

MURANG'A COUNTY GOVERNMENT



FINANCE, IT & ECONOMIC PLANNING DEPARTMENT

COUNTY FISCAL STRATEGY PAPER (CFSP)

FEBRUARY 2021

Foreword

The Murang'a County Fiscal Strategy Paper (CFSP) 2021, is the fourth paper during the implementation period of the 2nd generation County Integrated Development Plan (CIDP) 2018-2022. It highlights the legal framework underlying the fiscal responsibility for the County Government, sets out the broad County strategic priorities and goals for the FY 2021/2022, and reviews the current economic developments.

The strategic priorities are informed by the Governor's manifesto, the second generation CIDP 2018-2022, MTP III (Big Four Agenda), County COVID19 Socio-Economic Re-Engineering and Recovery Strategy 2020/21-2022/23, Kenya Vision 2030, and the Sustainable Development Goals. Revenue estimates and expenditure proposals take cognisance of the County's national and global economic situation and outlook over the medium term.

Murang'a County Government will enhance economic transformation by strengthening the County service delivery and performance management system supported by firm planning and budgeting. The CFSP identifies priority sectors to enhance and sustain the economic development prospects and trajectories. The major sectors identified include; agriculture, dairy, health, youth empowerment, water, roads and infrastructure. In identifying and allocating financial ceilings for the FY 2021/2022, the criterion takes into account efficiency as well as the overall cost of operations in all departments.

**Hon. David Waweru,
County Executive Committee Member,
Finance, IT & Economic Planning.**

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Abbreviations

ADP	Annual Development Plan
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
COB	Controller of Budget
ECDE	Early Childhood Development
FY	Financial Year
GCP	Gross County Product
GDP	Gross Domestic Product
KNBS	Kenya National Bureau of Statistics
MTEF	Medium Term Expenditure Framework
MTP	Medium-Term Plan
NDA	Net Domestic Assets
NFA	Net Foreign Assets
PFM	Public Finance Management

Executive Summary

The Murang'a County Fiscal Strategy Paper (CFSP) 2021, is the fourth during the implementation period of the 2nd generation County Integrated Development Plan (CIDP) 2018-2022. It highlights the legal framework underlying the fiscal responsibility for the County Government, sets out the broad County strategic priorities and goals for the FY 2021/2022, and reviews the current economic developments. The strategic priorities are informed by the Governor's manifesto, the second generation CIDP 2018-2022, MTP III (Big Four Agenda), Kenya Vision 2030, and the Sustainable Development Goals (SDGs). Revenue estimates and expenditure proposals take cognisance of the County's national and global economic situation and outlook over the medium term. The CFSP identifies priority sectors to enhance and sustain the economic development prospects and trajectories of the County. The major sectors identified include; agriculture, health, youth empowerment, water, roads and infrastructure. In identifying and allocating financial ceilings for the FY 2021/2022, the criteria take into account efficiency as well as the overall cost of operations in all departments. Implementation of the FY 2020/21 County budget is on course with performance lagging behind targets. In the first six months of the year, revenue collection has lagged behind targets due to under performance of the main revenue sources. By the end of December 2020, the total Exchequer revenue received amounted to Kshs 1,574,587,400. The total amount received for conditional grants amounted to Kshs 183,612,379 while the local revenue collected amounted to Kshs 227,702,680 against a target collection of KShs. 449,999,999 in a similar period 2019. The County Government expects to spend a total of KShs. 8,896,075,240 in the period 2021/22. Out of this own-source revenue is expected to account for 9% of the total revenues. Budgetary allocation ceilings for FY 2021/22 are based on revenue growth, budget 2020/2021, and priorities outlined in key planning documents. The County Government shall allocate 8.73% of the budget to Agriculture Livestock and Fisheries, 3.2% to Water and Irrigation, 6% to Transport and Infrastructure, 7.1% Education, 43.4% to Health and Sanitation, and 1.4% to Youth Culture and Social services.

CHAPTER ONE

INTRODUCTION

1.0. Background Information

The Constitution of Kenya 2010 created a two-tier Government; a National Government, along with the County Governments that are distinct but interdependent. The County Governments are responsible for spearheading development and service delivery in counties through a process that links planning and budgeting as stipulated in the County Government Act, 2012. The Public Finance Management (PFM) Act, 2012 requires that the County Governments prepare and submit a County Fiscal Strategy Paper (CFSP) to the County assembly by the **28th February** of each year.

The Murang'a County Fiscal Strategy Paper (CFSP) 2021, is the fourth during the implementation period of the 2nd generation County Integrated Development Plan (CIDP) 2018-2022. It provides the link between the government's overall policies (as identified in the CIDP) and implemented through the annual budget. It specifies the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for the FY 2021/2022 and over the medium term (3-5 years).

The paper reviews the implementation of the 2019/2020 budget and 1st half of the 2020/2021 budget. It reports on the actual county revenue generation for the 1st half of 2020/2021 FY. It also projects the overall revenue and expenditure expected for the 2021/2022 financial year.

Largely, the County Fiscal Strategy Paper contains:

- i. Budget performance for the previous Financial Year (2019/2020) and a description of budget implementation for the first half of the current Financial year (2020/2021), including revenue and expenditure performance.
- ii. A description of any changes to the budget during the year (Supplementary Budget)

- iii. An overview of the expected revenue and expenditure totals for the coming year based on an assessment of the economy and other factors which may affect the County.
- iv. Ceilings on the amount of funds each sector will get based on a predetermined resource allocation criterion.

The strategic priorities for the coming financial year are majorly informed by the second generation CIDP 2018-2022, Governor's manifesto, MTP III (Big Four Agenda), Kenya Vision 2030, and the Sustainable Development Goals. Most importantly, revenue estimates and expenditure proposals take cognisance of the COVID-19 pandemic, County's, national and global economic situation and outlook over the medium term, and social-economic re-engineering.

Murang'a County Government will enhance economic transformation by strengthening the County service delivery framework, supported by evidence-based planning and budgeting. The CFSP, through the various public participation fora, identified and prioritised investment sectors to enhance and sustain the economic development prospects and trajectories. In identifying and allocating financial ceilings for the FY 2021/2022, the criteria took cognisance of the sectoral ability to spur growth of the economic and social livelihoods, as well as the overall cost of operations in all departments.

The Paper is the County Government's strategy document to guide budgetary allocations and provide the link between the County Government's overall policies (as identified in the CIDP) and implemented through the annual budget and the medium term (3-5 years) projections.

1.1. County Strategic Priority Areas

1. Agriculture

As per the KNBS GCP (2019) for counties, Agriculture is the backbone of Murang'a county's economy. It supports more than 80% of the population with agricultural activities practiced including crop production, livestock development, and fisheries. In order to enhance agriculture's contribution to the GCP, the County

will continue to prioritize and invest more in agriculture related programmes particularly in dairy, coffee, tea, avocado, and farmer organizations. The county will further prioritize investment in the enabling infrastructure for agriculture such as access roads, irrigation infrastructure, market and market accessibility, and value addition.

