturing and traditional markets that continue to grow given the rise in population. The Department of Agriculture, Livestock and fisheries is promoting food security through promotion of Potato farming by seed cleaning, issuance of subsidized fertilizer and other input subsidies, promotion of mechanized agriculture and precision agriculture through soil testing. To this end, a tissue culture laboratory for seed potato multiplication at Ol Joroorok ATC at a cost of Kshs. 110 Million is being constructed.

In collaboration with the Enforcement Directorate and the National Agriculture and Food Authority (AFA), the Department is coordinating the implementation of standardized potato packaging regulations. This will allow farmers to get value for their produce given reduced exploitation by the market. The productivity of the crop is expected to shoot up.

### **Value addition and Manufacturing**

As envisaged in the National Government's Agenda, manufacturing is a multifaceted economic activity that will allow job creation, creation of markets for raw materials and driver for consumer demand. The County has planned and is lobbying for the setting up of a potato, vegetable and fruits processing factory. A dairy processing industry estimated to cost Kshs. 2 Billion and support for the cottage industry to leverage on raw products readily available in the County.

These projects are anchored to their socio-economic impact on the citizenry of the County with their multiplier and spillover effects once implemented and fully operational.

As per the highlights in this section, the County purposes to achieve its Transformative Agenda via considerations that are wide and that are intertwined largely with the national government MTP III, Big Four Agenda and Global Goals as set out by the Sustainable Development Goals. With the scarce resources, innovative approaches for investment and programme or project implementation will be embraced. In achieving these goals, the County is in pursuit of enhancing its service delivery through staff appraisal and motivation

## **2.4 Medium Term Fiscal Framework**

### **2.4.1 Financial Forecast for 2020/21FY and the Medium Term**

#### **2.4.1.1 Revenue projections**

The 2021/22-2022/23 Medium Term Expenditure Framework is founded on a stable national macroeconomic environment and improving the fiscal forecast of the County Government. Total Projected revenues for the County in the FY 2021/22 are estimated to be Kshs. **6,477,351,033** from

Kshs. **6,866,689,050** in FY 2020/21. The 2021/22 projected County revenues will be generated from Own source revenue, conditional allocations, loans and grants from both the national government and donors who have continued to partner with the County in achieving its development agenda.

#### **2.4.1.2 Expenditure forecasts**

The forecast on expenditure has taken cognizance of the County's Government goal in reducing poverty levels and stimulating employment by re-orienting expenditure to the high impact areas and reducing on non-priority spending. It is therefore projected that the Government will continue to implement high-impact and sustainable projects/programs that will ensure stable and sustainable economic growth, prudent financial appropriation, enhanced revenue collection and Budget control mechanism.

Some of the measures that have been put in place include the centralization of operations in the Transport, Energy and Public Works Department where operations will take place in 5 centralized units using the purchased equipment that will increase productivity and reduce costs balancing out the laws of demand and supply in the County. The Overall development expenditure is projected to be Kshs **2,267,072,862** in FY 2021/22 which will be 35 per cent of the projected total revenue.

Monitoring and evaluation of the expenditures will be strengthened by the County Treasury to ensure that fiscal responsibilities will be enhanced in the Medium Term. Provision of quality and timely financial reports will be done regularly to entrench value for money to the County residents and ultimately adhere to the fiscal responsibilities as provided in the Public Finance Management Act, 2012.

**Table 6: Financial forecast for FY 20120/21 and the medium term (Kshs)**

<b>Revenue</b>	<b>Revenue estimates FY 2020/21</b>	<b>Revenue Projections FY 2021/22 (Exclusive of some grants)</b>	<b>Revenue Projections FY 2022/23</b>	<b>Revenue Projections FY 2023/24</b>
<b>Equitable Share</b>	4,905,750,000	5,702,094,000	5,930,177,760	6,167,384,870
<b>Local Collections</b>	800,000,000	850,000,000	884,000,000	919,360,000
<b>Linda Mama</b>	30,000,000	30,000,000	30,000,000	30,000,000
<b>Conditional Grants</b>	0	0	0	0
<b>World Bank Grant For KDSP(Level 1)</b>	45,000,000	0	0	0
<b>World Bank Grant For KDSP(Level II)</b>	184,795,683	0	0	0
<b>EU Grant For Potato Tissue Culture Lab</b>	11,000,000	0	0	0
<b>World Bank Loan For Transforming Health Systems</b>	163,357,834	32,000,000	32,000,000	32,000,000
<b>Donor Fund(DANIDA )</b>	13,860,000	0	0	0
<b>Road Maintenance Levy Fund</b>	146,215,617	146,215,617	146,215,617	146,215,617
<b>User Fees Foregone</b>	12,735,922	12,735,922	12,735,922	12,735,922
<b>Transfers To Village Polytechnics</b>	0	0	0	0
<b>Rehabilitation Of Village Polytechnics</b>	30,949,894	30,949,894	30,949,894	30,949,894
<b>Supplement For Construction</b>	50,000,000	0	0	0

