

COUNTY GOVERNMENT OF KIRINYAGA



DEPARTMENT OF FINANCE & ECONOMIC PLANNING

COUNTY FISCAL STRATEGY PAPER 2021

Revised (June, 2021)

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Kirinyaga County Fiscal Strategy Paper 2020

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FOREWORD

This CFSP is prepared in accordance with provisions of Section 117 of the PFMA 2012. The County Fiscal Strategy Paper 2021 outlines the economic policies and sector priority programs to be implemented in the next MTEF period (2021/22-2023/24) whose priorities are derived from the Kirinyaga residents and as anchored in the County Integrated Development Plan (CIDP), The 'Mountain Cities Blueprint and also taking into account the National Government's economic policy under the 'Big Four' agenda of Vision 2030.

The county's economy has benefitted from investments in infrastructure developments which is a key supporter of the vibrant agricultural economy in the County. To ensure there is ease of doing business in the county, major investments have been made to improve market conditions by rehabilitating strategic markets to modern standards. Areas in and around the markets have been rehabilitated by construction of new and clean pavements, rapid collection of waste to give a clean habitable business premises. Those strategic markets have also been provided with street lighting to increase business hours. Rehabilitation of roads have also taken center stage with key roads being upgraded, bridges to key agricultural areas rehabilitated and overall mobility improved around the county. Key investments have also been made in other major sectors like health to guarantee an uninterrupted provision of health services across the county.

The main focus of this CFSP is to strengthen past achievements over the last few years as well as trying to find solutions to challenges experienced.

Major economic focus is to revitalize agricultural productivity in the county. Through a multi-sectoral approach, key value chains have been identified as key pillars to economic growth to be supported to spur growth in the county. These includes, Chicken, Dairy, Macadamia & Avocado value chains. Implementation of these programs will guarantee job creation and inclusive growth and prosperity in the County.

The County Fiscal Strategy paper also outlines the fiscal framework to financing the 2021/22FY budget and the Medium Term taking into consideration the tight fiscal space the county is operating in given the challenges posed by expenditure pressures resulting from high wage bill, slow expansion on revenue bases and tightening National Government county allocations.

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Preparation of the 2021 CFSP has been a collective efforts by officers in the County Entities. A lot of effort and personal dedication have been spent, beyond office hours to ensure this County Fiscal Strategy Paper (CFSP) is successfully prepared as guided by the PFM Act. Profound gratitude goes to the Executive led by H.E The Governor for visionary leadership and guidance in the County.

Special gratitude goes to the preparation coordinating team that worked tirelessly throughout to transform raw data gathered from Public Participation Forums to this refined document. Special gratitude goes to the Heads of departments for their invaluable insights and submissions.

We also recognise the tireless efforts put in by officers in the Finance and Economic Planning to ensure successful completion of the document. These officers include Mr. Lawrence K. Muchira (Director, Budget) Mbugua J. N. (Director Economic Planning), Economists from the department; James Kimaru, Gachomo Paul, Njau Sylvester, Muriu Joseph, Kiura Wilson and George Macharia (From Economic Planning Department).

To these officers and all others not individually mentioned who took part in this exercise, you remain a credit to this county.

PATRICK MUGO

CHIEF OFFICER – FINANCE & ECONOMIC PLANNING

KIRINYAGA COUNTY

ABBREVIATIONS

ATC	Agricultural Training College
BPS	Budget Policy Statement
CA	County Assembly
CARA	County Allocation of Revenue Act
CBK	Central Bank of Kenya
CBROP	County Budget Review and Outlook Paper
CIG	Common Interest Group
CRA	Commission on Revenue Allocation
CBEF	County Budget and Economic Forum
CE	County Executive
CDDC	Community Driven Development Committee
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
CBR	Central Bank Rate
GBV	Gender Based Violence
GBVRC	Gender Based Violence Recovery Center
ECDE	Early Childhood Development Education
DANIDA	Danish International Development Agency
FY	Financial Year
GDP	Gross Domestic Product

ICT	Information Communication Technology
IFMIS	Integrated Financial Management Information System
KDSP	Kenya Devolution Support Programme
KNBS	Kenya National Bureau of Statistics
KARI	Kenya Agricultural Research Institute
KCBF	Kirinyaga County Bursary Fund
KRA	Kenya Revenue Authority
KRB	Kenya Roads Board
KIDA	Kirinyaga Industrial Development Authority
KUSP	Kenya Urban Support Programme
MTP	Medium Term Plan
MTEF	Medium Term Expenditure Framework
M&E	Monitoring and Evaluation
NARIGP	National Agricultural Rural Inclusive Growth Project
OAG	Office of the Auditor General
PFM	Public Finance Management
PPP	Public Private Partnership/ projects
SME	Small and Medium Enterprises
SDG	Sustainable Development Goals
PBB	Program Based Budgeting
RMS	Revenue Management System

RMLF Road Maintenance Levy Fund

SBP Single Business Permit

SHG Self-Help Group

1.0 INTRODUCTION

1.1 Overview & Legal Basis for County Fiscal Strategy Paper

This CFSP will provide basis for preparation of the budget estimates for FY 2021/22 and MTEF budget for 2021/22-2023/24.

The preparation of the County Fiscal Strategy Paper (CFSP) is guided by Section 117 of the Public Finance Management Act, 2012 and the County Government Public Finance Management Regulation Numbers 25-28 of 2015, which requires the County Treasury to prepare and submit CFSP to County Executive Committee for approval. After approval by the Committee, the County Treasury is obligated to submit the approved copy to the County Assembly, latest 28th of February. The County assembly is expected to adopt the CFSP, with or without amendments within fourteen days.

The Preparation of CFSP seeks the views of Key Individual Government institutions listed as The Commission on Revenue Allocation (CRA), County Departments, Controller of Budget, National Treasury (BPS), forums recognized by legislation (e.g. CBEF), Other stakeholders and most importantly the Public who by law (The Public Finance Management Act 2012 Section 125 (2)) are the main stakeholders during the Budget Making process. Other than aligning the County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement, the CFSP shall 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. Other requirements includes but not limited to:

- The financial outlook with respect to County Government revenues, expenditures and borrowing for the coming financial year and over the medium term.

- The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the County Assembly.

1.2 Fiscal Responsibility Principles

In line with the Constitution, The Public Finance Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. Section 107(1-2) of Public Finance Management Act states that: In managing the County Government's public finances, the County Treasury shall enforce the following Fiscal Responsibility principles-

1. Over the medium term, a minimum of 30 percent of the national and county budgets shall be allocated to development expenditure
2. The County government's expenditure on wages and benefits for public officers shall not exceed a percentage of the County government revenue as prescribed by the County Government Public Finance Management 2015 regulations.
3. Over the medium term, the national and County Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure. Note that the County Government of Kirinyaga is yet to borrow funds from financial institutions.
4. Public debt and obligations shall be maintained at a sustainable level as approved by Parliament for the National Government and the County Assembly for the County Governments.
5. Fiscal risks shall be managed prudently; and

6. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future. The Kirinyaga County Finance Act 2015 is currently in force.

1.3 Outline of the 2021 Kirinyaga County Fiscal Strategy Paper

This CFSP is organized as follows;

Chapter 1 gives an Introduction on the various laws& regulations governing the preparation of the CFSP, plus the fiscal responsibility principles governing the budgeting process.

Chapter 2 outlines the economic context in which the 2021/22 MTEF budget is prepared. It provides an overview of the recent economic developments and the macroeconomic outlook covering the global, national and county domestic scene.

Chapter 3 provides a synopsis of ‘The Wezesha Program’ which is the empowerment pillar of the Mountain Cities blueprint.

Chapter 4 is about Fiscal Policy Management, and it outlines the fiscal framework that is supportive of growth over the medium-term, while continuing to provide adequate resources to facilitate execution of policy priorities of the County Government of Kirinyaga. The chapter also outlines compliance of 2021/22FY Budget with the fiscal responsibility principles citing the anticipated Specific Fiscal Risks for the same period.

Chapter 5 gives a detailed analysis of the Medium Term Expenditure Framework. It presents the resource envelope and spending priorities for the proposed 2021/22 MTEF Budget and the Medium Term. Sector achievements and priorities are also reviewed for the period.

Executive Summary

The County's broad strategic priorities to attain accelerated economic growth over the medium term includes;

- a) Transformation of livelihoods through investments in the agricultural sector for increased productivity and profitability;
- b) Investments in infrastructure developments to support economic growth;
- c) Investments in accessible Health care to ensure a productive population;
- d) Urban solid waste management and Accessibility to clean and safe water; and
- e) Support to early childhood education and technical vocational education

Priority I: Transformation of livelihoods through investments in the agricultural sector for increased productivity and profitability

The county has identified key areas which have a potential to spur economic growth in the county. The county has continued to support the dairy, poultry, avocado and macadamia value-chains around the county. The objective is to increase productivity and profitability to local farmers. Under the NARIGP project framework, common interest groups around these value chains will be supported to increase production. The county through the Kirinyaga Investment Development Authority will support these groups through marketing strategies and value addition services. These interventions will highly empower economically the women and youth who form the bulk of the unemployed in the county.

Priority II: Investments in infrastructure developments to support agricultural production

To support agricultural productivity, the county government will continue investing in infrastructure development to support investments made in agriculture and other sectors.

Priority III: Investments in accessible Health care to ensure a productive population

The county will continue investing in the health sector to increase level and quality of services offered in these facilities. Kerugoya Referral Hospital is at an advanced construction level and upon operationalization will increase access to specialized care locally.

Priority IV: Urban solid waste management and Accessibility to clean and safe water

Through the department of environment, water and natural resources, the county government will continue to increase access to water supply system by completing key bulk water projects. Entrenching water harvesting culture through support to households with water harvesting structures. Funding of major irrigation projects will also be fast tracked for completion to ensure more farmers benefit and increase productivity.

Solid waste management will be expanded by implementing a solid waste management system involving putting up skip in strategic areas and implementing a strict waste collection in these areas.

Priority V: access to quality and affordable education

Technical vocational centers are key institutions to provide necessary skills to fight unemployment amongst the youth. The county is committed to ensure quality and affordable skills are offered in the county TVETs. Investments will continue to be made towards top class equipment, expansions and rehabilitation of key infrastructure in these TVETs.

Early childhood development in the county will continue to get supported through provision of learning and playing equipment.