2. Roads and Infrastructure

Robust road infrastructure is critical and an enabler of growth and development of all other sectors. The sector provides critical linkages for movement of goods and services. It is however dogged by a number of challenges such as poor intra-county road network, poor drainage systems, inadequate bridges and related infrastructure. To overcome these challenges the county will continue to prioritize budgetary allocation to this sector and further look out for partnerships and support from other development partners and stakeholders.

3. Health

Access to healthcare is a fundamental right enshrined in the constitution of Kenya 2010, and one of the Sustainable Development Goals. The county has been prioritizing resource allocation to the sector and will continue investing in the health sector infrastructure to ensure access and quality of health service provision to the Citizens. In order to support universal healthcare access, the County Government will invest in specialized institutions and additional health care equipment and medical commodities to achieve universal healthcare.

4. Water and Irrigation

Access to clean domestic water as well as sufficient water to support agriculture remains a challenge in the county. Efforts to provide sufficient water for both domestic and irrigation use will continue during the financial year. The county will invest in programmes aimed at connecting households and communities to piped water. Other focus areas will include developing an integrated master plan, building and maintaining existing water intakes, sinking boreholes, water pans and developing distribution networks.

5. Youth empowerment

Youth in Murang'a constitute more than 50% of the population. However, unemployment stands at 37%. Youth empowerment remains one of the priority investment areas for the county. The county will continue to invest more resources to ensure that the youth have access to employment opportunities. The strategy will include empowering youth groups to help in pooling resources for economic empowerment and reduction of poverty.

1.2 Legal Basis for Preparation of the Fiscal Strategy Paper

The Fiscal Strategy Paper is prepared under the Public Finance Management Act, 2012 Section 117 which stipulates that:

1. The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year.
2. The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
3. In preparing the County Fiscal Strategy Paper, the County Treasury 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.
4. The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.
5. In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of: -
 - i. The Commission on Revenue Allocation
 - ii. The public
 - iii. Any interested persons or groups, and
 - iv. Any other forum that is established by legislation.

6. Not later than fourteen days after submitting the County Fiscal Strategy Paper to the county assembly, the county assembly shall consider and may adopt it with or without amendments.
7. The County Treasury shall consider any recommendations made by the County Assembly when finalizing the budget proposal for the financial year concerned.
8. The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the county assembly.

1.3 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. The PFM law (Section 107) states that:

1. A County Treasury shall manage its public finances in accordance with the principles of fiscal responsibility set out in subsection (2), and shall not exceed the limits stated in the regulations.
2. In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles: -
 - a) The county government's recurrent expenditure shall not exceed the county government's total revenue.
 - b) Over the medium term a minimum of thirty percent (30%) of the county government's budget shall be allocated to the development expenditure;
 - c) The county government's expenditure on wages and benefits for its public officers shall not exceed percentage of the county government's total revenue as prescribed by the county Executive member for finance in regulations and approved by the County Assembly;
 - d) Over the medium term, the government's borrowings shall be used only the purpose of financing development expenditure and not for recurrent expenditure;
 - e) The County debt shall be maintained at a sustainable level as approved by county assembly:

- f) The fiscal risks shall be managed prudently; and
 - g) 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.
3. For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue.
 4. Every county government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the county assembly.
 5. The regulations may add to the list of fiscal responsibility principles set out in subsection.

1.4 Organisation of the Paper

This document is divided into four chapters. Chapter I highlights the background and overview of the CFSP. It also quotes the legal basis for the preparation and lists the fiscal responsibility principles as outlined in the PFM Act 2012; Chapter II examines national and county economic development and outlook, focusing on regional and global economic developments. It also reviews and forecasts fiscal performance and identifies risks to the economic outlook.

Chapter III provides for the budget estimates and ceilings for FY 2021/2022. The chapter highlights fiscal framework summary, revenue projections, expenditure projection, and overall deficit and financing mechanism; Finally, Chapter IV highlights departmental / subsector county development priorities as identified during stakeholder consultations through sector working groups.

CHAPTER TWO

RECENT NATIONAL AND COUNTY ECONOMIC DEVELOPMENT AND OUTLOOK

2.1 Overview

The Kenyan economy was adversely affected due to the emergence of the COVID-19 pandemic towards the end of 2019. It led to a contraction of the global and local economies COVID-19 Pandemic has not only disrupted the lives and livelihoods but also to a greater extent, businesses and economic activities.

The Kenyan real GDP was projected to grow by 6.1% in 2020 and 6.2% in 2021. Macroeconomic stability was expected to continue. Inflation was expected to remain around 5% and the fiscal deficit to narrow. As a result, our economy contracted by 5.7 percent in the second quarter of 2020 from a growth of 4.9 percent in the first quarter in 2020. The economy is therefore estimated to slow down to a growth of around 0.6 percent in 2020 from the earlier projection of 2.6 percent. Economic growth is projected to recover to 6.4 percent in 2021 due to in part, the lower base effect in 2020. In terms of fiscal years, economic growth is projected to grow by 3.5 percent in FY 2020/21 and further to 6.2 percent over the medium term.

Apart from the COVID-19 pandemic, the invasion of locusts which started in early 2020 has affected many parts of the country especially the North Eastern. This impacts on food security and growth of the agriculture sector in the country.

Murang'a County contributes 2.3 % to the country's Gross Domestic Product (GDP), estimated at 173.018 Billion, which is above the 2.1 % average contribution per county to GDP growth. However, COVID-19 has affected the economic activities of the county leading to the closing of businesses and loss of jobs. To curb the spread of COVID-19, Bars, restaurants, and night entertainment joints were closed. These led to the loss of jobs for people working in these sectors. Murang'a County instituted measures to increase the disposable income of its residents. These measures included waiving market rates and Boda-Boda riders.

Due to the partial lockdown restricting movement to Nairobi the Agricultural produce was greatly affected bearing in mind that Nairobi is the major consumer of Murang'a farmer's produce. This led to a decline in agricultural produce as there were fewer markets.