<b>Of County Headquarters</b>				
<b>Leasing Of Medical Equipment</b>	132,021,277	132,021,277	132,021,277	132,021,277
<b>World Bank Grant For Kenya Urban Support Programme(K USP Level 1)</b>	0	0	0	0
<b>World Bank Grant For Kenya Urban Support Programme(K USP Level ii)</b>	0	135,543,000	135,543,000	135,543,000
<b>World Bank Grant For Climate Smart Agriculture Programme(K CSAP)</b>	239,157,250	117,000,000	117,000,000	117,000,000
<b>Sweden-Agricultural Sector Development Support Programme (ASDP) Level II</b>	12,491,573	12,491,573	12,491,573	12,491,573
<b>Covid-19 Grant from the National Government</b>	89,354,000	0	0	0
<b>Balance B/F</b>	0	0	0	0
<b>Total Expenditure</b>	6,866,689,050	7,201,051,283	7,463,135,043	7,735,702,153
<b>Recurrent (65%)</b>	4,463,347,883	4,680,683,334	4,851,037,778	5,028,206,400
<b>Development (35%)</b>	2,403,341,168	2,520,367,949	2,612,097,265	2,707,495,754
<b>Total</b>	<b>6,866,689,050</b>	<b>7,201,051,283</b>	<b>7,463,135,043</b>	<b>7,735,702,153</b>

## 2.5 Risks to the outlook

The macroeconomic outlook is faced with risks from both external and domestic sources. Risks from global economies relate to increased volatility in the global financial markets due to tensions between the U.S.A and China, the slower growth of the Chinese economy, uncertainties over the

nature and timing of Brexit and the pace of normalization of monetary policy in the advanced economies. Further, the uncertainty of trade agreements such as between the United Kingdom and the European Union, the free trade area encompassing Canada, Mexico, and the U.S.A as well as uneven and sluggish growth in advanced and emerging market economies could hamper the forecasted growth. The low commodity prices and the risk of energy prices taking an upward trend, if the rising geopolitical tensions are not subdued, could negatively impact on our exports.

Domestically, the economy will continue to be exposed to risks arising from public expenditure pressures, particularly related to wage related recurrent expenditures and the inevitable climate change and variability which has enhanced the frequency of disaster such as landslides, droughts and destruction of physical infrastructure. Locust invasion witnessed in the country in late 2019 and early 2020 poses a risk to agricultural production and food security.

The Government continually monitors these risks to inform appropriate mitigating monetary and fiscal policy measures to preserve macroeconomic stability and strengthen resilience in the economy. To cushion the country against the downsides of the risks emanating from the global sphere, the Government is deepening reforms in the financial sector to ensure a stable and strong financial system in Kenya. The Government is also safeguarding macroeconomic stability through prudent fiscal and monetary policies. In particular, the Government continues to accumulate foreign exchange reserves to deal with any external shocks. Additionally, the diversified nature of our economy continues to offer resilience to global challenges.

To protect the country from climate-related risks and disasters, the Government has put in place various policies, strategies and financial risk protection instruments to cushion the economy against budget disturbances emanating from the need to address the unforeseen natural disaster. In particular, the Government has put in place a Disaster Risk Financing Strategy which outlines various financial protection instruments in the economy in the event of a disaster.

On risks emanating from domestic sources, the Government has laid foundations to enhance faster and lasting growth through the “Big Four” Plan, which will enhance growth momentum, and positively impact on the lives of people through jobs creation and poverty reduction. For example, the Government is expanding irrigation schemes to reduce dependence on rain-fed agriculture, diversifying exports and promoting value addition in agriculture. Further, the Government is



accelerating infrastructure development to support manufacturing and expand intra-regional trade by deliberately targeting new markets for our products. Also, the ongoing enhanced domestic resource mobilization and expenditure rationalization will significantly reduce wage-related pressures and reduce debt accumulation thus creating fiscal space necessary for economic sustainability