County government will further continue to support needy students to access education through county bursary program.

2.0 RECENT ECONOMIC DEVELOPMENT AND OUTLOOK

2.1 Overview

This chapter highlights the economic performance with effects both at the national and county level. The county's economic performance is hugely dependent on the country's economic performance, macro-economic stability, Kenya's fiscal and economic policy formulations and implementation.

2.2 Macro-Economic Performance Indicators

Socio-Economic Effect of COVID-19 in the County.

a) Loss of employment

The pandemic saw disruption in business activities due to the containment measures. undifferentiated goods and Wholesale and retail trade; repair of motor vehicles and motorcycles recorded on average loss of 9.4 hours and 8.8 hours per week, respectively. Education sector reported the highest level of loss of hours worked (28 hours) followed by workers in Transportation and storage (15.7 hours) as shown in figure 3. Workers in construction and accommodation and food service activities lost a total of 13.7 hours and 10.5 hours per week, respectively. In private sector schools, teachers and other workers lost their incomes due to closure of schools. Some other businesses such as bars, hotels, market centers totally closed, leading to reduced business activities. Some workers in the transport sector were affected due to restrictions of moving in and out of Nairobi and Mombasa counties. On average, the county lost 7.3 hours worked in a week and the hours lost in economic base of the county like service sector and agriculture sector (7.5 hours) will negatively affect the county economy.

b) Decline in Agricultural sector

The access to market was limited due to government restrictions on curfew hours and cessation of movements. This was because most of the agricultural products were taken to market at night. However, with the lift of the ban on cessation of

movements in and out Nairobi and reduced curfew hours, there was a gradual resumption of market activities to their norm.

2.1.1 National Economic Performance

Prior to the outbreak of Covid-19 pandemic, Kenya's economy was strong and resilient despite the challenging global environment. The broad-based economic growth for 2018 and 2019 averaged 5.9 percent outperforming the 5.5 percent for the previous 5 years (2013 to 2017) and the average growth rate of 4.7 percent in the period 2008 to 2012.

In 2020, the country's economy was hugely affected by the outbreak of Covid-19 Pandemic and the instituted containment measures, which have not only disrupted the normal lives and livelihoods, but also to a greater extent businesses and economic activities. As a result, the economy is estimated to slow down to around 0.6 percent in 2020 from a growth of 5.4 percent in 2019. Looking ahead, the economy is projected to recover and grow by about 6.4 percent in 2021 and above 6.2 percent over the medium term.

The agriculture sector recorded an improved growth of 6.4 percent in the second quarter of 2020 compared to a growth of 2.9 percent in the corresponding quarter of 2019. The sector's performance was supported by a notable increase in tea production, cane deliveries, milk intake and fruit exports.

The non-agriculture (service and industry) sectors was adversely affected by the Covid-19 pandemic during the second quarter of 2020. As a result, the sector contracted by 8.5 percent in the second quarter of 2020 down from a growth of 6.4 percent in a similar quarter in 2019.

Inflation Rate

Year-on-year overall inflation rate remained low, stable and within the Government target range of 5+/-2.5 percent since end 2017 demonstrating prudent monetary policies. The inflation rate was at 5.6 percent in December 2020 from 5.8 percent in December 2019. This lower inflation was supported by a reduction in food prices.

Interest Rates

Short-term interest rates remained fairly low and stable. The Central Bank Rate was retained at 7.00 percent on November 26, 2020 same as in April 2020 to Performance in various economic sectors in the County signal lower lending rates in order to support credit access by borrowers especially the Small and Medium Enterprises, distressed by COVID-19 pandemic. The interbank rate declined to 5.1 percent in December 2020 from 6.0 percent in December 2019 in line with the easing of the monetary policy and adequate liquidity in the money market.

2.3 Effects of Macro-Economic performance to the County's Economic performance

Shrinking of the economy due to COVID-19 hugely affects the county's economy. Containment measures have devastated the economy, most notably, loss of working hours. Unemployment due to reduction in business activities impacted household's purchasing power leading to general decline in economic growth. The economy is however expected to pick up as containment measures and restrictions are gradually lifted.

Credit uptake by SMEs have been slow due to slowdown in economic activity. However, stability in interest rates is important to guarantee access to low cost credit to SMES and other small enterprises in Kirinyaga County. The CBK is monitoring and regulating interest rates to guarantee macroeconomic stability to enable recovery from COVID 19 pandemic.

The National government through its monetary policies continues to maintain inflation rates at targeted levels of 5+/-2.5 to cushion members of the public from rising cost of living.

Continued stability in the Kenya currency is important to Kirinyaga County residents to safeguard the local economy which mainly depends on tea, coffee and horticulture exports which can be affected by volatility in currency fluctuations.

Further, the pandemic led to poor business activity and negatively impacting on revenue targets by National Government. This has led to slow disbursements of funds to County Governments and consequently negatively affecting budgetary implementation.

2.4 Review and Outlook for the Medium Term

2.4.1 Fiscal Performance review- Implementation of 2020-21 FY Budget

Revenue Analysis

The approved resource envelope in Approved Supplementary Budget 1 FY 2020/21 Kirinyaga County Budget amounts to KShs. 6,768,270,021 which will be financed as per the below resource envelope.

DESCRIPTION	APPROVED SUPPLEMENTARY BUDGET 1
Equitable Share	4,241,100,000
Allocation - User Fees Foregone	11,282,570
Conditional Allocation financed by a Grant from National Government for COVID-19 Emergency Response	116,356,000
Transforming Healthcare Systems for Universal Care Project (THSUCP)	26,720,000
Allocation of Roads Maintenance Fuel Levy Fund for Repair and Maintenance of County Roads	127,349,086
Savings from Roads Maintenance Levy Fund for FY 2018-2019	24,400,000
Delayed Exchequer May/June 2020	364,734,600
Allocation Financed by Grant from Government of Denmark to Supplement Financing of County Health facilities (DANIDA)	12,060,000
Additional Allocation Financed by Grant from Government of Denmark to Supplement Financing of County Health facilities (DANIDA)	4,585,000
Local Revenues	405,000,000
IDA (World Bank)-Kenya Devolution Support Programme Grant (KDSP) Level 1 Grant (Roll-Over FY 2018/2019)	41,078,830
IDA (World Bank)-Kenya Devolution Support Programme Grant (KDSP) Level 1 Grant (Roll-Over FY 2019/2020)	30,000,000
IDA (World Bank)-Kenya Devolution Support Programme Grant (KDSP) Level 1 Grant	45,000,000
IDA-(World Bank) Kenya Devolution Support Programme Grant (KDSP) Level 2 Grant	146,608,512

Receipt from National Government's Ministry of Health for allowances to be paid to frontline health care workers for COVID-19	43,740,000
National Government- Grant for Youth Polytechnics	26,899,894
IDA-(World Bank) Kenya Urban Support Project (KUSP) UDG	71,302,200
IDA- (Kenya Urban Support Project (KUSP)-UIG	8,800,000
IDA- (World Bank)Credit National Agricultural and Rural Inclusive Growth Project (NARIGP)	199,748,243
Sweden- Agriculture Sector Development Support Programme (ASDSP II)	11,509,004
Rolled over Funds	809,996,082
TOTAL REVENUES	6,768,270,021

Source: County Treasury

Own Source Revenue

The County has a projected revenue target of KShs. 405,000,000 in the FY 2020/21 Budget and during the period under review the actual Own Source Revenue collected in the second quarter amounts to Kshs. 70,701,991 while total revenue collected for half-year amounts to Kshs 162,654,917.

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REVENUE SOURCE	ANNUAL TARGET	1ST QUARTER	OCTOBER	NOVEMBER	DECEMBER	2ND QUARTER	TOTAL	VARIANCE
Business Permits	69,998,560	11,869,944	1,649,572	570,712	419,344	2,639,628	14,509,572	55,488,988
Market Entrance/Gate Fee	35,000,000	9,532,680	3,215,490	2,856,120	3,705,710	9,777,320	19,310,000	15,690,000
Quarry Cess/Fee	3,000,000	758,000	252,400	183,200	144,000	579,600	1,337,600	1,662,400
Parking Fee	22,000,000	4,976,790	1,103,370	1,992,170	2,320,940	5,416,480	10,393,270	11,606,730
Land Ground Rates &Arrears	25,484,928	2,957,994	547,914	501,862	616,498	1,666,274	4,624,268	20,860,660
Liquor License	24,000,000	3,213,000	522,500	120,000	216,500	859,000	4,072,000	19,928,000
Health(Hospitals)	140,000,000	44,315,132	16,486,063	11,550,014	11,029,298	39,065,375	83,380,507	56,619,493
Veterinary Services	5,141,255	1,309,450	317,500	174,800	0	492,300	1,801,750	3,339,505
Buildings Plans	12,120,200	3,072,582	0	161,690	989,040	1,150,730	4,223,312	7,896,888
Public Health	24,000,000	1,045,100	260,400	224,000	0	484,400	1,529,500	22,470,500
Sub Division Fee	1,000,000	46,100	0	53,400	17,400	70,800	116,900	883,100
Transfer Fee	1,350,226	412,900	0	52,300	110,500	162,800	575,700	774,526
House Rents	2,649,600	594,500	208,000	237,600	195,000	640,600	1,235,100	1,414,500
Market Stall	2,500,000	582,300	223,150	0	220,000	443,150	1,025,450	1,474,550
Survey Fee	1,000,000	79,800	0	0	16,000	16,000	95,800	904,200
Sale Of Minutes	1,178,763	266,600	0	38,200	75,000	113,200	379,800	798,963
Advertisement	9,500,000	1,207,645	0	0	360,800	360,800	1,568,445	7,931,555
Produce Cess	6,000,000	1,332,320	0	0	242,400	242,400	1,574,720	4,425,280
Trade-Weights	980,000	143,180	155,310	109,100	29,980	294,390	437,570	542,430
Coop Audit	600,000	0	0	0	0	0	0	600,000
Group Registration	1,400,000	408,900	74,900	51,700	51,700	178,300	587,200	812,800
Refuse Collection	8,485,151	1,158,623	0	26,480	98,760	125,240	1,283,863	7,201,288
Kamweti	3,801,935	326,854	853,771	78,963	101,377	1,034,111	1,360,965	2,440,970
Administrative Charges	3,809,383	2,342,532	3,387,102	1,250,816	251,175	4,889,093	7,231,625	-3,422,242
TOTAL (FY 2020/2021)	405,000,000	91,952,926	29,257,442	20,233,127	21,211,422	70,701,991	162,654,917	242,345,083
TOTAL (FY 2019/2020)	374,738,723	62,745,434	20,655,773	18,227,578	19,934,818	58,818,169	121,563,603	253,175,121

Source: County Treasury

Challenges

Strategies to Enhance Revenue Collection

a) Revenue Automation

The County is in the process of implementing a Revenue Collection & Management System which is currently at an advanced stage. Once in place the county will realize efficient and accountable processes which will boost revenue collection.

b) Infrastructural Improvement

The County has invested in capital projects with revenue returns which include:

- town parking improvement
- markets refurbishment
- Street and market lighting
- Improvement of road network

c) Stability of Health Services Sector

The County has invested in:

- Hospital Automation (Hospital Management System)
- Procurement of drugs to meet the needs in all county hospitals
- Negotiated with medical practitioners for lasting labour solutions
- Improved hospital infrastructure to match the services needed by the County citizenry
- Employed additional medical practitioners to enhance health accessibility

The County has come up with an enforcement programme to seal revenue leakages and collect all outstanding arrears and has further established cess inspection and collection points.