2.2 National Economic Developments

6. 2.2.1. Global and Regional Economic Developments

Global growth was projected to contract by 4.9 % in 2020, 1.9 percentage points below the April 2020 World Economic Outlook (WEO) forecast. In 2021 global growth is projected at 5.4 %. Generally, this would leave 2021 GDP some 6.5% points lower than in the pre-COVID-19 projections of January 2020. Industrialized economies are projected to decline by 8.0% in 2020 from a rise in 2019 to 1.7 percent. From a rise of 2.3 percent in 2020, the US and the Euro area are expected to decline by 8.0 percent and 10.2 percent. In 2020, the UK is projected to contract by 10.2 percent compared to 1.4 percent growth in 2019, while Japan will contract by 5.8 percent compared to 0.7 percent growth in 2019

In the East African Community (EAC), the COVID-19 has caused economic disruption. This has led to the growth projection for 2020 down to 1.2 percent. According to the African Economic Outlook, 2020 this growth of 1.2% is higher than other African regions and is forecast to rebound to 3.7% in 2021. These projections assume that by the third quarter of 2021 the virus will be contained. The East African Country's growth was projected to be 5% well above the continent growth of 3.3%, before the COVID-19 pandemic. Economy recovery is expected to resume as countries work to deal with the COVID-19 pandemic.

Similarly, in 2020, Emerging Market and Developed Economies (EMDEs), which expanded by 3.7% in 2019, is expected to contract by 3.0%. China is expected to rise by 1.0% in 2020 compared to 6.1% in 2019, while India will contract by 4.5% in 2020 after rising by 4.2% in 2019. In 2020, Sub-Saharan Africa is expected to contract by 3.2 percent, compared to a 3.1 percent expansion in 2019. The key drivers of African expansion, Nigeria and South Africa, are expected to contract by 8.0 percent and 5.4 percent in 2020, respectively (Central Bank of Kenya, Annual Report & Financial Statements 2019/20).

7. 2.2.2. Inflation Rate

The year-on-year overall inflation rate remained low, stable, and within the Government target range of 5+/-2.5 percent since the end of 2017 demonstrating prudent monetary policies. In December 2020, inflation hit 5.62% up from November's 5.33%, marking the highest inflation rate in eight months.

Core inflation (Non-Food-Non-Fuel) contribution to inflation remains low at 0.8 percent in December 2020 compared to 0.4 percent in December 2019 reflecting

-muted demand pressures in the economy on account of prudent monetary policies. However, the contribution of fuel inflation to overall year-on-year inflation rose to 1.7 percent in December 2020 from 0.6 percent in December 2019 on account of increasing international fuel prices. The major driver of the overall inflation has been food inflation, but its contribution to overall inflation has declined from 4.5 percent in December 2019 to 2.9 percent in December 2020 on account of a reduction in food prices.

The rate of inflation affects the cost of providing goods and services for the government, with a high rate making it expensive to provide goods and services. The high rate could also cause a weakening of the Kenya shilling relative to other currencies which will increase the cost of servicing foreign-denominated loans.

8. 2.2.3. Kenya Shilling Exchange Rate

The foreign exchange market has largely remained stable but was partly affected by a significant strengthening of the US Dollar in the global markets and uncertainty about the COVID-19 pandemic. In this regard, the Kenya Shilling to the dollar exchanged at KShs 110.6 in December 2020 compared to KShs 101.5 in December 2019.

However, with the onset of COVID-19, the US dollar strengthened leading to a weakening of currencies in emerging markets and developing economies. In tandem with this trend, the Kenya shilling gradually weakened before stabilizing by the end of the financial year.

9. 2.2.4. 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 signal lower lending rates to support credit access by borrowers especially the Small and Medium Enterprises, distressed by the 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. The interest rate in Kenya has been capped at a maximum of no more than 14% points above the CBK base rate by the Finance Act 2019. The capping of the interest rates has led to low and stable rates which were meant to improve liquidity in the market and particularly to the private sector. However, the

interest rate capping resulted in commercial banks adjusting their business model and lending behavior resulting in declining financial intermediation.

10. 2.2.5. Money and Credit

Growth in broad money supply, M3, improved to 14.2 percent in the year to November 2020 compared to a growth of 5.9 percent in the year to November 2019. The improved growth in M3 was attributed to an increase in the Net Domestic Assets particularly improvement in net credit flows to the government and the private sector.

Meanwhile, the primary source of growth in M3 in the year to November 2020 was the Net Domestic Assets (NDA) of the banking system, which improved to register a growth of 20.8 percent from a growth of 3.5 percent over a similar period in 2019. This is largely due to an improvement in net credit flows to both the Government and the private sector. Net credit flows to the other public sector decreased during the review period.

Net Foreign Assets (NFA) of the banking system in the year to November 2020 contracted by 8.2 percent, compared to a growth of 15.0 percent in the year to November 2019. The contraction in the growth of the NFA was mainly reflected in the decline of the foreign currency reserves by the Central Bank. The NFA of commercial banks improved during the review period as a result of an increase in the commercial banks' deposits with the non-resident banks.

Annual credit to the private sector grew by 8.1 percent in the 12 months to November 2020 compared to a growth of 7.3 percent in the year to November 2019. This was supported by a recovery in demand with the improved economic activity following the easing of COVID-19 containment measures, and accommodative monetary policy. Strong growth in lending was observed in the following sectors: agriculture (19.3 percent), consumer durables (18.8 percent), transport and communication (17.5 percent), manufacturing (10.0 percent), and real estate (9.1 percent). The operationalization of the Credit Guarantee Scheme for the vulnerable Micro Small and Medium-sized Enterprises (MSMEs), will de-risk lending by commercial banks and is critical to increasing credit to this sector.

11. 2.2.6. Nairobi Securities Exchange (NSE)

Activity in the capital markets declined in December 2020 compared to December 2019, with equity share prices declining as shown by the NSE 20 Share Index. The

decline reflects the volatility in the financial markets as a result of the uncertainty surrounding the COVID-19 pandemic. The NSE 20 Share Index was at 1,868 points by end of December 2020 compared to 2,654 points by the end of December 2019. Consequently, market capitalization declined from KShs 2,540 billion to KShs 2,337 billion over the same period.

12. 2.2.7. Foreign Exchange Reserves

These are national assets held by the Central Bank of Kenya (CBK). They serve as a safeguard to ensure the availability of foreign exchange to meet the country's external obligations. These national obligations include external debt services and imports. The official foreign exchange reserves remained significantly above the statutory requirement endeavor to maintain at least 4.0 months of import cover and the EAC convergence criteria of 4.5 months of import cover. As of June 2020, official foreign exchange reserves stood at USD 9,740 million (5.9 months of import cover) compared to USD 9,656 million in June 2019.

2.3 COUNTY ECONOMIC DEVELOPMENTS

13. 2.3.1. Roads and Infrastructure:

In the FY 2019/2020 the department opened and graded 180 km and 175 km of access roads respectively, Gravelled/maintained 140 km of access roads, constructed 5 bridges and box culverts and improved 5 markets.