## 2.6 Proposed interventions to the risks

**The County will pursue the following to reduce the risks to the County’s economic outlook.**

- i. Focus on stimulating industrial and technological skills development and increasing investment in developing human capital through rapid training of entrepreneurs to enhance faster and lasting growth through the “Big Four” Plan.
- ii. Influence policy and administrative management for climate change at the County level and increase coordination of climate change measures and activities
- iii. The County Government will strengthen its functions of protecting the farmers by ensuring enforcement of laws that protect them from exploitation by brokers through packaging and also provide the infrastructure necessary for market access.
- iv. Interests of citizens will be guaranteed and their say enlarged in the process of Natural Resource Management, governance and biodiversity conservation interventions at County level.
- v. Improving business and governance climate to restore confidence, stability, and growth that will enable businesses to reopen post-COVID 19 and support them to gradually recover by providing stimulus and incentives.
- vi. Strengthen emergency response system including medical services to reduce the spread of pandemic, fire, floods, locusts and other natural catastrophes.

## CHAPTER THREE

### SECTORAL PRIORITIES AND RESOURCE ALLOCATION IN THE MEDIUM TERM

#### 3.1 Overview

As a guide to medium-term resource allocation, the County Government will concentrate on socio-economic development through job creation and livelihood enhancement. The FY 2021/22 MTEF budget will concentrate on measures to guide the County's transformation, with guidance being provided by the Constitution and other legal tools the Acts and Regulations. The County planning framework will endeavour to allocate resources to all the sectors equitably. In strengthening the linkage between planning, Budgeting and implementation, the Medium-Term Budget framework for the period 2022/23 will sustain allocation of resources to core programs and subprograms identified in the CIDP 2 (2018- 2022).

#### 3.1.1 Presidential “Big Four Point” Agenda and Sectoral Pillars

Through the Annual Development Plan (ADP) 2021/22 FY, all the County sectors have clearly identified the priority areas with their estimated resource requirements. The sectoral priorities are in line with Constitution of Kenya under Devolved functions, Vision 2030, Third National Medium-Term Plan (MTP III) 2018-2022, Nyandarua CIDP2 2018-2022, SDGs, Jubilee manifestos and the Presidential Big Four-Point Agenda. The “Big Four-Point Agenda” includes:

Supporting value addition and raising the share of Manufacturing Sector to GDP to 15% by 2022;

- i) Enhancing Food and Nutrition Security to all Kenyans by 2022;
- ii) Providing Universal Health Coverage to guarantee quality and affordable health care to all Kenyans; and
- iii) Provision of Affordable and Decent Housing for all Kenyans.

In addition, resources allocation will also be based on;

- i) **Flagship Projects, the Big Four Presidential Agenda, The Governor’s Transformative Agenda and the 80-20 Rule.**
- ii) **Ongoing projects:** emphasis is given to completion of on-going and unfinished projects and in particular infrastructure projects and other projects with a high impact on poverty reduction, equity, and job and wealth creation.
- iii) **Job creation (High Impact Project):** Specific consideration to job creation for the youth based on sound initiatives identified in the Governor’s manifesto and during the County stakeholders’ consultation for the CIDP 2 will be considered as well as disability and gender mainstreaming.

## 3.2 Sectoral priorities in the medium term

### 3.2.1 Agriculture sector

This sector comprises of four sub-sectors namely:

- i. Agriculture
- ii. Livestock Development
- iii. Veterinary services
- iv. Fisheries development

Agriculture is the backbone of Nyandarua’s economy due to the fertile soils and favourable climate. It is considered the food basket of Kenya because of its high production of potatoes, cabbages, carrots, peas and milk. The sector has been a key economic driver creating over 70% of the available employment opportunities directly & indirectly. The sector has also been a key contributor to local revenue generation.

In the 2020/21 FY, the sector has been allocated Kshs. 387,694,474 that comprises 239.16 Million Grant for Kenya Climate-Smart Agriculture Programme, 11 Million for EU grant for potato culture and 12.49 Million of Sweden Agriculture sector Development Support. Out of this allocation, Kshs. 112,708,542 (29.07%) is recurrent while Kshs. 274,985,932 (70.93) is development expenditure. For the FY 2021/22 projections, an allocation of Kshs. 442,967,893 is set for this sector.

#### **The Priorities and Strategies for this Sector in 2021/22 will be:**

The priority for this Department over the planned period will be to enhance access to information, skills and adoption of modern technologies in order to increase Agricultural production, Productivity for food security and improved livelihoods.