Expenditure Analysis

The County Government total approved 2020/21 FY in First Supplementary budget amounts to KShs. 5,679,035,514. This includes development allocation of KShs. 1,949,997,961.00 and recurrent allocation of Kshs 3,729,037,553.

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		Approved Budget 2020/21			Supplementary 1 Approved Budget		
		Approved Recurrent Budget 2020/21 FY	Approved Development Budget 2020/21 FY	TOTAL	Approved Supplementary 1 Budget 2020/21FY Recurrent	Approved Supplementary 1 Budget 2020/21FY Development	TOTAL
ENTITY		KSHS	KSHS	KSHS	KSHS	KSHS	KSHS
3961	County Assembly	569,393,333	631,144,738	1,200,538,071	569,393,333	500,860,717	1,070,254,050
3962	County Executive	333,680,850	85,000,000	418,680,850	481,790,441	149,097,638	630,888,079
3963	Finance and Economic Planning	400,294,539	70,000,000	470,294,539	572,615,230	152,672,520	725,287,750
3964	Agriculture, Livestock and Fisheries	182,003,939	202,748,243	384,752,182	235,701,097	546,599,715	782,300,812
3965	Environment, Water and Natural Resources	91,089,239	120,000,000	211,089,239	102,589,239	92,050,000	194,639,239
3966	Education	281,944,729	56,099,894	338,044,623	245,744,623	54,038,344	299,782,967
3967	County Health Services	1,677,282,757	264,356,000	1,941,638,757	1,711,902,792	557,554,955	2,269,457,747
3968	Lands, Housing and Urban Development	27,968,028	13,700,000	41,668,028	37,768,028	164,999,831	202,767,859
3969	Transport and Infrastructure	71,666,285	386,749,086	458,415,371	77,078,285	324,760,698	401,838,983
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	27,353,627	17,200,000	44,553,627	42,839,441	40,336,868	83,176,309
3971	Gender and Youth	35,752,210	78,100,000	113,852,210	46,168,210	7,000,000	53,168,210
3972	Sports, Culture and Social Services	30,608,017	24,900,000	55,508,017	20,608,017	34,100,000	54,708,017
TOTAL		3,729,037,553	1,949,997,961	5,679,035,514	4,144,198,736	2,624,071,285	6,768,270,021

Source: County Treasury

Recurrent Expenditure

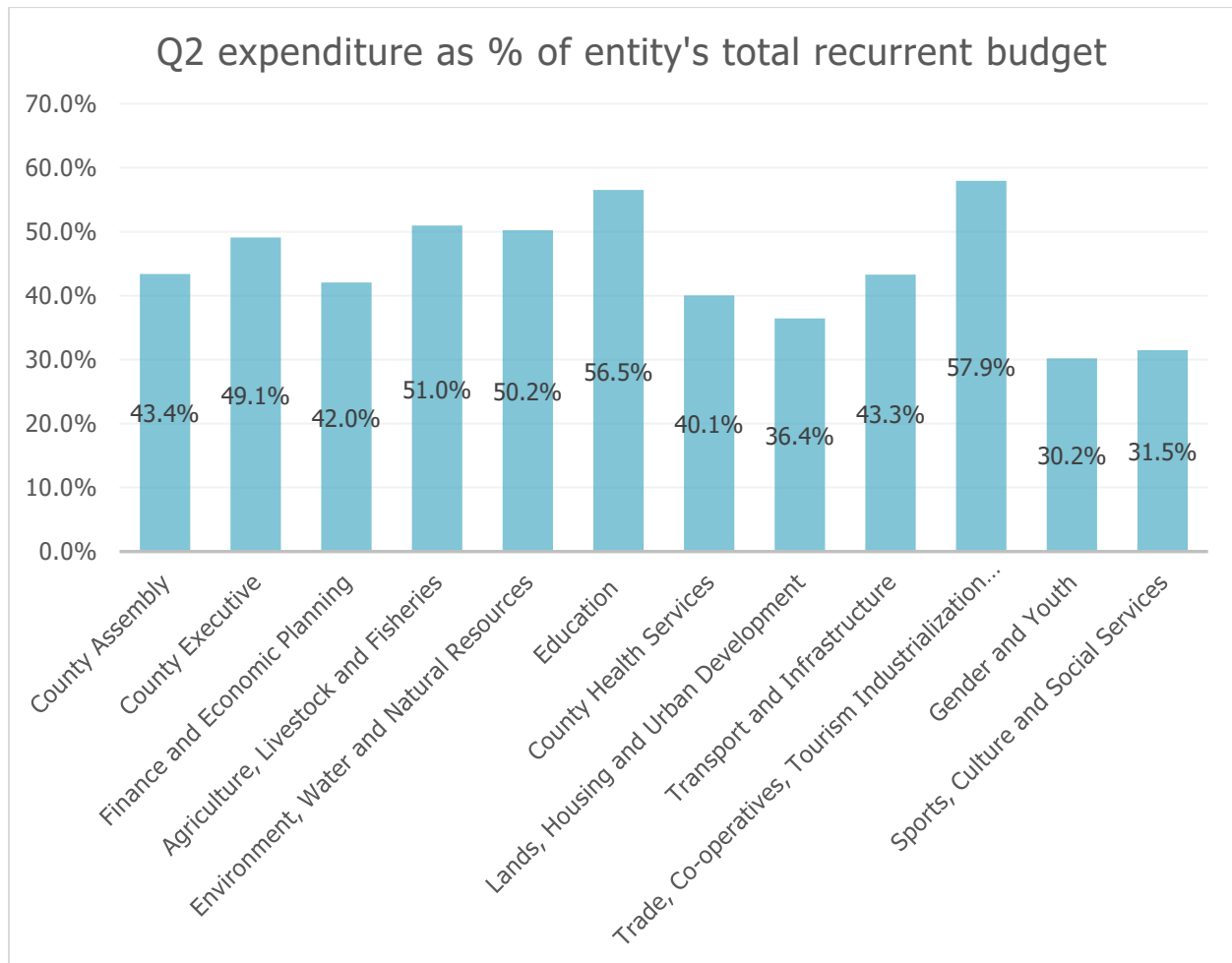
Total cumulative recurrent expenditure for first six months of 2020/21 FY amounted to KShs. 1,813,389,708 which represents 44% of the total recurrent budget estimates. The major contributor to the first quarter expenditure is the County Health services department. Total recurrent expenditure for this sector amounts to KShs. 685,928,754. This indicates a 38% of the total recurrent expenditure in the county for the period under review. This also represents a 40% expenditure against total approved recurrent expenditure for this department.

The first six months recurrent expenditure for 2020/21 FY has recorded a 306,037,469.00 (20%) increase compared to a similar period in 2019/20FY.

First Six Months Expenditure per Department 2020/21 FY

		Approved Recurrent Budget 2020/21 FY	Approved Supplementar y 1 Budget 2020/21FY Recurrent	2nd Quarter Cumulative Expenditure
	ENTITY	KSHS	KSHS	KSHS
3961	County Assembly	569,393,333	569,393,333	247,200,895
3962	County Executive	333,680,850	481,790,441	236,612,966
3963	Finance and Economic Planning	400,294,539	572,615,230	240,714,313
3964	Agriculture, Livestock and Fisheries	182,003,939	235,701,097	120,137,923
3965	Environment, Water and Natural Resources	91,089,239	102,589,239	51,533,658
3966	Education	281,944,729	245,744,623	138,874,981
3967	County Health Services	1,677,282,757	1,711,902,792	685,928,754
3968	Lands, Housing and Urban Development	27,968,028	37,768,028	13,759,825
3969	Transport and Infrastructure	71,666,285	77,078,285	33,379,930
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	27,353,627	42,839,441	24,823,265
3971	Gender and Youth	35,752,210	46,168,210	13,933,390
3972	Sports, Culture and Social Services	30,608,017	20,608,017	6,489,808
	TOTAL	3,729,037,553	4,144,198,736	1,813,389,708

Source: County Treasury



Development Expenditure

Development expenditure for the period under review amounted to Kshs. 232,176,897. This is an increase in expenditure compared to a similar period in 2019/20FY which recorded development expenditure amounting to Kshs 183,226,952.

Health Services department has the largest share in development expenditure for the first six months amounting to 181,427,687.00 (78% of total development expenditure)

		Approved Development Budget 2020/21 FY	Approved Supplementary 1 Budget 2020/21FY Development	2nd Quarter Cumulative Expenditure
	ENTITY	KSHS	KSHS	
3961	County Assembly	631,144,738	500,860,717	-
3962	County Executive	85,000,000	149,097,638	-
3963	Finance and Economic Planning	70,000,000	152,672,520	11,869,508
3964	Agriculture, Livestock and Fisheries	202,748,243	546,599,715	16,916,271
3965	Environment, Water and Natural Resources	120,000,000	92,050,000	-
3966	Education	56,099,894	54,038,344	-
3967	County Health Services	264,356,000	557,554,955	181,427,687
3968	Lands, Housing and Urban Development	13,700,000	164,999,831	20,304,100
3969	Transport and Infrastructure	386,749,086	324,760,698	1,659,331
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	17,200,000	40,336,868	-
3971	Gender and Youth	78,100,000	7,000,000	-
3972	Sports, Culture and Social Services	24,900,000	34,100,000	-
	TOTAL	1,949,997,961	2,624,071,285	232,176,897

Source: County Treasury

2.4.2 Outlook for the Medium Term

The economy is expected to recover as both the National and County governments seeks to implement post covid-19 recovery strategies. These strategy are expected to increase demand for consumer goods both in the public and private sectors.