14. 2.3.2. Agriculture, livestock and fisheries:

During the FY 2019/2020, under farm input support, 500 MT of assorted varieties of hybrid maize seeds (KH500-43A, KH600-16A, and MH401) were distributed to 249,950 farmers and planted on 20,000 hectares. 50,000 (50 kg) bags of top-dressing fertilizer were procured and issued to 269,011 farmers. Under Cash crop development programme, 4 avocado nurseries owned and managed by farmers were established and 500,000 Hass avocado seedlings distributed to 104,841 farmers. Through capacity building and training, a total of 181,021 farmers were reached with extension services. 15 trainings and 2 major field days were conducted at KATC Mariira Farm with attendance of 11,284 farmers.

15. 2.3.3. Education, Youth, Sports,

During the year under review, the County through vocational and technical training programme equipped County VTCs with modern tools and equipment. The County also continued with improvement of infrastructure in the VTCs

16. 2.3.4. Health

Under the control of **communicable diseases sub-programme**, 26,973 mosquito nets were issued to <1 year-olds and pregnant women, against a target of 26,212 during the year under review. There was an overachievement in TB screening due to change in policy requiring all patients be screened. Hence, 739,268 persons were screened for TB against a target of 70,130 while 145,288 were screen for HIV against a target of 70,130.

Under elimination of **non-communicable conditions sub-programme**, 1811 women of Reproductive age were screened for cervical cancer against a target of 70,165 during the year under review. 10,859 and 33,146 persons were screened for diabetes and hypertension respectively. These numbers would have been higher were it not for the COVID-19 pandemic.

During the year under review, 2 vehicles were procured under the THS-UHC project. Continuous recruitment was also carried out as per the need, which surpassed the target due to the opening of many facilities and ICU. More trainings of health personnel were also carried out due to the emerging issues (COVID-19), and also passes the target

Stock status of pharmaceuticals was at 80% while non-pharmaceuticals were at 70%. This was due to limited budgetary allocation in the year under review.

17. 2.3.5. Lands and Housing

During the year under review operationalization of the GIS lab was completed. 11 Parts Development Plans prepared. Integrated Urban Strategic Development plans (IUSDP) for Murang'a urban area, Maragua Urban area, Kangari urban area and A2 Corridor were finalized through the support of NaMSIP.

18. 2.3.6. Murang'a Municipality

During the year under review, Murang'a Municipality completed upgrading to cabro-standards of mortuary road, Mahesh-Total Junction Walkway, and Unaitas-Benrose Junction road. The Municipality also completed construction of parkings along selected roads from Mukuyu Alpha Junction to Mukuyu Market besides Mukuyu Bus Park with a total of 91 parking slots. Establishment of 2 additional Municipalities (Kenol and Kangari) and 6 Towns were in progress.

The Municipality also initiated construction to bitumen standards of Jct. Hospital Road Stage - K.P.L.C - Lands Offices - Jct. Kiriaini Road, and Family Bank Back Lane

(1.8 KM). The construction works also includes 2.3 Kms of drainage besides improvement & Upgrading of Mukuyu ECD School and Social Hall.

19. 2.3.7. Environment and Climate change

During the year under review, two disposal sites were improved and 50 refuse chambers constructed. 1000 dust bins, 320 PPEs and 2000 assorted waste collection tools were procured. 10 kms of river banks were rehabilitated and tree-seedlings planted. To further increase tree cover, 200,000 seedlings were supplied and planted.

20. 2.3.8. Trade, Tourism and Cooperatives

During the year 2019/2020, renovation of open-air markets continued and a total of 8 markets were rehabilitated, 3 cooperatives were established and registered with the support of the County.

2.4 FISCAL PERFORMANCE

Implementation of the FY 2020/2021 County budget was severely affected by the COVID 19 Pandemic which necessitated re-allocation of resources to mitigate against its impacts. Implementation of County programmes is on course but with performance lagging behind targets. During the first half the financial year, revenue collection has lagged behind targets largely due to the disruptions occasioned by the COVID 19 Pandemic.

By the end of December 2020, the total Exchequer revenue received amounted to KShs. 1,574,587,500. The total amount received for conditional grants amounted to KShs. 183,612,379 while the local revenue collected amounted to KShs. 227,702,680 against a collection target of KShs. 449,999,999.88 for the period 2020/21.

21. 2.4.1 Local revenue performance

Table 1: Revenue analysis by revenue stream July 2020 - Dec 31 2020

SOURCE	Actual Revenue 2019/2020	Target Revenue Upto 31ST DEC 2020	Actual Revenue As at 31ST DEC 2020	VARIANCE
LICENCES	98,535,344.19	49,900,130.16	49,070,823	(829,307.16)
PLOT RENT/LAND RATES	53,226,460.86	31,328,216.25	28,487,537	(2,840,679.25)
MARKET FEES	42,109,538.92	32,061,076.41	21,609,786	(10,451,290.41)
PENALTIES	461,200.18	1,165,614.91	178,669	(986,945.91)
BUILDING MATERIAL CESS (sand, stones)	44,979,407.02	38,606,585.63	14,994,082	(23,612,503.56)
BUS PARK FEES	18,962,827.79	29,141,608.59	10,352,047	(18,789,561.59)
PARKING FEE	21,238,708.70	18,003,470.63	11,974,069	(6,029,401.63)
MOTOR BIKES	2,216,045.75	7,889,470.31	1,697,479	(6,191,991.31)
LIQOUR LICENCE	36,924,059.00	18,718,448.44	1,308,339	(17,410,109.44)
PLAN APPROVAL	9,738,904.39	23,344,442.81	885,294	(22,459,148.81)
CONSERVANCY	10,244,978.00	10,408,399.76	5,115,059	(5,293,340.76)
OTHER CESS REVENUE	6,918,950.14	2,873,665.31	18,423,158	15,549,492.69
SALE OF FORMS	3,126,132.98	6,137,746.41	1,715,485	(4,422,261.41)
ADVERTISEMENTS	7,848,196.10	5,451,864.71	3,685,776	(1,766,088.71)
SELF HELP GROUP	1,335,807.87	1,899,989.15	699,857	(1,200,132.15)
LAND SUBDIVISION/TRANSFER	6,285,858.08	10,453,770.94	4,567,418	(5,886,352.94)
HOUSE/STALLS RENT/S.HALL	5,423,449.18	5,346,321.56	3,579,265	(1,767,056.56)
OTHER LAND BASED REVENUE	3,781,063.49	5,153,590.03	1,651,085	(3,502,505.03)
MORGUE FEES	1,784,566.13	1,099,095.39	827,882	(271,213.39)
SLAUGHTER FEES	1,925,601.73	918,021.33	641,811	(276,210.33)
IMPOUNDING	1,477,577.65	3,044,243.44	427,157	(2,617,086.53)
EDUCATION & POLYTECHNICS	166,189.00	665,535.48	-	(665,535.48)
FIRE	11,692,551.06	11,394,626.00	4,864,122	(6,530,504.00)
HOSPITALS	126,185,812.73	86,770,695.94	26,425,650	(60,345,045.94)