This will be achieved through the following strategies;

- i) Strengthen institutional policy and legal framework
- ii) Strengthening extension services through integrated extension approaches
- iii) Enhance access to quality agricultural inputs.
- iv) Promotion of post-harvest handling for reduction of produce losses from Pests and Diseases;
- v) Promote Food Security through Monitoring of livestock and Crop Situation and Food Balances;
- vi) Promote Market Access and Product Development;
- vii) Enhance the quality and safety of food products both animal and crops
- viii) Promote sustainable land use and environmental conservation.
- ix) Promotion of mechanization in agricultural production

### **3.2.2 Water, Environment, Tourism and Natural Resources**

The sector comprises of the following subsectors;

- i) Water Resource Development;
- ii) Environment Management and Conservation;
- iii) Tourism Development and Marketing;
- iv) Natural Resources Management; and
- v) Irrigation and Drainage.

The priorities for this Sector will be:

#### **a) Water Resources Development**

To provide adequate and sustainable water supply for domestic, agricultural and for industrial purposes by constructing water harvesting storage facilities, rehabilitation of existing water supply infrastructure and developing new water supply infrastructure to cover unserved areas. This will be achieved by mobilizing resources and sensitizing the beneficiaries to own, operate and maintain the water supply infrastructure.

#### **b) Environment management**

To promote the integration of environmental requirements in policies, plan, programmes and projects in all sectors. The priority will be to advise on, and monitor implementation of environmental impact assessments on new projects and audit on ongoing projects and Engaging all stakeholder to manage and conserve the environment, this will be done through integrated service provision, capacity building for key stakeholders, operationalization of County environment committee and collaboration with lead agencies.

**c) Tourism and Natural resources**

Priority will be to map, develop, market and promote Nyandarua as a preferred tourist destination as well as to promote conservation, sustainable access and use of natural resources.

Priority will be to increase the area of acreage under irrigation to ensure productions.

In the current financial year, the sector has been allocated Kshs. 275,435,000. Out of this allocation, Kshs. 51,060,000 (19%) is recurrent while Kshs. 224,375,000 (81%) is development expenditure.

In the FY 2021/22, Kshs 312,778,895 is projected to be allocated to the sector for the achievement of the set priorities.

**3.2.3 Finance and Economic Development**

The sector comprises of the following subsectors:

- i) Economic Development;
- ii) Local Revenue and Business Development;
- iii) Supply Chain Management;
- iv) Internal Audit; and
- v) Public Finance Management.

The mandate of the sector is to monitor, evaluate and oversee the management of public finances and economic affairs of the County Government.

**The priorities for the Sector will be:**

- i) Entrench Public Finance Management prudence;
- ii) Strengthen Economic modelling and research;
- iii) Entrench guided identification of projects and programmes, and allocation of resources;
- iv) Monitoring and evaluation of the CIDP;
- v) Mobilization of the Own Source Revenue;
- vi) Ensure there is value for money in the acquisition of goods, services and works;
- vii) Mitigate internal audit risk and ensure compliance to laws and procedures; and
- viii) Coordination of the management of public funds

In the current financial year, the sector has been allocated Kshs 541,800,503 which comprises of Kshs 449,688,694 (81%) recurrent and Kshs 92,111,809 (17%) development.

In the FY 2021/22 projections, the sector has been allocated Kshs. 777,715,621 for both recurrent and development. An increase of the County Mortgage Fund by Kshs. 100 Million informs the increase in the Departments' allocation.

### **3.2.4 Office of the Governor**

Office of the Governor and the Office of the Deputy Governor. The priorities for the sector will be:

- i) Coordination of service delivery;
- ii) Promotion of Investment and intergovernmental relations; and
- iii) Creation of awareness on the implementation of the Transformative Agenda; and
- iv) Provision of policy direction in the County.

In the 2020/21 FY, the Sector has been allocated Kshs. 121,885,058. The sector allocation is projected at Kshs. 158,410,419 for the FY 2021/22.

### **3.2.5 Office of the County Secretary and Head of Public Service**

This sector is a General public administration office. The priorities and strategies for the sector will be;

- (i.) Carrying out administrative chores necessary for operations of the County Government.
- (ii.) Arranging and organizing venues for committees and departmental meetings.
- (iii.) County headquarters cleanliness and security issues.
- (iv.) Coordinating departmental correspondences.
- (v.) Forwarding and compiling responses on County Assembly resolutions, request for information and summonses to various departments.
- (vi.) Coordinating county transport issues.
- (vii.) General cleanliness of County Headquarters.
- (viii.) Complete Development of County Human Resources Policies and Procedures Manual.
- (ix.) Establish an ICT Based Personnel and Registry Records.
- (x.) County Performance and Coordination.
- (xi.) Establish Annual Staff Performance Appraisal system.
- (xii.) Public Sector Reforms and Transformation including operational standards.