The County Government will continue to invest in the agricultural sector to revitalize dairy, poultry, avocado agribusinesses under the Wezesha Program. The county government through Kirinyaga Investment Development Authority is working closely with producer organizations to consolidate investment opportunities in the agribusiness sector to guarantee good prices for farmers.

Further, the National Government is in the process of enacting various policies seeking to improve the tea and coffee sector. Recently enacted Tea Act 2020 is expected to improve earnings to tea farmers in tea growing zones in the county, a move that will increase demand for goods at the local level and spur economic growth in the county. Further, the National Government through the Ministry of Agriculture is in the process of enacting the Coffee Bill that seeks to streamline business in the coffee sector, aimed at eliminating bottlenecks in the marketing of coffee. These moves are expected to improve farmer's returns.

These efforts will further be supported by continued sustained investment in infrastructure most notably in the health, transport, urban development, trade sectors.

2.5 Risks to the Economic Outlook

The economy in the county is hugely dependent on agriculture and service sectors. The uncertainty surrounding Covid-19 pandemic persistence and unpredictability poses threat to the economy especially if more containment measures are needed. These measures have potential to hurt the services sector and reduce demand for locally produced commodities.

Other risks involves unpredictable weather patterns which have a potential to negatively affect the agricultural economy in the County. Further the persistent threat of locust invasion poses a threat to food security in the county.

The County Government will constantly monitor the risks and take appropriate measures to mitigate them. The county is also banking on the National Government's roles in ensuring macroeconomic stability in the country through prudent fiscal and monetary policies.

3.0 STRENGTHENING EMPOWERMENT FOR ECONOMIC RECOVERY AND PROSPERITY.

3.1 The Mountain Cities Blueprint, 2032

The County Government of Kirinyaga as embarked on implementation of the economic blueprint that seeks to better the lives of the Citizens Kirinyaga. The fifteen years (15) vision seeks to economically empower the Citizens while advocating for social transformation in a bid to embrace contemporary accepted cultural reforms. The Implementation of the Blueprint is anchored on three pillars:

Economic Empowerment: In order to reinvent the economies of the County we will need to create an enabling environment to make it easier for interested businesses and developers to invest in the community in ways that support the community's long-term priorities.

Investment in youth and women to engage in meaningful employment through supporting business growth strategies to cut the unemployment rate.

Utilization of natural heritage assets and arable land is also a key pillar to unlock the growth potential which has remained underutilized over the years.

These interventions will include: Facilitating private-sector investment, which include streamlining the development process, providing technical assistance, and creating informational guides.

Social Transformation:

The Mountain Cities Development Strategy intends to invest in its natural assets by protecting resources that can better attract and retain residents, tourists, and businesses who value clean air and water and natural landscapes.

While a small County like Kirinyaga can face more significant challenges than her larger counterparts, she also has great opportunities. The foundations above show how this community facing a diversity of challenges seeks to successfully redesign its economies to fit the changing economic climate. As a small County, with limited resources, Kirinyaga must be adaptive, accountable thinking beyond just being a good place to do business and focused on using its distinctive assets for economic development. H.E Ann Waiguru understands this and effectively articulates the integration of the economic development activities. Her strategy breaks these activities into efforts to support and nurture those features that make the community of Kirinyaga distinctive and Africa's premiere Mountain Cities.

Public Sector Reform: Our Constitution designed devolution to succeed in the interest of the citizens. Cooperation and interdependence is our competitive advantage as a Nation. County Government, National Government and communities are more likely to be successful in part because entities with different missions work together to make the County of Kirinyaga a better place to live and work. Cooperation within the County and across the region to achieve jointly established priorities helps leverage the assets that each can bring to the table to make the most of the region's resources.

Public sector reforms can be achieved through;

- a) Strong, focused, goal-oriented, sector-based partnerships to ensure that there is collaboration within and across sectoral teams;
- b) A sound fiscal strategy;
- c) An integrated mid-term public financial management system; and
- d) An effective performance management framework that is results driven for service delivery at every level

3.1.1 The Wezesha Program

This is a multi-sectoral economic empowerment program that seeks to transform the lives of youths, women and Persons Living with Disabilities in Kirinyaga County.

The County Government of Kirinyaga seeks to implement an all-inclusive government approach (whole of government approach) with deliberate effort towards economically empowering Youth Women and PWDs. Further, the program envisages to empower Vulnerable and Marginalized Groups (VMGs) which include: unemployed youth, elderly women and men, widows/orphans, recovering substance abusers, and people living with HIV/AIDS.

The program is designed to carry-out an analysis of Income trends, identifying severely affected groups amongst Youths, Women, PWDs and VMGs with low income trends and developing interventions geared towards shifting the income trends for the better. In this endeavor, the County Government of Kirinyaga has established Wezesha Kirinyaga Technical Committee that is dedicated to oversee the implementation of Wezesha Kirinyaga cutting across all levels of Government including donor funded projects.

To successfully implement this programme, it is important that all departments deliberately harmonize management of their resource envelopes and adapt Wezesha focused budgeting process.

For purposes of coordination, this program will be domicile at the departments of Gender and social services. Key players in implementation of the program shall be the departments of: (a) Youth and sports, (b) Agriculture, Veterinary, Livestock and Fisheries and (c) the Department of Education and Public Service. The key player departments were identified based on the program's Focus groups (Youth, Women and Abled Differently Persons.), however, the program is a multi- sectoral program and therefore all departments will be required to integrate their work plans and Budgets with the broad objectives of the program.

This policy therefore serves to direct the departments to ensure that budget preparation process is Wezesha focused and that each of the departments shall be required to ensure their budget have a programme that fully demonstrates compliance with the objectives of Wezesha.

This program has the following main objectives;

- ✓ Economically empower the youth, women and PWDs thereby enabling financial independence among the target groups
- ✓ Generate wealth for the county by creating jobs for the youth, women and PWDs.
- ✓ Transform the target groups by equipping them with knowledge on contemporary, socially acceptable means of livelihoods and proper management of resources.

This program has four apex points;

1. Value Chain identification
2. Sacco formation
3. Savings and Investment
4. Training and Capacity building

Main Strategic Focus Areas

This program will focus on Projects that have high impact on the target group with easily achievable results in the following areas;

- ✓ Dairy value addition
- ✓ Poultry farming
- ✓ Horticulture i.e. Tomatoes
- ✓ Cereals i.e. rice agro-processing
- ✓ Fruit tree seedling propagation
- ✓ Aquaculture
- ✓ Avocado processing

Poultry Value chain

The County Government has supported poultry farmers to increase productivity as well as scaling up their capacity to access better markets. Construction of 32 poultry houses to CIG's has been completed and each of these 32 CIGs benefited

from 1250 chicks each as start-up. In the second phase, a further 45 groups have been identified to be supported with construction of poultry houses infrastructure, startup chicks and feeds for the first six months.

Further, the county constructed a cold storage facility to enable farmers prolong the shelf life of eggs. To further enhance the feeds production and supply, the government has rehabilitated and increased output levels of animal feeds production unit. This unit has been producing feeds to support poultry value chain as well as providing high quality feeds at competitive prices.

Dairy Value chain

The Government has been supporting dairy farming to ensure farmers adopt effective systems to increase milk productivity. 17 dairy groups were supported and funded towards adaption of relevant technologies in dairy farming. The program is further supporting 60 dairy groups towards increasing milk productivity by improvement of breeds. Under this program, the county is in the process of supporting 4 dairy producer organizations to enhance their value addition capacities.

Tomato Value Chain

Horticulture is one of the key economic activities in the agriculture sector. Tomato farming is among the main agribusiness activity in the county. To support increased productivity in tomato farming, a number of initiatives were identified to spur productivity. Quality of seedlings plays a major role in tomato production. Therefore it's important to invest in high quality seedlings for maximum productivity. Reduction of post-harvest losses is a key aspect in guaranteeing increased earnings to farmers. To address these objectives, the county government has invested in tomato value chain whereby 11 tomato CIGs have been supported. The county is in the process of constructing of a modern seedlings propagation nursery, Construction of aggregation centers and agro processing facilities is also underway.

Other initiatives to increase productivity

In order to increase productivity in the agricultural sector, the government has developed various initiatives aimed at empowering the farmers;

Provision of high quality feeds, formulated for maximum productivity. The feeds are accessible to farmers at a subsidized price.

Promoting adoption of new technologies, especially in banana value chain, whereby the government is promoting adoption of tissue culture banana farming.

To build capacity to farmers, the government is conducting farmer field schools to enable farmers learn best agronomic practices along the tomato value chain.

Further, to promote fish farming in the county, ministry of agriculture in collaboration with IFAD implementing aquaculture business development program. The program focus is to establish and strengthen smallholder business oriented aquaculture organizations; Support pond construction and improve productivity existing structures ; Create technical and business skills ; Conduct community nutrition initiatives; Identify activities to be implemented through Public Private Partnerships (PPPs); Improve aquaculture production, productivity as well as food security and nutrition of smallholder farmers; increased private sector participation in Aquaculture value chain operations through strategic Public Private Producer Partnerships (PPPPs).

The county government together with ministry of agriculture has been actively engaging stakeholders to develop policies and regulations to streamline the coffee sector to enable farmers get improved returns.

4.0 FISCAL POLICY AND MANAGEMENT

The fiscal framework for the FY 2021/22 Budget is based on the County Government’s policy priorities and macroeconomic policy framework set out in Chapter 2 and Chapter 3. With expenditure pressures and limited resources, county government entities will need to consider affordability as well as adopting measures of efficiency and austerity in allocation of resources.

I. Compliance with Fiscal Responsibility Principles

a) Compliance to Development Allocation

Section 107(2) of the PFM Act 2012 requires that County Governments allocate a minimum of 30 percent of their budget to development expenditure. The County Government’s budgetary allocation to development expenditures has been above the 30 percent of its total expenditures.