PUBLIC HEALTH	19,469,831.38	19,742,878.13	7,493,300	(12,249,578.13)
LIVESTOCK (A.I)	2,188,222.76	8,778,697.69	10,600	(8,768,097.69)
MEAT INSPECTION	8,861,763.34	7,397,362.50	5,131,125	(2,266,237.50)
VET. CLINICAL SERVICES	1,489,553.00	2,995,645.31		(2,995,645.31)
COOPERATIVES	651,505.78	392,997.99	303,073	(89,924.99)
HOUSING & PHYSICAL PLANNING	1,266,919.67	6,843,750.00	993,469	(5,850,281.00)
WEIGHT & MEASURES	943,422.17	983,702.81	503,116	(480,586.81)
MARIIRA FARM	216,773.38	1,088,335.86	86,147	(1,002,188.86)
TOTAL	551,677,222.40	449,999,999.88	227,702,680	(222,297,319.91)

In the year 2020/21 the County has a revenue target of KShs. 900m. In the first half of the year, the county has managed to meet half of its target revenue for the half. This has been occasioned by contraction of major economic activities mainly in agriculture and the building and construction sector as indicated by lower revenues from these two main revenue earners for the county. It was expected that with the announcement of lifting of the various cessation of movement guidelines and partial re-opening up of the country, the country would resume its previous levels of economic activity, however, this has not been the case.

The County Government is very cautious and has been monitoring revenue collection and controlling for its expenditure to ensure that it does not accrue outstanding bills due to unrealized revenues.

2.4.2. County own Source of Revenue

County own source of revenue is a very critical source of financing for County Governments. This has become more conspicuous in the last two fiscal years when there have been disputes in allocation of equitable share of revenue to devolved units. Own source revenue was critical in meeting short term cash flow requirements of the county government pending exchequer releases.

As such, efforts shall be made to ensure that own source revenue collection is maximised. To this end, the County Government shall continue to diversify its revenue sources and enhance its enforcement efforts.

The national treasury has developed a national policy to support enhancement of County Government's own source revenue. The main aim of this policy is to address challenges in collection and administration of decentralized taxes, fees and charges. To this end various legislative reforms have been initiated in an effort to improve on revenue administration and collection.

These reforms include;

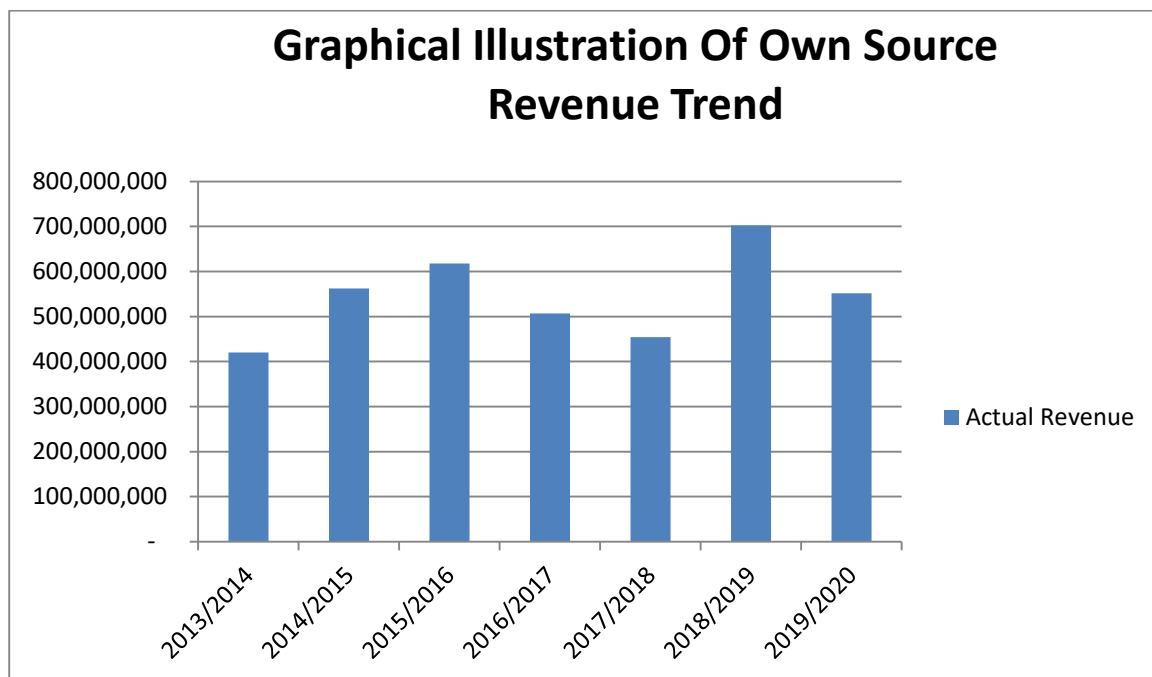
- i. Development of a National Rating Legislation to replace the outdated Valuation for Rating Act (Cap. 266) and Rating Act (Cap.267);
- ii. Development of the National Trade Bill which is expected to harmonize business licensing countrywide; and
- iii. The State Department for Transport has constituted a multi-agency committee to come up with recommendations on harmonization of cess, other fees and levies charged by Counties on transporters.

These reforms especially the national rating legislation are expected to unlock the immense revenue potential in property rates and land rent.

Figure 1: Own Source of Revenue

Trend in own source revenue

Financial year	Local Revenue	FIF	Sub totals	Growth percentage	in
2013/2014	383,226,402	36,702,015	419,928,417	-	
2014/2015	481,978,934	80,248,600	562,227,534	33.89	
2015/2016	531,764,224	85,933,391	617,697,615	9.87	
2016/2017	444,517,876	62,167,855	506,685,731	(17.97)	
2017/2018	407,423,419	47,174,546	454,597,965	(10.28)	
2018/2019	562,849,972	139,482,031	702,332,002	54%	
2019/2020	425,491,410	126,185,813	551,677,222	(21.4%)	



Own source revenue increased by 66% in the year 2018/2019 following the enactment of finance bill 2018 which reviewed applicable fees and charges. However in 2019/2020 the revenue declined by 21% due to the global covid-19 pandemic. The County Government shall ensure that the drop in revenue is addressed in the current year by addressing any challenges the department has in achieving the revenue target.