- (xiii.) Establishment of County Human Resource Information Systems and Services.
- (xiv.) Handling Internships, attachments and Volunteer policies and issues.
- (xv.) Management of County Payroll.
- (xvi.) Coordinate development of County and departmental missions, visions and service charters and ensure dissemination of the same to the public at all service points.
- (xvii.) Public Service Career Planning and Development.
- (xviii.) Handle staff Counselling Policy, services and issues.
- (xix.) Facilitate the establishment and operationalization of the Human Resource Management function of the County.
- (xx.) Offering advice and correct interpretation of Public Service regulations, guidelines, rules, Labor laws as well as Human Resource Management Policies.
- (xxi.) County staff welfare issues including Management and Coordination of KICOSCA Games.

In the 2020/21 FY, the Sector has been allocated Kshs. 2,026,335,000. The sector allocation is projected at Kshs. 2,321,068,574 for the FY 2021/22. It is expected that this will help in filling the human resource gaps within the County Public service.

### **3.2.6 County Attorney**

This sector provides legal services to the county departments, agencies and entities through teamwork, innovation, responsiveness and by offering practical solutions.

The priorities strategies issues of the OCA are identified as follows:

- Legislative drafting
- Litigation
- Commercial transactions
- Conveyancing
- Alternative Dispute Resolution mechanism (A.D.R.)
- Provision of general legal services
- Legal Registry and legal resource centre
- Publishing and printing

In the 2020/21 FY, the Sector has been allocated Kshs. 33,332,655. The sector allocation is projected at Kshs. 42,851,947 for the FY 2021/22.

### **3.2.7 Public Administration and ICT**

The Sector comprises of ICT, Enforcement and Compliance and Public Administration.

The priorities of this sector will be:

The identified strategic issues and key focus areas for the department are:

- i) Decentralized service delivery
- ii) Centralized security services
- iii) ICT, E-government and risk management services
- iv) Institutional strengthening

In the 2020/21 FY, the sector has been allocated Kshs 46,370,000 (0.7%) and comprises of Kshs. Recurrent Kshs. 36,370,000 (78.43%) and development Kshs 10,000,000 (21.57%).

The projected allocation for both development and recurrent expenditure FY 2021/22 is Kshs. 62,656,915

### **3.2.8 County Public Service Board**

This is a sub-sector under the Office of the County Secretary.

**The priorities of the sector will be:**

- i. Establishment and abolition of offices;
- ii. Appoint persons to hold or act in public offices of the County public service and to confirm appointments;
- iii. Disciplinary control;
- iv. Monitoring and reporting;
- v. Promotion of values and principles; and
- vi. Human Resource Planning, Management and Development.

In the 2020/21 FY, the sub-sector has been allocated Kshs. 18,400,000 which is itemized a 100% recurrent and a 0 (0%) development. The projected allocation for the FY 2021/22 is Kshs. 30,894,700. It is expected that the resources will be instrumental in the facilitating the Board's programmes.

### **3.2.9 Transport, Energy and Public Works**

This Department is in charge of the provision of road infrastructural facilities for sustainable economic growth and development through maintenance of existing road networks and opening up rural areas. T sector comprises of three sub sectors namely the Transport, Public works and Energy.

**Strategic priorities of the sector/sub-sector**



The department of transport, energy and public works had the following priorities:

- Rural road improvement across the County
- Periodical maintenance of county roads
- Construction and maintenance of bus parks and boda boda sheds
- Development and maintenance of bridges
- Development & Maintenance of firefighting & emergency response services.
- Development & maintenance of floodlights and street lights

In the current Financial Year 2020/21, the Department has been allocated Kshs. 941,003,617 (13.7%) of the total budget to undertake its operations, development being allocated Kshs. 899,905,617 (95.6%) of its departmental allocation and recurrent Kshs. 41,098,000 (4.4%) of its budget allocated.

For the financial year 2021/22, the projected allocation is Kshs. 950Million. It is expected that the Department will continue to leverage on the County Rural Roads Equipment in the rehabilitation and improvement of roads.

### **3.2.10 Industrialization, Trade, Cooperatives and Urban Development**

The Department comprises of five sections that is after the department restructure that was effected on 26<sup>th</sup> August 2020 by His Excellency the Governor. The department was added the role of Urban Development activities:

- i. Industrialization;
- ii. Trade;
- iii. Cooperative; and
- iv. Weights and Measures.
- v. Urban development

The Department aims to promote, coordinate and implement integrated socio-economic Policies and Programs for a rapidly industrializing economy through promotion and creation of an enabling environment to facilitate growth in trade, commerce, enterprise development and Industrialization and to promote good governance and effective management of Cooperative Societies within the County.