<i>Budget Year</i>	<i>Development Allocation</i>	<i>Percentage to Total Allocation</i>
<i>2017-18</i>	1.71 Billion	30%
<i>2018-19</i>	1.82 Billion	30.8%
<i>2019-20</i>	1.835 Billion	30%
<i>2020-21</i>	2.624 Billion	39%

Table: Development budget allocations *(Source Kirinyaga County Treasury)*

b) Compliance with requirement on Wages expenditure

Section 25(1) (b) of the PFM (County Governments) Regulations, 2015 requires that County Governments’ wage bill shall not exceed 35 percent of their total revenue. The County Government share of wages and benefits to revenues is currently at 37% and is projected to reduce over the medium term. The County will however only employ/replace essential personnel while putting in place measures to enhance revenue collection over the medium term.

II. Statement of Specific Fiscal Risks

Revenue

Receipts from the National Government transfers forms the bulk of the county's revenue source. If the National Government delays in disbursements, budget implementation will be at risk as was evident in the FY 2019/2020 where the National Treasury did not disburse 364Million to the county for that respective Financial Year

Own source revenue also comprises of significant revenue source in the county. Current uncertainties surrounding COVID-19 pandemic poses a threat to revenue collection which can result in underfunding in implementation of the budgeted programs and projects.

Risks from Natural Disasters

The county is prone to natural disasters from time to time. For instance, delayed long rain affects agriculture productivity in the county which affects livelihoods directly. Excessive rain can result to damages to horticultural crop fields, damages to road infrastructure and bridges affecting movement of goods and persons, flooding in lower zones thereby affecting livelihoods. These hazards puts pressure on government spending to mitigate them.

Ministry of Agriculture is currently issuing alerts on potential invasion by locust which further widens the risk on the agricultural economy in the county.

Technological Disaster

Businesses in the county are leveraging on expansion of mobile telephony money transfers which has improved at a high rate. The government is also dependent on systems like IFMIS to conduct payments to suppliers and employees. These systems are prone to disruption through system failures, cybercrime attacks which can result in financial losses. Through the National Government, safeguards to these systems are being implemented through the ministry of ICT to ensure no disruption.

III. Debt Management Strategy

The recent fiscal realities are such that counties’ receipts from the National Treasury are not disbursed in time. Also, COVID-19 has impacted on collection of Own Source Revenue (OSR) resulting in the county not meeting its set revenue targets. These two issues when interpreted against the aspirations of the residents for faster and more impactful service delivery imply that counties might be compelled to enter the domestic market to borrow to finance their development projects. The move by counties to borrow has received a nod from the Government through the National Treasury release of guidelines on borrowing by counties

In the circumstances, In the FY 2021/2022, the County Government proposes to borrow by way of commercial bank loan of **Kshs 920,000,000**. This amount is equivalent to 19.9% of last audited revenues (equitable share and own source revenue) and complies with regulation 179 (1) Of the Public Finance (County Governments) regulations, 2015. In addition, this being the first instance by the county to borrow, the amount of Kshs. 920 Million represents the debt limit and total county debt as required by regulation 180 (1) and (2) of the PFM

The amount will be borrowed from a commercial bank in a single tranche which will be disbursed immediately to the County Revenue Fund (CRF) on successful approval

In terms of sustainability, the County will leverage its OSR to support repayment for the loan over ten (10) years with annual repayments of Kshs 164 Million as shown in the table below;

Proposed borrowing and repayment plan

Year	Principal(A)	Interest (B)	Total Payment(A+B)	Balance	Loan Paid to Date
YR. 0	39,591,163.62	97,774,717.16	137,365,880.78	880,408,836.38	4.30%
YR. 1	53,499,168.83	111,339,888.10	164,839,056.93	826,909,667.55	10.12%
YR. 2	60,883,791.87	103,955,265.07	164,839,056.94	766,025,875.68	16.74%

YR. 3	69,287,732.75	95,551,324.18	164,839,056.93	696,738,142.93	24.27%
YR. 4	78,851,690.45	85,987,366.49	164,839,056.94	617,886,452.48	32.84%
YR. 5	89,735,784.96	75,103,271.98	164,839,056.94	528,150,667.52	42.59%
YR. 6	102,122,238.05	62,716,818.89	164,839,056.94	426,028,429.48	53.69%
YR. 7	116,218,423.99	48,620,632.94	164,839,056.93	309,810,005.49	66.32%
YR. 8	132,260,341.46	32,578,715.47	164,839,056.93	177,549,664.02	80.70%
YR. 9	150,516,564.62	14,322,492.32	164,839,056.94	27,033,099.40	97.06%
YR.10	27,033,099.40	440,076.75	27,473,176.15	-	100.00%
Total	920,000,000.00	728,390,569.35	1,648,390,569.35		

As required by section 58 of PFMA 2012 and Regulation 181(2) (c), the County shall contribute **Not Less Than 15%** from its own sources towards projects funding through borrowing. In view of this, the county has set aside Ksh. 138,000,000 as county funding towards projects identified for implementation with borrowing financing.

The purpose of the financing will be to drive industrialization and mechanization objectives of the county. In industrialization, the financing will be utilized for the development of Kiine-Thigirici industrial park, by constructing common infrastructure such as roads, utilities, and model warehouses for the park. These investments will be the basis for wooing potential investors.

To meet the mechanization objective, the County intends the financing to be utilized to the following projects:

1. Purchase of water-drilling rigs. These will enable the county drill boreholes which in turn will improve access to water by residents in a cost-effective way.
2. Purchase of polymers for road improvement from murrum standards. The county has some of the necessary machines to actualize the polymer technology. However, the county requires to purchase the polymer materials and a mixer
3. Purchase of fuel bowsers to cut- down on the cost of purchase of fuel at pump prices. Purchase of road equipment *viz* backhoes and trucks to

complement the existing fleet and to support the road improvement program cited above

4. Purchase of rice combine harvesters. These will be used to support rice farmers in harvesting rice and bring down the cost of harvesting rice.
5. Purchase of modern fire engines to add to the existing county fleet ,
6. Purchase of trucks for transporting coffee. This will cut down the cost charged to coffee farmers for transporting coffee parchment which in turn reduces the amount that they receive in final payments

5.0 MEDIUM TERM EXPENDITURE FRAMEWORK

5.1 Revenue Projections

Revenue Forecast for 2020-21FY

In September 2020, Parliament approved the third basis for equitable sharing of revenue among county governments. The new basis has two components, the allocation ratio which was based on the FY 2019/2020 basis and the formula; which will share any amount above 316 Billion allocation. The National Treasury has adopted the recommendation of the Intergovernmental Budget and Economic Council (IBEC) on amount to be allocated to counties. Consequently the National Treasury proposes a 16.9 percent growth in Counties' FY 2021/22 equitable revenue share allocation to Counties. This translates to an increase of **Kshs. 53.5 billion** against the FY 2020/21 allocation. Thus in turn translates to a baseline allocation of **Ksh 370 billion**.

In addition to county equitable share, the National Treasury has also proposed **Ksh. 32.3 Billion** as Loans and Grants and further **Kshs 7.2 Billion** for leasing of medical equipment.

National Treasury further proposes that four existing conditional allocations funded from the National Government's revenue share be converted to unconditional allocations to be disbursed to the Counties as part of their equitable revenue share. The four conditional allocations are: the Road Maintenance Levy Fund (RMLF); the grant to level-5 hospitals; the compensation for user fees foregone and the rehabilitation of village polytechnics grants. If approved by Parliament, this will guarantee County Governments a total allocation of **Ksh 409.9 billion** in FY 2021/22

Using the above proposed revenue allocations, in 2021/22 Financial Year, Kirinyaga County projects to receive **5,196,177,952** as equitable share. Other sources includes loans and grants financed by credit from World Bank and other partners amounting to **573,638,600**.

Projected Resource Envelope

Description	Amount
Equitable Share	5,196,177,952
Conditional allocation financed by credit from WB and Others	573,638,600
Financing from Borrowing	920,000,000
Own Source Revenue	410,000,000
TOTAL	7,099,816,552

Table: Allocation to Kirinyaga County as indicated in the Draft 2021 BPS

Source: BPS 2021 National Treasury

Further the county is projected to be allocated Ksh. 153,297,872 for leasing of Medical Equipment. These funds are operated by the Ministry of Health on behalf of the County.

National Government transfers as highlighted by 2021 BPS are subject to change and that County Allocation of Revenue Act (CARA) 2021 shall set out the actual County equitable share and specific allocations for other loans and grants.

The County will continue to explore engagement with the private sector in implementation of projects through Private Public Partnership (PPP) Program. In addition, to fulfil the development objectives in the medium term, the County also endeavors to engage other development partners to enter into agreements to fund key development projects.

5.2 Financial Year 2020-21 and Medium Term Budget Priorities

5.2.1 National Priorities

The national government’s Budget Policy Statement shows that national priority sectors will continue to implement programs and Policies under the ‘Big Four Plan’ enabled under the pillars of ‘Economic Transformation Agenda’. This year’s BPS seeks to unlock economic potential by harnessing “the big four” through: (i) Supporting value addition and raising the manufacturing sector’s share to GDP to 15 percent by 2022. This will accelerate economic growth, create jobs and

reduce poverty; (ii) Focusing on initiatives that guarantee food security and nutrition to all Kenyans by 2022 through expansion of food production and supply, reduction of food prices to ensure affordability and support value addition in the food processing value chain; (iii.) Providing Universal Health Coverage thereby guaranteeing quality and affordable healthcare to all Kenyans; and, (iv). Providing at least five hundred thousand (500,000) affordable new houses to Kenyans by 2022, and thereby improving the living conditions for Kenyans.

5.2.2 County Priorities

The County Government will continue to implement priority programs as envisioned in CIDP (2018-22) with emphasis on efficient allocation of limited resources.

In the recurrent expenditure category, non-discretionary expenditures take first charge. These includes compensation to employees.

Over the medium term, a minimum of 30 percent of the total revenue will be available to fund development projects and programs.