22. 2.4.2 Expenditure performance

Table 2: Analysis of County Expenditures as at December 2020

VOTE	DEPARTMENT	RECURRENT BUDGET		Actual Expenditures July-Dec 2020	Absorption %
		Approved Budget 2020-2021	Budget Allocation July-Dec 2020		
	Governorship, County Co-ordination and Administration	270,324,366	135,162,183	65,674,953	49%
	Finance IT and Economic Planning	325,000,250	162,500,125	82,788,562	51%
	Agriculture, Livestock and Fisheries	250,235,951	125,117,976	71,223,318	57%
	Energy Transport and Infrastructure	32,142,060	16,071,030	5,466,136	34%
	Water	57,351,213	28,675,607	9,202,061	32%
	Commerce Trade Industry and Tourism	24,650,166	12,325,083	7,208,600	58%
	Health and Sanitation	2,607,625,424	1,303,812,712	1,163,655,279	89%
	Lands Housing and Physical Planning	151,684,742	51,146,186	22,303,413	44%
	Public Service Administration	587,915,401	293,957,701	137,007,649	47%
	Education and Technical Training	443,406,195	221,703,097	96,112,730	43%
	Youth Culture Gender and Social services	103,706,604	51,853,302	12,658,819	24%
	Environment and Natural Resources	47,069,186	23,534,593	10,713,473	46%
	County Public Service Board	44,638,485	22,319,243	9,778,044	44%
	RECURRENT TOTALS	4,945,750,043	2,448,178,836	1,693,793,037	69%
		DEVELOPMENT			
	DEPARTMENT	Approved Budget 2020-2021	Budget Allocation July-Dec 2020	Actual Expenditures July-Dec 2020	Absorption %
	Finance IT and Economic Planning	21,000,000	10,500,000	-	0%
	Agriculture, Livestock and Fisheries	566,411,735	283,205,868	123,804,985	44%
	Energy Transport and Infrastructure	510,438,619	255,219,310	128,285,275	50%
	Water	200,000,000	100,000,000	30,188,340	30%
	Commerce Trade Industry and Tourism	266,000,000	133,000,000	87,154,912	66%
	Health and Sanitation	1,120,706,290	560,353,145	421,804,739	75%
	Lands Housing and Physical Planning	179,800,000	89,900,000	44,657,794	50%
	Education and Technical Training	186,805,108	93,402,554	29,025,561	31%
	Youth Culture Gender and Social services	22000000	11,000,000	8925955	81%
	Environment and Natural Resources	31000000	15,500,000	0	0%
	DEVELOPMENT TOTALS	3,104,161,752	1,552,080,876	873,847,561	56%
	GRAND TOTAL	8,049,911,795	4,000,259,712	2,567,640,598	64%

The county government is progressing with the implementation of the budget 2020/2021. The implementation has been very challenging due to slow exchequer releases and low collection of local revenue. However, the county government has managed to absorb 31% of its total budget and 64% of its half year allocation.

2.5 FISCAL POLICY

The County Government shall prepare a balanced budget in accordance with the Public Finance Management Act. In preparing its budget, the County Government shall endeavour to contribute to the national government's agenda of post covid-19 recovery. To this end, the County Government does not intend to revise its fees and charges upwards. Its expenditure shall also be directed to programs that have higher contribution to post covid - 19 economic recovery.

The County Government shall also ensure that in the medium term, allocation to development expenditure increases while recurrent expenditure is rationalised. On the same note all efforts shall be made to ensure that local revenue collection is maximised and all donor grants are fully absorbed and well utilised within the stipulated conditions to ensure attainment of their intended outcomes.

2.6 RISKS TO THE ECONOMIC OUTLOOK

- i. **Kenya Economic Performance:** The country's economic performance may affect the implementation of 2018/19 financial year budget. Poor economic performance due to unpredictable external and internal shocks will have a negative impact on the county performance in terms of the funds that will be allocated to the County from the National Government.
- ii. **Shortfall in Local Revenue:** The main fiscal risk that is likely to be faced by the county government is the shortfall in local revenue flows. Own Sources Revenue generation has continued to face challenges such as inadequate financial regulations and laws, high cost of revenue collection, and constrained revenue base. In order to mitigate the identified challenges, the County will fast track enactment of finance regulation and laws and further identify new revenue streams. To cushion against high cost of revenue collection, the County plans to automate and capacity build revenue officers.
- iii. **High wage bill:** The new CBA's may significantly increase the wage bill thereby reducing funds allocated for development.
- iv. **Contingency Liabilities:** The county government has been facing various litigations on different matters. This has had a big impact on the budget as the legal fees keep on increasing as a result of the court cases. Depending the

outcomes of the court cases in some instances the county has been ordered to pay the litigants thus hugely affecting the budget. In order to mitigate against high number of litigations, the County will enhance compliance with all procedures and regulations.

v. Locusts

Invasion of locusts in various parts of the county may significantly affect agricultural production hence constraining county revenues and at the same time impacting on food security. As a measure, the County will marginally increase allocation to the emergency kitty.

vi. COVID-19

The number of cases of Covid-19 in Kenya have risen rapidly from the first reported case on 13 March 2020. The government is undertaking various measures to curb the spread of the virus. The pandemic continues to have negative economic impacts on businesses and workers. The country has witnessed job cuts across various sectors, and incomes of businesses have fallen. The economic consequences of the pandemic are likely to have a far greater impact on the long-term health, wellbeing and poverty levels of the population as a whole than the predicted fatalities caused directly by the disease.

Sectors worst hit by the virus include the labor force, housing, transport, health, trade and tourism. The supply and demand for goods and services in these sectors have been significantly hampered. Furthermore, the restriction of movement in and out the country has dwindled the revenues from the tourism and aviation sectors, while delays at borders due to testing of truck drivers have resulted in losses of profits to business owners. These shocks and disruptions are likely to be felt both in the short and medium term.

CHAPTER THREE

BUDGET FOR FY 2021/22 AND THE MEDIUM TERM

3.1 FISCAL FRAMEWORK SUMMARY

The budget for the year 2021/22 shall be KShs. 8,896,075,240. Of these revenues equitable share accounts for approximately 87% of the total revenue and stands at KShs. 7,680,155,855, local revenue accounts for approximately 9% and amounts to KShs. 760,990,013 and donor grants accounts for approximately 5% and amounts to KShs. 454,929,372.

On the other hand, development expenditure is set to be KShs. 2,714,574,328 representing approximately 31% of the total budget. Recurrent expenditure shall be KShs. 6,181,500,912 representing 69% of the total budget.