To bring Services Strategically closer to the people through the urban development plans.

#### **The strategic priorities of the sector**

- a) Promotion of trade in the County

- b) Promotion of Cooperative movement in the County
- c) Promote cottage industries and enterprise in the County
- d) Enhance value addition to reduce post-harvest losses and stabilize market prices
- e) Enable access to cheap credit
- f) Ensure fairness in weight and measures
- g) Bring Services Strategically closer to the people through urban development planning

In the current FY 2020/21, the Sector has been allocated a total of Kshs. 309,208,700 for its operations. Kshs. 270,600,000 (87.32%) is the development expenditure allocation for the fiscal year and Kshs. 38,608,700 (12.49%) is the recurrent expenditure for the same. The projected allocation for the FY 2021/22 for both the development and recurrent expenditure is Kshs. 305,171,730. The slump/slight increase is occasioned by the uncertainty of benefiting from the Conditional Grant – KDSP currently in the Department’s budget appropriations.

### **3.2.11 Youth, Sport, Gender Affairs and Social Services**

#### **The strategic priorities of the sub-sector**

The priority for this department over the planned period will be to empower Youths through Sports, Issuance of equipment’s, and cater for vulnerable needs, enhanced access to information, skills and adoption of modern technologies in order to increase awareness in existing opportunities on job creation for improved livelihoods.

This will be achieved through the following strategies;

- i) Strengthen institutional policy and legal framework
- ii) Establishment and operationalization of the County Youth Master plan
- iii) Enhance access to information on Youth empowerment especially concerning 30% tender opportunities.
- iv) Promotion of sports activities through formation of a County league and introduction of other sports activities.
- v) Establishment of sports facilities and production studio.
- vi) Review the needs of the vulnerables that include: food, shelter, clothing, sanitary kits and assistive devices.
- vii) Mainstream Gender and community groups support requirements that include: Training, equipment for empowerment, and multi-purpose social halls for recreation.

The Sector through an executive order was on 26th of August 2020 restructured to Youth, Sports, Gender and Social Services. With the new changes, the programmes under the Department have an appropriation of Kshs. 159,118,800 for its financial year 2020/21 operations.

The projected allocation for recurrent and development for the FY 2021/22 is Kshs. 190,692,368 it is expected that this will allow for the completion of the Department's key flagship project, the Olkalou Stadium.

### **3.2.12 Health Services**

This department has its mandate derived from the fourth schedule of the Constitution of Kenya which includes overseeing the following:

- (a) Health County health facilities and pharmacies;
- (b) Ambulance services;
- (c) Promotion of primary health care;
- (d) Licensing and control of undertakings that sell food to the public;
- (f) Cemeteries, funeral parlours and crematoria; and
- (g) Refuse removal, refuse dumps and solid waste disposal

#### **Sector Priorities:**

The department aims to improve health infrastructure as a key pillar in the health transformative agenda. Some critical services are still missing or being provided sub-optimally. The county will endeavour to bring critical services closer to the citizen by expanding the scope of services being offered at the sub-county level. This will be achieved by upgrade of several health facilities to a sub-county level hospital. These facilities are Ndaragwa, Bamboo, Manunga, Mirangine and Ngano health facilities. Critical staff gaps will continue being filled so that quality services can be offered. Other supportive pillars will continue being improved so that the health transformative agenda can be realized.

During the Financial Year 2020/21, the Department was allocated Kshs. 991,086,910 of which 301,774,687, (30.45 %) is development while Kshs.689,312,223, (69.55 %) is recurrent.

The projected allocation for the sector is set at Kshs. 543,484,339 for the financial year 2021/22. It is expected that this anticipated allocation will assist in the completion of the incomplete projects.

### **3.2.13 Education, Culture and the Arts**

This department comprises of; Early Childhood Development Education (ECDE) and Childcare facilities; Vocational Training Centres and Home Craft Centres; and Arts.

The subsector Priorities will be;

**Education sub-sector:** the ECDEs centres need more qualified teachers, suitable classrooms, sanitation facilities, play equipment, teaching/ learning materials and suitable feeding programme. The subsector also requires a robust curriculum supervision and co-curricular activities programme. The Vocational Training Centres needs include; engagement of qualified instructors, clustering of courses for centres of excellence, teaching and learning resources, workshops, hostels and sanitation facilities.

**Culture:** Cultural heritage needs are, conservation of cultural sites for eco-cultural tourism, national cohesion and integration, Cultural Centre, library refurbishment and operationalization of the County Drug and Alcohol Abuse Rehabilitation Centre

**Arts development:** Promotion and identification of new talents for gainful employment for alleviation of poverty.

In the FY 2020/21, this Department was allocated Kshs. 203,889,893 in 2019/20 in which Kshs.76, 450,000 (37.50%) is development while Kshs.127, 439,893 (62.50%) is recurrent.