Development expenditures will be shared out on the basis of county flagship projects as in CIDP 2018-22, county empowerment program for wealth creation, key areas that seeks to spur post-COVID-19 economic recovery. The following criteria is used in determining development allocation

- 1. Ongoing Projects:** Emphasis will continue to be given to completion of ongoing projects in the County in particular infrastructure projects as well as other projects with a high impact on provision of health services, poverty reduction and equity, employment and wealth creation.
- 2. Strategic Policy Interventions:** funding will also continue to be prioritized in strategic interventions covering the County
- 3. Wezesha Program:** aimed at empowering women and youth to engage in dignified and sustainable economic activities.
- 4. Post-COVID 19 Recovery:** Consideration is also given to interventions

supporting Post-COVID-19 recovery.

5. **Completion of stalled projects:** The county government has various projects which were commenced in previous financial Years but which have not since stalled. Consideration will be given to fund the completion of such projects in the Medium-Term.
6. **Settlement of Pending bills:** The County Executive has pending bills for goods, services and works procured in previous Financial Years (FYs). These pending bills will prioritized for payment in the coming FY

5.3 Details of Sector Priorities

5.3.1 Overview

Budgetary allocations for the 2021/22 financial year and the medium term will be focusing on creating enabling environment to economic recovery and prosperity. Investments will continue to be made in empowerment programs aimed at creating employment opportunities especially to the youth and women. Further, the county government will continue investment in key so-economic sectors. Investments in infrastructure development, improvement of services and efficiency in delivery of the same in county health facilities, supporting the education sector; TVET and ECDE institutions.

The sector allocations are also informed by the second generation of County Integrated Development Plan (CIDP) 2018-2022, The Strategic plan and the Integrated Development Plan have been aligned to the goals and the objectives of the third Medium Term Plan 2018-2022 and the Kenya Vision 2030. The key resource allocation will therefore focus on the following areas;

- a) Transformation of livelihoods through investments in the agricultural sector for increased productivity and profitability;
 - b) Investments in infrastructure developments to support economic growth;
 - c) Investments in accessible Health care to ensure a productive population;
 - d) Urban solid waste management and Accessibility to clean and safe water;
- and

e) Support to early childhood education and technical vocational education

5.3.2 Details of Sectoral Priorities and Resource Allocation

5.3.2.1 Office of the Governor

The major role of the sector is to provide leadership and policy direction to ensure efficient and effective service delivery. The key priorities of this sector are:

- Instituting county public service reforms to ensure effective and efficient service delivery
- Providing leadership and guidance in human resource management
- Development of appropriate county organization structures
- Enhancement of transparency and accountability in all county entities
- Effective management and coordination of county government operations

In the previous MTEF, the sector implemented the key programs that were geared towards ensuring efficient and effective service delivery;

Through the ICT department, the government is implementing Hospital Management System which is intended to ensure full automation of the hospital services. In addition, the department has also automated performance management system which is intended to assist in the monitoring the implementation of projects and programs.

To ensure there is improved efficiency in resources mobilization from own source revenues, the government is rolling out a Revenue Management System (RMS) which is at an advanced stage of development. Further, the ICT department with collaboration with ministry of ICT is at advanced stage in ensuring fibre optic connectivity to county and sub-county offices. The fiber connectivity is close to getting completed.

Establishment of Kirinyaga Investment Development Authority, KIDA, to facilitating the spearheading development of investment opportunities and strategies in the County. KIDA has been actively engaging investors to potential business opportunities in the County, especially in the agriculture sector.

For efficient and effective management of information, the department has prepared a Record management policy and procedure manual.

Under the Human Resource Management section, having an organization structure and approved staff establishment is a key component to a clear basis for budgeting, recruitment and planning for human resource. Towards this end, the department has drafted organization structure, drafted staff establishment and subjected it to stakeholder's engagement for onward submission for approval. In addition, development of HR Policies and procedures is a key pillar for resource management. HR Manuals and Code of conduct and ethics draft already subjected to stakeholders engagement (EACC) – to the government for publication.

The department also ensures good work environment in accordance with occupation safety and health act. Routine maintenances of government buildings have been conducted, ensuring safety of employees by conducting fire drills, ensuring health of cleaning staff by provision of safety gear.

The County Attorney and the legal department ensures that the county litigates all matters effectively and settles them as effectively as possible. In the Medium Term, the department has litigated in excess of 400 cases involving land matters (300 cases), Employment and labour, Commercial cases and Accidental cases.

The Enforcement department is charged with the reasonability of ensuring compliance with the county by-laws and regulations. It supports compliance by working alongside in revenue collection, public health and urban planning. In the preceding period, enforcement officers have been provided with new uniforms that have helped them stand out more and thus made their work easier

The Communications & liaison department disseminates to the public information on or about the county through various media platforms. To execute this mandate the department, in the 2018-2020 Medium-Term has prepared

more than 70 policy position *communiqués* (Speeches), 600 press releases and numerous talking points. The department has also posted over 3000 times in various social media, prepared 3 pull-outs in the newspapers highlights the achievement of the County Government and prepared infographics and short documentaries.

Going forward, the department will continue to ensure effective and efficient service delivery, by providing leadership and guidance in human resource management, development of appropriate county organization structures, enhancement of transparency and accountability in all county entities and effective management and coordination of county government operations.

The Office of the County Attorney will strengthen its operations by recruiting a County Solicitor General and legal counsels. These officers will assist the department to start on the move away from contracting for provision of legal services to commercial practitioners and allow for prosecution of offences under the county by-laws.

The Communication, Liaison and media department will endeavor to execute its mandate more effectively by upgrading their equipment such as purchase of towers for archiving various documents such as photographs. They will enhance the capacities of its officers by offering professional development through training and produce full-length feature films capturing the achievements of the County.

The Governance sector has been allocated 13% of the total recurrent allocation and 10% of the total development allocation in order to fulfill its mandate.

5.3.2.2 Agriculture sector

In order to revitalize the agricultural sector and increase productivity, the county government focuses on executing the following priority areas:

- Supply of certified seeds and other farm inputs
- Supply of subsidized fertilizers

- provide capacity building and technical backstopping to Common interest Groups to enhance production and improve quality of produce along agri-value chains in line with objectives of Wezesha programme
- Construction of market sheds to enhance markets for agricultural produce
- Agricultural Infrastructure Development
- A.I Improvement Services

In the last MTEF period, this sector has implemented key programs to strengthen the agricultural sector;

Under the Wezesha program, the county identified four value chains to be supported in order to promote productivity and profitability. These value chains includes; poultry, tomato, avocado and dairy value chains.

Livestock Veterinary and Fisheries Directorate

Dairy

In order to promote the dairy value chain, reducing milk wastage through spoilage is a key aspect to ensuring maximum productivity. In this aspect, 5 producer organizations benefited from 8 coolers each with a capacity of 3000 liters, this was implemented in conjunction with the National Government. Further, under the NARIGP program, 17 dairy groups were supported and funded towards adaption of relevant technologies in dairy farming. The program is further supporting 60 dairy groups towards increasing milk productivity through improvement of breeds. Under this program, the county is supporting 4 dairy producer organizations to enhance their value addition capacities.

Poultry

The county is committed to supporting the poultry value chain in the county. Construction of 32 poultry houses to CIG's has been completed, each of these 32 CIGs benefited from 1250 chicks each as start-up. In the second phase, a

further 45 groups have been identified to be supported with construction of poultry houses infrastructure and feeds for the first six months.

Further, the county constructed a cold storage facility to enable farmers prolong the shelf life. To further enhance the feeds production and supply, the government has rehabilitated and increased output levels of animal feeds production unit. This unit has been producing feeds to support poultry value chain as well as providing high quality feeds at competitive prices.

The department has further continued to reduce/ eliminate notifiable livestock diseases by conducting routine vaccination of livestock in collaboration with Kenya Veterinary Association (KVB).

In ensuring good livestock management practices, the department has also continued to offer farmers extension and market linkage services.

Agriculture Directorate

Through this department, the county is committed to ensure availability of high quality seedlings. In this respect, the county has put up nursery infrastructure. 2 modern nurseries have been completed at Kamweti and Kimbimbi. Further, the department has provided farmers with high quality and highly productive macadamia seedling. 6,000 seedlings distributed in 2019-20. To ensure increased productivity in the tomato and avocado value chains, through the NARIGP program, 11 tomato CIGs and 16 avocado CIGs have been supported. To support, the tomato value chain, a modern seedlings propagation nursery will be constructed.

To increase avocado and tomato production, funding community investment groups is key to unlocking their potential. Under this program, 30 avocado groups and 70 tomato groups have been identified to benefit. Further, to improve post-harvest handling and reduce losses, the department will be constructing

aggregation centers and agro processing plant for tomato value chain. In the avocado value chain, plans are underway to construct avocado pack house.

In coffee improvement program, the department aims at increasing the productivity and quality of coffee for increased incomes. This entailed training farmers on climate smart technologies in coffee production. Renovation of coffee processing factories. A total of 260 coffee farmers were trained and 7 coffee factories renovated.

5.3.2.3 Health Sector

The health sector is a vital service delivery sector with the mandate of delivering quality health care to the community with particular mid-term focus on:

- Maternal and child healthcare;
- Prevention, management and control of communicable and non-communicable diseases;
- Health promotion through provision of community health education and training of community health workers; and
- Promotion of public health interventions on environmental health and safety

In the previous MTEF period, the department implemented various programs towards the departments' mandate.

Construction of Kerugoya medical complex is ongoing which is aimed at providing additional specialized services i.e. ICU, HDU, Increased bed capacity. Other projects which have been implemented in the last MTEF period includes improving infrastructure at various health facilities; Completion and operationalization of a Maternity Block at Kimbimbi Sub County Hospital, completion of a Maternity Ward at South Ngariama Dispensary, completion of a Male Ward at Baricho Health Centre. Construction of a maternity at Kianyaga hospital-the building is nearly complete and is awaiting equipping.

Construction of a female and pediatric ward at Sagana hospital (awaiting equipping), Construction of an eye ward at Kerugoya hospital.

Installation of generators at various health facilities and sub-county hospitals. Renovation and equipping of out-patient department at Kerugoya hospital, procurement of two fully equipped ambulances, procurement of 131 oxygen cylinders.

The department further implements various preventive care programs under Preventive and promotive health care services to include services such as; HIV/AIDS control, TB control, Cholera control, improved access to maternity, family planning, immunizations and nutritional services weekly outreaches through Beyond Zero van.