3.2 REVENUE PROJECTIONS

The revenues for the year 2021/22 and the medium term are as shown in the table below:

Table 3: Revenue Projections

Revenue Streams	Actual Revenue 2019/20	Budgeted Revenue 2020/21	Proposed Budget 2021/2022	Projections	
				2022/23	2023/24
Equitable Allocation	5,756,691,900	6,679,833,000	7,180,155,855	10,897,949,000	10,897,949,000
Equitable share Carried Forward	525,000,00	525,000,000	500,000,000	400,000,000	400,000,000
Conditional Grant	661,826,499	520,780,762	454,929,372	454,929,372	454,929,372
Local Revenue	551,677,222	960,000,000	760,990,012.72	860,990,012.72	860,990,012.72
Total	6,970,720,621	8,685,613,762	8,896,075,239.72	12,613,868,384.72	12,613,868,384.72

The County Government expects to receive a total of KShs. 8,896,075,240 in the period 2021/22. Out of this, own source revenue is expected to account for 10% of the total revenues. However, the County Treasury shall regularly monitor the levels of collection in the course of the period and shall adjust its budget accordingly in case of any revenue shortfalls. Own source revenue is expected to increase marginally in the medium term building on the measures implemented by the National Treasury of streamlining the economy through fiscal consolidation, prompt settlement of bills by Government entities. These efforts are expected to have multiplier effects on the economy by encouraging private investments in the local economy. This in effect could lead to increase in permits both business and construction permits.

Conditional grants shall continue to be a key source of revenue for the County Government. Every effort shall be put to ensure compliance with the stipulated conditions to ensure maximum benefits are reaped from this source of revenue.

3.3 EXPENDITURE PROJECTIONS

3.3.1 Overall deficit and financing

The budget is balanced without a deficit or a surplus. It is expected that all the budgeted and expected revenue shall be realized timely and efficiently. The County shall remain vigilant on expenditure rationalisation and commitments in line with cash flow availability and requirements.

Further, all effort shall be made to ensure the County Government adheres to the stipulated conditional grants guidelines.

3.4 BUDGETARY ALLOCATIONS FOR THE FY 2021/22 AND THE MEDIUM TERM

Budgetary allocation ceilings for FY 2021/22 are based on revenue growth, budget 2019/2020, and priorities outlined in key planning documents.

Table 4: Summary of Budget Allocations for the FY 2020/21 - 2022/23

Department	2019/2020 Departmental Ceiling ratio %	2021/2022 Proposed budget	Projection 2022/2023	Projection 2023/2024
Administration and Co-ordination	3.04%	270,324,366.18	282,582,377	300,427,787
Finance and Planning	4.40%	391,000,250.43	342,578,662	343,964,973
Agriculture Livestock and Fisheries	8.73%	551,159,154.00	1,111,430,542	1,095,248,223
Water and Irrigation,	3.20%	284,649,374.00	413,390,415	360,733,768
Transport and Infrastructure	6.00%	534,176,836.00	886963161.1	783633011.3
Trade industry and tourism	3.27%	290,650,166.00	389,041,876	403,457,118
Education	7.08%	630,211,302.57	736,784,847	761,565,766
Health and Sanitation	43.35%	3,689,726,132.19	4,624,160,886	4,592,717,621
Lands, Physical Planning and Urban Development	0.84%	137,312,371.00	134,921,130	143,060,589
Muranga Municipality	1.52%	72,900,000.00	183,655,856	193,213,479
Public Service Board	0.50%	44,638,485.00	43,194,820	43,194,820
Youth Culture and Social services	1.41%	125,706,603.70	126,040,733	134,235,449
Environment and Climate change	0.88%	78,069,185.62	104,424,333	109,578,055
Public Service	6.61%	587,915,401.11	561,388,039	600,199,159
County Assembly	9.16%	815,143,240.00	2,554,923,857	2,605,850,086
Total		8,896,075,240	12,495,481,535	12,471,079,906

In determining the allocation to departments, the estimates are based on allocation from the budget 2020/2021 and partly on expenditure outturn of the budget 2019/2020 as well as departmental priorities for the year 2021/2022.

The department of health has the highest allocation of 43.4%. This is informed by the need to respond to the demands of the pandemic. The department of transport and infrastructure has an allocation of approximately 6%, however, the Murang'a Municipality shall also be undertaking projects related to the department of infrastructure among them repair and maintenance of municipal roads and drainage systems.

While the allocation to the County Assembly is at 9.16% it is subject to review in accordance with the allocation in the County allocation of revenue act 2021.

The impact of various national government conditional grants such as road maintenance levy fund, grants to village polytechnics, compensation for user fees foregone, and grants to level 5 hospitals shall be minimal in varying the departmental ceilings since these grants have been lumped up to the equitable share. However, other donor grants could vary the ceilings albeit marginally. This is more so with regards to grants in the department of Lands and Urban Development, Agriculture and the department of Health and Sanitation.

3.5 RESOURCE ALLOCATION FRAMEWORK

In the allocation of resources, emphasis will be made on ensuring that:

- All ongoing projects are completed and the relevant expenditure necessary for their full operation adequately provided for.
- The rationale for any expenditure shall be geared towards service provision to the citizenry.
- Expenditure should be mainly for development purposes.
- Any outstanding bills shall take the first charge.

23. 3.5.1. Risks to the 2020/21 Budget framework

In implementing the budget for the year 2021/2022 there are inherent and implicit risks that could hamper the achievement of the intended objectives. These risks could be financial and others operational. However, the most conspicuous risks likely to impact on the 2021/2022 budget include:

- i. The county's main economic activity is agriculture. As such, extreme weather conditions may affect agricultural production negatively.
- ii. The cost estimate done on various programmes is based on prevailing market prices. Any significant increase in the market prices may render some cost estimates unrealistic.
- iii. Disharmony between critical stakeholders leading to incomplete projects.
- iv. The highest percentage of county budget is financed through the equitable allocation. Any delays in disbursements may severely affect implementation of the budget.
- v. The global covid-19 pandemic has not been contained despite the invention of a vaccine. As such, its impact on the global as well as the domestic economy has the potential to negatively affect achievement of the underlying fiscal parameters.
- vi. Failure to realize the projected own source revenue for the fiscal year.