A projected allocation for the sector for the FY 2021/22 is Kshs. 172,063,190 this is for both development and current expenditures.

### **3.2.14 Land, Housing and Physical Planning**

The department comprises of the Land Administration, Survey, Physical Planning, Housing and Urban Development Directorates

Land is an essential factor of production and its effective management is paramount for social, economic and political development.

The objectives of the Department are to promote, coordinate and implement integrated socio-economic policies and programs in the management of Lands, Housing and Physical Planning within Nyandarua County.

**Sector priorities will be:**

**Survey and mapping;** to implement approved plans and enhance Development Control and Regulations

**Physical planning;** to update and enhance availability of geospatial data in a framework for coordinated development as well as enhancing decision making.

**Land Administration and Management;** to avail land for social amenities, investment and to enhance road connectivity

**Housing;** To review and implement sustainable housing plans for the County.

In the FY 2020/21, the Department was allocated Kshs.108,498,440 out of which Kshs. 30,506,682 (28.12%) was allocated to finance recurrent operations and Kshs.77,991,758 (71.88%) was allocated for development activities.

For the financial year 2021/22, the projected allocation is Kshs. 90,294,692 for both recurrent and development expenditures.

### 3.3 Resource Allocation Criteria

The allocation of resources to projects has been based on;

- (i.) Pending Bills should be a first charge in terms of PFMA regulations 41(2) and H.E The President directives;
- (ii.) Completion and operationalization of ongoing projects;
- (iii.) High impact/flagship projects should be given priority;
- (iv.) Development of key infrastructure facilities and public works Countywide to stimulate growth, create employment and reduce poverty;
- (v.) Targeted Socio-Economic Sector enablers;
- (vi.) Agriculture sector to create stable incomes and reduces poverty;
- (vii.) Programmes geared towards Economic recovery from the effects of COVID 19;
- (viii.) Linkage of the programme with the Objectives of the Second CIDP;

- (ix.) Degree to which a programme addresses Core Poverty Interventions and the National Big Four Agenda;
- (x.) Degree to which the programme is addressing the Core Mandate of the Department;
- (xi.) Enhancing Governance, Transparency and Accountability in the delivery of public goods and service;
- (xii.) Cost effectiveness and sustainability of the Programme; and
- (xiii.) Programmes that communities/stakeholders have identified and recognized as important through public participation fora.

**Table 7: Sector Ceilings for FY 2021/22 and the Medium Term (Kshs.)**

<b>PROGRAMME</b>	<b>FY 2020/21 ACTUAL APPROVED ESTIMATES</b>	<b>FY 2021/22 PROJECTED ESTIMATES</b>	<b>FY 2022/23 PROJECTED ESTIMATES</b>	<b>FY 2023/24 PROJECTED ESTIMATES</b>
<b>County Public Service Board</b>	18,400,000	21,060,628	21,903,053	22,779,175
<b>Governor's Office</b>	121,885,058	140,439,310	146,056,882	151,899,158
<b>Office of The County Secretary</b>	2,026,335,000	2,243,240,620	2,332,970,245	2,426,289,055
<b>County Attorney</b>	33,332,655	42,531,354	44,232,608	46,001,912
<b>Finance and Economic Development</b>	541,800,503	653,658,984	679,805,343	706,997,557
<b>Public Administration and ICT</b>	46,370,000	54,263,649	56,434,195	58,691,563
<b>Lands, Housing and Physical Planning</b>	108,498,440	88,646,236	92,192,085	95,879,769
<b>Transport, Public Works and Energy</b>	941,003,617	1,033,687,038	1,075,034,520	1,118,035,900
<b>Education, Culture and Arts</b>	203,889,893	172,032,827	178,914,140	186,070,706
<b>Health Service</b>	991,086,910	512,909,927	533,426,324	554,763,377
<b>Agriculture, Livestock and Fisheries</b>	387,694,474	424,847,294	441,841,186	459,514,833
<b>Industrialization, Trade, Cooperatives &amp; Urban Development</b>	309,208,700	532,635,062	553,940,464	576,098,083
<b>Youth, Sports, Gender and Social Services</b>	106,748,800	197,915,202	205,831,810	214,065,082
<b>Water, Environment, Tourism and Natural Resources</b>	275,435,000	320,432,951	333,250,269	346,580,280
<b>County Assembly</b>	755,000,000	762,750,201	793,260,209	824,990,617
<b>Total</b>	<b>6,866,689,050</b>	<b>7,201,051,283</b>	<b>7,489,093,334</b>	<b>7,788,657,068</b>

## CHAPTER FOUR

### RISKS TO THE COUNTY ECONOMY

The County Government in its plan to meet Wanjiku's needs is expected to face a number of risks and challenges that may derail or hinder the Implementation of the Government's Agenda.