The sectors also sought to provide accessible dialysis services to the people of Kirinyaga. Pursuant to this goal, the sector operationalized the dialysis unit and additional 3 dialysis machines through the Kerugoya Dialysis Unit. In the same front, the department has managed to improve the diagnostic services through the installation of the CT scan machine at the Kerugoya Level IV hospital.

In order to improve referral services, the department acquired 2 fully equipped and operational ambulances.

The aforementioned priority areas are in line with the third Sustainable Development Goal (SDG) that seeks to ensure healthy lives and promote well-being for all at all ages.

In the current financial year completion of Kerugoya Medical Complex is continuing to ensure timely access to services. Other continuing programs are Disease prevalence controls, Maternal and child health promotion, improved community health services.

Further, in order to support COVID-19 response, the following projects are under implementation; Completion of construction of RIAKITHIGA Dispensary, Completion of construction of KAMWANA Dispensary, Completion of construction of KAVOTE Dispensary, completion of construction of Kiandai dispensary, Completion of construction of KIAWAMBUI Dispensary, Purchase,

Installation & Commissioning of 4 fully functional ICU beds for COVID-19 Response

Going forward, the department will continue to offer curative and preventive measures by focusing on infrastructural improvements of the health facilities such as completion and operationalization of Kerugoya Medical Complex, upgrading & equipping of sub-county hospitals such as Kimbimbi hospital and Kianyaga hospital.

Due to the critical role that the sector holds in the county, it has been allocated 45% of the total recurrent budget and 24% of the total development budget.

5.3.2.4 Finance, Economic Planning, Marketing and ICT

The major role of this sector is to monitor, evaluate and oversee the management of public finances and economic affairs of the County Government. It also ensures that the county has sound financial policies that will spur its economic growth.

In the Preceding medium-term the sector in execution of its mandate has achieved the following outcomes and output: The settlement of Kshs 200 Million pending bills as contained in the report by the Office of Auditor General (OAG); Capacity building of its officers in Public Finance Management through organizing and sponsoring of training with the Support of the Kenya Devolution Support Programme (KDSP) Level 1 Grant; Transitioning to the e-procurement module and the publishing of county tenders in the National Government's portal on tenders

The sector will focus on the following key priority areas to implement over the medium-term:

- Coordination of the MTEF process and ensure prudent fiscal policies are developed;
- Enhancement of revenue collection mechanisms;
- Automation of County Government systems;

- Promotion of effective and efficient utilization of public finances through ensuring compliance of relevant laws, regulations and Policies by county government entities;
- Enhancing of the e-procurement module in Supply chain management;
- Supporting the work of the County Executive audit committee;
- Coordination of the County Monitoring and Evaluation framework

In order to implement the programmes in this sector, it has been allocated 8% of the recurrent budget and 2% of the development budget.

5.3.2.5 Co-operative Development, Tourism, Trade and Industrialization Sector

The sector aims to embrace policies and programmes those optimize the economic, environmental and socio-cultural benefits of trade and tourism thus contributing to sustainable growth and development of the county. Tourist facilities will be established and proper marketing be done through elaborate and strategic signage across the county. The resources for this sector are targeted for the following key priority areas:

- Policy Development
- Financial inclusivity
- Value Addition
- Capacity building
- Trade development

Under policy development, the department is mandated to ensure there is regulatory framework to govern trade in the county. In the last MTEF period the department has prepared a proposed cooperative development policy and bill, draft tourism bill developed, draft Trade and Markets bill developed and are awaiting approval.

The sector was tasked with a key objective of providing a conducive trading environment for market traders and buyers by upgrading of key markets in the county. In the last MTEF period, key markets have been upgraded; Kagio clothes and Cereals market was upgraded by constructing sheds, paving slabs revenue

office and installation of a floodlight. Other markets includes; Makutano, Kianyaga, Kagumo, Kiamutugu, Wang'uru market, sagana

Industrial development is a critical component in ensuring increased earnings. Through KIDA, the county seeks to open up new markets for county products and support value chains in agriculture to increase productivity.

On Cooperative extension service the sector has improved the performance of cooperative societies by conducting capacity building programs.

The sector is also mandated to ensure that the buyers and sellers get fair trade practices and consumer protection. Under this program, 2000 weighing and measuring machines have been verified and stamped.

In the current financial year, the department is currently implementing the following projects; construction of kibingo market market sheds, installation of floodlights mururiini, construction of septic tank at kimbimbi market, construction of coolant at kanjuu market, construction of Public Toilet at PI Market.

In the coming MTEF period, department will continue improvement of markets by upgrading the following markets; Kutus open air market phase II, Wang'uru open air market phase II, Kagio cereals market phase II, Kagio fresh produce market phase III.

In order to achieve the above priorities, the county has set aside 1% the recurrent budget and 7% of the development budget.

5.3.2.6 Transport and Infrastructure Sector

The infrastructure sector is charged with the responsibility of improving both the quality and quantity of infrastructure for sustained socio-economic growth.

Priorities for this sector include:

- Construction, rehabilitation and maintenance of existing road infrastructure that lie under the jurisdiction of Kirinyaga County Government;
- Development and maintenance of civil works;
- Construction and maintenance of footbridges; and

- Develop and maintain emergency response services

In order to ensure there is improved transportation system to spur economic growth in the county, the department embarked on building paved parking and trading spaces which are well drained along Kianyaga, Kutus and Kagio Matatu terminus. In 2018-19 total area rehabilitated in pavement and drainage is 39,740 square meters. During 2019-20 FY further rehabilitation in parking and drainage areas was implemented with Construction of Kerugoya Parking Spaces, Roads, Walkways and Associated Works.

Under county in-house roads improvement program, much progress has been achieved. During the 2018-19, graded roads totaled to 1007Km and 202 km graveled. During 2019-20Fy the program continued with 963 km Graded and 165.0 km Graveled.

In the Current Financial Year the department intends to Grade and gravel 8 Kms of roads in each electoral ward, additionally, 4 trunk roads will be rehabilitated with the funds provided by KRB's RMLF. Going forward, the department will expand the county in-house roads improvement program to rehabilitate more roads. In addition, the department will also continue to expand the town parking improvement program to include more urban areas. Further, the department will also continue implementation of roads program under the RMLF allocation to the county.

For the sector to carry out its activities, it has been allocated 2% of the recurrent expenditure and 28% of the development expenditure. This sector has been allocated the largest proportion of the development budget due to its huge capital outlays and its potential to spur countywide economic growth.

5.3.2.7 Education and Public Service Sector

The education sector will continually strive to ensure a conducive learning environment for the ECDE pupils and impacting skills among the youth, Women and PWDs being support of Wezesha development agenda.

In the previous MTEF period, the department implemented various programs towards the departments' mandate.

Directorate of Vocational Education Training

Under infrastructure development, in order to provide a conducive environment for VTC Trainees learning activities, the department undertook the following infrastructure development in various vocational training centres.

Completion office block at Kiambatha, Fencing and gate construction at Kamiigua VTC , Renovation of 1 No. dormitory, bio digester, supply of beds and gate at Nyangati VTC, Installation of bio digester, supply of beds, office completion and landscaping at Mucii wa Urata VTC, Construction of 2 classrooms and gate at Thome VTC, Construction of 1 classroom, furniture, fencing and gate at Kiamikuyu VTC, Construction of 1 dormitory block and bio digester at Mutitu VTC, Construction of 1 No. classroom, furniture, fencing and gate at Kiamuthambi VTC, Completion of office block at Kiambwe VTC, construction of 1 dormitory and bio digester at Kibingoti VTC in Kiine Ward, renovation of 1 classroom at Ndiriti VTC

Construction of 2 classrooms at Kiambatha VTC, Renovation of 3 workshops at Kamiigua VTC, Completion of fence at Nyangati VTC, Completion of fence and construction of 1 classroom at Thome VTC, Construction of ablution block and renovation of 1 classroom at Kiamikuyu VTC, Construction of fence and gate at Ngucui VTC, Construction of 2 classrooms at Kiambatha VTC, Renovation of 3 workshops at Kamiigua VTC, Completion of fence at Nyangati VTC, Completion of fence and construction of 1 classroom at Thome VTC.

Going forward, the department will continue improving infrastructure in vocational training centres. Further, in order to equip Vocational Training Centres with adequate teaching and learning materials, assorted teaching and learning materials procured and distributed to all 15 Vocational Training Centres.

Directorate of Early Childhood Development

This department focused on improving learning conditions in early childhood centers. Infrastructure improvement included; construction of additional classrooms, a total of 25 new classrooms have been constructed in various ECDE centres across the county in 2019-20FY. A further 20 will be constructed in 2020-21 FY.

Going forward, this directorate will further improve learning conditions by provision of adequate classrooms and sanitation services in ECDE centers, provision of children playing equipment which are an integral part in children development, provision of teaching and learning materials. Further the directorate plans to conduct capacity building for ECDE teachers on the Competency Based Curriculum (CBC).

Kirinyaga County Bursary Fund (KCBF)

The government has continued to support needy students to access education through the bursary fund. Bursary worth Ksh. 110 Million shillings have been disbursed in 2020-21. The government will continue supporting the needy students through the bursary. In the FY 2021/2022, the County Government will set aside **Kshs. 100 Million** to the bursary fund

5.3.2.8 Gender and Youth Sector

This sector seeks to promote the socio-economic development of the community through focusing on the following priority areas:

- Cultural services development
- Providing coordination for implementation of Wezesha.
- Gender and social services development
- Control of drugs and substance abuse

Kirinyaga County is estimated to have between 23,000 to 25,000 PWDs, out of whom 85% live below the standard poverty line due to exclusion and profiling. The department acknowledges that there are some prevailing barriers which derail their commensurate participation within the mainstream society. Each type of disability requires its own type of intervention that are expensive hence unaffordable to the PWDs e.g. assistive devices, medications and other

emergency interventions as has been demonstrated during COVID-19 pandemic. In the FY 2020/2021, the department made interventions to PWDs by provision of food, blankets etc. it is for this reason that adequate resources are required to enhance their social-economic participation.

This sector, in the previous MTEF has managed to renovate Kaitheri Apparel Factory, purchased machines and produced ECD uniforms. The production of ECD is still ongoing. Further, the sector has also purchased sanitary towels to school going girls. Further, a gender-based violence recovery centers' (GBVRC) 1st and 2nd phase of construction has been completed. The center has also been furnished with the necessary required furniture awaiting staffing and operations. The center is intended to offer psycho support with respect to the gender based violence issues. Further, this is intended to create awareness of gender-based violence.

To safeguard the dignity of our girls, the County through the department had distributed 43,000 sanitary pads to school-going children within the county. Additionally to support and empower our women, the department purchased and distributed 7,450 chairs to Self-Help Groups (SHGs)

In response to the Covid-19 pandemic, the Kaitheri Apparel factory has been consistently engaged in the production of face masks, ECDE uniforms and even hospital linen. The sector seeks to continue supporting this agenda as a measure towards adhering to the Covid-19 pandemic regulations. Further, the sector seeks to empower the PWDs with assistive devices focusing on possible 200 beneficiaries. It also needs to engage in mobilization and profiling, as well as, registration of PWDs targeting about 3000 PWDs. There are strategic intentions to promote emergency interventions – offering humanitarian support through provision of basic needs to approximately 350 families. Another focus area for the planning period 2021/22 is that of promoting Para sports including sitting volleyball and goal ball. This is intended to promote, significantly, reflex visible socio-economic participation for the PWDs.

In a bid to promote the economic welfare of the PWDs, the sector intends to provide tools of trade including knitting machines, salon kits, and leather tools to possible 40PWDs with the intention of boosting their livelihoods. The same concept is being invoked in the targeted expansion of the Kaitheri Apparel factory, hence increased production of school uniforms to ensure that schools girls stay in class.

The sector also seeks to enhance capacity for the youth via youth conferences, training and seminars. A targeted number of 20,000 youths is expected to benefit from these interventions. These initiatives will be carried out in liaison with polytechnics among other tertiary institutions from which profiling will occur.

In the next Medium-Term, the sector targets to meet its objectives by focusing on the following interventions: Continue with Gender-related initiatives including sanitization of the community on Gender-Based Violence (GBV) and operationalization of the Gender-Based Violence Recovery Center (GBVRC); support for groups through purchase and distribution of tents which will be used for income generating. Enhancing the capacity of various groups through formal training sessions.

5.3.2.9 Sports, Culture and Social Services Sector

This sector seeks to promote the socio-economic development of the community, the sector works closely with other sectors to ensure that youth issues are adequately addressed and a strategic plan for the youth is developed. The sector further continue to promote initiatives by the youth that promote good behavior and ensure the youth are engaged constructively. Sports activities will therefore be promoted for social integration and cohesion. Development of youths and nurturing of their skills is important if the county has to progress, to ensure this, the sector focuses on the following priority areas:

- Management and Maintenance of sports and sporting facilities
- Talent development

The sector in the previous MTEF the department engaged in rehabilitation of sporting facilities including stadias. Rehabilitation of Kerugoya Stadium is ongoing with works in including fencing of stadium, erection of inner perimeter fence, leveling and planting grass of football pitch, leveling and murraming of athletics track, curbing of the athletics track, construction of dais.

There is also equipping of sports clubs with uniforms, balls and playing boots. 276 sets football uniforms, 116 volleyball uniforms, 395 football balls, 147 volleyball balls and 164 football boots issued to sports clubs. At least 180 sports officials were trained.

The youth's talents in the county are exposed through the participation in the Kirinyaga Youth Sports Association (KYISA). To be able to plan for the youths the sector in the previous year has developed an inventory for the youth at skills and education levels. 4 championships were held in football, volleyball, and athletics and cross country.

Going forward, in the 2021/22FY plans to focus on improvement of county stadia (Wang'uru and Kerugoya), Rehabilitation of Kianyaga Children's home. The department will also facilitate participation in various county tournaments (Football, Volleyball, and Athletics)

The sector has been allocated 1% total of recurrent budget and 2% of development budget in order to achieve its objectives.

5.3.2.10 Environment, Water and Natural Resources Sector

This sector will play a major role in ensuring:

- Provision of capacity and support on Environmental and Social safeguards during project implementation.
- Provision of adequate, safe and reliable water through county and community based water projects
- Development of forests, re-forestation and agroforestry
- Environmental conservation

In the last MTEF period, this sector has implemented key programs to strengthen every sub-sector;

To ensure environment cleanliness, the department through solid waste management program made the following notable achievements; Acquisition and distribution of 15 skips and 1 skip loader, Acquisition of 1 garbage collection truck, Construction of 10 public eco toilets in major towns, Reclamation of Kagio dumpsite, Construction of decentralized treatment facility (DTF) in Wang'uru town.

To provide households with clean and reliable water supply, the department through water services program funded various water projects across the county. This increased the number of connected households to piped water. Amongst the key notable projects includes; completion of Mwea Makima water project that benefitted 30,00 households, completion of phase 1 of Riagicheru water project which will benefit more than 6,000 households, completion of Njukiini water project that benefitted 2000 households, South Ngariama water project that will benefit 4,000 households on completion, second phase being done in year 2019/2020. Distribution of 1,000 tanks in Tebere and Wamumu wards. Completion of Kutus Mjini water project which will benefit 4,000 households on completion.

Going forward, the directorate of environment will continue to ensure environment cleanliness by provision of more skips in strategic areas in major urban areas to ease garbage collection. Timely emptying of these skips will also be enhanced to avoid garbage accumulation.

The directorate of water will seek to fast track completion of key water projects under implementation with aim to increase households connected to regular supply of clean water both for domestic use and irrigation.

In order to implement its programmes, the sector has an allocation of 2% of total recurrent budget expenditure and 7% of the county development budget.

5.3.2.11 Lands, Housing and Physical Planning

Under the county spatial planning programme, the sector intended to achieve several issues. These included guiding a harmonious development in the county, delineate land use zones, define the broad zoning regulations and provide a framework for preparation of other plans. To this end, the sector has reached the following milestones: Preparation of a Draft Spatial Plan; holding of a 2nd stakeholders meeting to present the proposals, Data collection; this is ongoing, while a 3rd Stakeholders being planned.

To provide a framework that will promote integrated socio-economic development of the Kerugoya/ Kutus Municipality, the department is in the process of preparation of Kerugoya Kutus Municipal Local Physical Development Plan whereby Inception report has been prepared, Data Collection exercise is ongoing. Further, under the KUSP program, the department is engaging in Highway Frontage development project which entails development of Parking, Non-Motorized Transport facilities, beautification and improvement of the Kerugoya bus park/Terminus.

To create a land bank for future development, the county embarked on Repossession of illegally acquired public land. The Kiine/Thigirichi/527 parcel got a positive NLC determination and Gazettement of the same. Furthermore the department participated in the identification, acquisition and compensation of parcels of lands for development of social public like public access roads and markets.

In the housing department, the county manages 112 units of residential houses which it rents out. However the potential rent for these units has not been achieved since they require to be refurbished. In the coming period the county will set aside funds to refurbish the units and charge rent at a competitive market rate.

In the Coming Medium-Term Period, the County will embark on developing Affordable houses along the model outlined in the President's 'Big Four' Agenda. In furtherance of this, the county will undertake a housing survey to determine the feasibility, demand and other relevant data that would inform this project.

Going forward, the department will implement the following programs; Preparation of local Physical Development Plans for 2 priority towns Wang'uru and Sagana, Planning and Survey of 30 colonial villages, establish a GIS Laboratory, automate the land registry records, and facilitate adjudication and issue of title deeds for South Ngariama Land. Preparation of Local Physical Development Plan for Kianyaga, Kagumo, P.I and Mutithi, Planning and Survey of 30 colonial villages.

Ensure establishment of Land Information Management System (LIMS) to help in Digitalization of Registry Records, Geo-referencing public land.

Kerugoya/Kutus Municipality

The department, through Kerugoya/Kutus Municipality has embarked on preparation of local Physical Development Plan to enable proper planning of the municipality. The process is ongoing. Through, the KUSP program, the municipality also implemented rehabilitation of Kerugoya Fresh Produce Market (Construction of sheds), Construction of Parking spaces at Kutus Town with project at advanced completion stage. Other projects that will continue to be implemented in 2021-22 Financial Year includes; Improvement of Parking spaces, Non-Motorized Transport facilities, beautification and Construction of new Clothes Market in Kerugoya town; urban regeneration projects in Kerugoya and Kutus towns; apparel factory expansion; Construction of a Municipal modern fire station

The lands, housing and physical planning sector endeavors to promote improved land use management. To this end the sector has been allocated 1% of the recurrent budget and 5% of the development budget.

5.4 Departmental Ceilings

Table2: Departmental Ceilings

VOTE	TITLE		CFSP Projections* 2021-22
3961	County Assembly	Rec Gross	14%
		Dev. Gross	4%
3962	County Executive	Rec Gross	11%
		Dev. Gross	6%
3963	Finance and Economic Planning	Rec Gross	13%
		Dev. Gross	6%
3964	Agriculture, Livestock and Fisheries	Rec Gross	5%
		Dev. Gross	21%
3965	Environment, Water and Natural Resources	Rec Gross	2%
		Dev. Gross	2%
3966	Education	Rec Gross	6%
		Dev. Gross	2%
3967	County Health Services	Rec Gross	43%
		Dev. Gross	36%
3968	Lands, Housing and Urban Development	Rec Gross	1%
		Dev. Gross	6%
3969	Transport and Infrastructure	Rec Gross	2%
		Dev. Gross	14%
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	Rec Gross	1%
		Dev. Gross	2%
3971	Gender, Culture, Children and Social Services	Rec Gross	1%
		Dev. Gross	1%
3972	Youth and Sports	Rec Gross	1%
		Dev. Gross	1%
	Grand Total	Rec Gross	70%
		Dev. Gross	30%

****as percentage of Total Recurrent and Development Budget Estimates)***

6.0 CONCLUSION

The county government will ensure austerity in utilization of public funds, improve efficiency in resources allocation as well as fast-tracking implementation of priorities identified.

The use of the Integrated Financial Management Information System (IFMIS), E-Procurement and Performance Monitoring Tools will make it possible for the County to track the resources to results achieved in a more efficient manner.

The established M&E system will form the basis of tracking the quality of development done within the county to ensure timely completion of projects and value for money.

The county government employs the use of Program Based Budgeting (PBB) which goes a long way in ensuring that all County resources are managed openly and accountably and most importantly, that the resources are linked to specific projects outputs and outcomes.