**Some of the risks associated with implementation of the County Fiscal Policies include:**

❖ **Unfavourable weather Conditions,** The first half of 2020 experienced heavy down pour within the County and in other parts of the country. This led to Impassable roads that links to market places and to other productive economic activities. This led to delay in implementation of the 2019/2020F/Y projects. It also led to collapse of the Thitai Bridge along the Flyover-Njabini-Olkalou road thereby affecting transportation along that road. The vehicles using that road are forced to use longer routes thus more expensive in terms of fuel and time.

The bridge is however being reconstructed.

❖ **Third generation revenue sharing formula stand-off,** the standoff between the Senators on the revenue sharing formula is a risk that will lead to late release of the County's Funds. The County Allocation Revenue Act (CARA) that clearly outlines the County's equitable share is not ready yet. This may affect the County's budget positively or negatively leading to revision of the projects due to reduced expected revenues.

❖ **Political risk,** Due to the ongoing Referendum debate on constitutional change, the Country is in a heightened political mood which is commonly characterized by divisive politics that may lead to political disputes plunging the country into economic depression. In addition, with 2022 elections barely less than two years away, different priorities between the County Assembly and the County Executive may derail implementation of programs and projects. In the global front, the United State of America will be holding its presidential elections in November 2020. This is bound to have a shift in the global economy due to expected anxiety. Therefore a degree of sobriety from all stakeholders is expected to ensure the County's development and economic agenda is on course. and

❖ **Low National Economic performance,** the low national economic performance due to Uncertainties associated with Global and National influences such as price of crude oil that affect cost of production and exchange rate fluctuations will eventually have an impact on the performance of the County's economy. The effects of covid-19 lockdown at the County,



the national and international boundaries has also led to low performance of the economy due to restrictions on import and export of goods and services.

With a paltry economic growth rate of 2.5 percent, there lies a risk of low revenue collection both at the County and the National level thereby affecting the county's resource envelop.

- ❖ **Covid-19 Pandemic** There is an ongoing Corona virus outbreak across the world and has affected the global economy and changed the normal way of doing business. Most businesses have closed shop or down sized leading to massive job losses thereby increasing dependency levels and cases of crime. The indefinite closure of schools has also led to many cases of teenage pregnancies that exert more pressure to the society.

A lot of resources that would have otherwise been used for development has been redirected towards curbing the spread as well as treating the infected.

- ❖ **Locust Invasion** The country in the past one year has been grappling with locust invasion that has left a trail of destruction. The swarms of locusts have been moving from one region to the other and has destroyed vegetation which could lead to food shortage for both human and animal consumption.

## **CHAPTER FIVE**

### **CONCLUSION AND WAY FORWARD**

There is ardent need to promote efficiency and optimality in service delivery to the citizenry of the County. This can be attained through enhanced coordination and integration in Budget implementation which will generate great outcomes the constraint of resources notwithstanding.

The Government expenditures in the current Financial and FY 2021/22 will be scrutinized to ensure that the objectives behind the appropriations will be met. The Government will pursue prudent fiscal policies aimed at supporting rapid and inclusive economic growth across all the wards in the County. To address the weak linkage between planning and budgeting, the funding to development programmes in the FY 2021/22 will strictly be on the strategies/interventions as prioritized in the 2021/22 ADP. Allocation of resources for FY 2021/22 will be based on the priorities as agreed upon by the sectors. This will form the basis for the setting of the ceilings in the 2021 County Fiscal Strategy Paper.

The National Government transfers continue to be the County's primary source of revenue, but the Executive will endeavour to strengthen income collection. Automated systems are being enhanced to fully automate all County revenue streams, with increasing revenue streams in the Health Sector, it is expected that the County's OSR will raise to Kshs. 850 million in the FY 2021/22. Conditional Grants have been instrumental for the Health and Agriculture Sector. Concerted efforts are essential to ensure that the County continues to get this support for the County's programmes.

The resource envelope and ceilings for the Sectors/Departments provided in this Budget Review and Outlook Paper will form the basis of formulation of the CFSP 2021. It is also expected that this review will inform the implementation of the FY 2020/21 optimally given the lessons learnt in the FY 2019/2020.