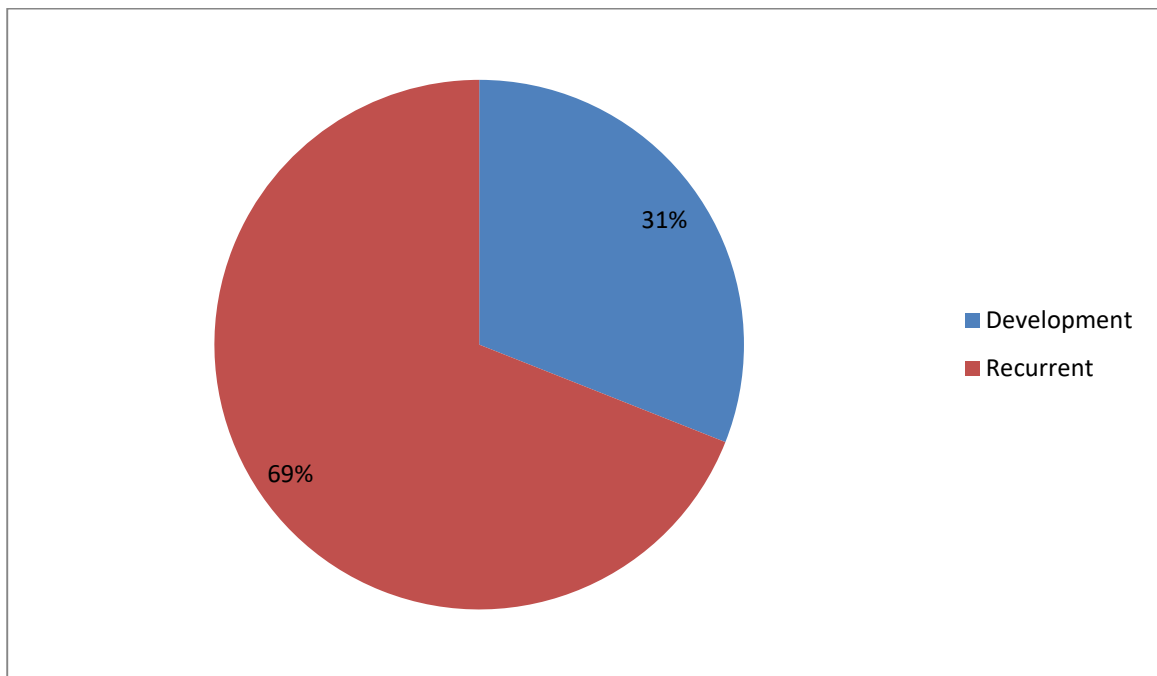
3.6 COMPLIANCE WITH FISCAL RESPONSIBILITY PRINCIPLES

In preparing its estimates, the county government shall strive to ensure that its expenditure is sustainable and is fiscally prudent and responsible. To this end the County shall be guided by the following fiscal responsibility principles:

I. Compliance with the requirement for development spending allocations

The public finance management regulation 2015 recommends county governments allocate at least 30% of their expenditure in development. The County Government has allocated 31% of its total expenditure to development.

Figure 2: Allocation of Recurrent and Development Expenditure



II. Compliance with the requirement for expenditure on wages

The set limit for wages is maximum 35% of the County Government's total revenue. The estimate of total wages for the County Government stands at Kshs. 3,973,760,014 comprising of Kshs. 3,705,583,965 for the County Executive and approximately KShs. 268,176,049 for the County Assembly. As a percentage of the total budget, wages stand at 45% of the County Government's revenue.

The County Government is exploring all measures possible to contain its expenditure on personnel emolument. This is by ensuring that replacement of officers leaving its workforce is only for very critical skills that are vital in meeting its core mandate of serving

III. Prudent Management of Fiscal Risks

The County Government still remains exposed to revenue shortfalls experienced by the National Government. These shortfalls are likely to lead to slow and unpredictable exchequer releases.

The County's economy is agricultural based and is heavily reliant on rain. Hence any drought experienced has the potential to affect implementation of intended programmes. Further, it also has the potential to affect the revenues collected locally.

Overall, the macro-economic factors affecting the Country such as an erratic inflation rate, fluctuation in exchange rates and interest rates and international shocks also pose risks to the county economy. These risks have the effect of reducing realizable local revenue and even the purchasing power of the citizens thus hampering effective implementation of the budget.

3.7. RESOURCE SHARING GUIDELINES

As can be seen in the table below, all the departments have adhered to the minimum 30% allocation to development. The departments that don't meet the threshold are service departments for example Administration and Co-ordination, Public Service and Public Service Board, Environment and Climate change and the Department of Finance, IT and Economic Planning.

Table 5: Proposed departmental budget allocation for 2020/21 (Kshs Million)¹.

Department	Recurrent	Development	Total Budget	% of Recurrent to Total Budget	% of Development to Total Budget
Administration and Co-ordination	270,324,366.18	0	270,324,366.18	100%	
Finance and Planning	325,000,250.43	66,000,000	391,000,250.43	83%	17%
Agriculture Livestock and Fisheries	250,235,951.00	526,411,735	776,647,686.00	32%	68%
Water and Irrigation,	57,351,213.00	227,298,161	284,649,374.00	20%	80%
Transport and Infrastructure	32,142,060.00	502,034,776	534,176,836.00	6%	94%
Trade industry and tourism	24,650,166.00	266,000,000	290,650,166.00	8%	92%
Education	443,406,194.57	186,805,108	630,211,302.57	70%	30%
Health and Sanitation	3,107,625,424.48	749,104,548	3,856,729,972.19	81%	19%
Lands, Physical Planning and Urban Development	49,392,371.00	25,483,000	74,875,371.00	66%	34%
Muranga Municipality	52,900,000.00	82,437,000	135,337,000.00	39%	61%
Public Service Board	44,638,485.00	-	44,638,485.00	100%	0%
Youth Culture and Social services	103,706,603.70	22,000,000	125,706,603.70	82%	18%
Environment and Climate change	47,069,185.62	31,000,000	78,069,185.62	60%	40%
Public Service	587,915,401.11	-	587,915,401.11	100%	0%
County Assembly	785,143,240.00	30,000,000	815,143,240.00	96%	4%
Total	6,181,500,912.09	2,714,574,328	8,896,075,240	69%	31%

Source: Murang'a County Treasury

¹ Annex 1 Indicates Department ceilings per department both recurrent and development.

CHAPTER FOUR

DEPARTMENTAL/ SUB SECTOR PRIORITIES

4.1 INTRODUCTION

This section highlights County development priorities identified in the sectors from the Sector Working Groups and during stakeholder consultations. The priorities are linked to the development priorities in the CIDP 2018-2022, ADP 2021-2022, County Transformative Agenda, the Governor's manifesto as well as County COVID19 Socio-Economic Re-Engineering and Recovery Strategy 2020/21-2022/23. The priorities are also linked to the development priorities outlined in the Sustainable Development Goals (SDGs), Kenya Vision 2030, and MTP III (National Government 'Big Four' Agenda). The sectoral priorities envisage a green economy and mainstreaming of cross-cutting issues such as gender, youth and PWDs, disaster risk management, HIV/AIDs, COVID19 pandemic as well as climate change and environment conservation.

In view of the COVID19 County Socio-Economic Re-Engineering recovery strategies, the County will boost the private sector activity, through enhancing access to affordable credit by initiating and strengthening a self-sustaining kitty dedicated and easily accessible by MSEs. Further, the county will improve infrastructure (Roads, Electricity, water and drainage) as well as security to reduce crime and enhance market access. The county shall continue to participate in the development of regional block value chains and consolidate markets to increase and diversify markets.

According to Kenya National Bureau of Statistics County poverty brief issue of 2020-2021, the county still experiences high levels of multi-dimensional and monetary poverty among children and women. Investing in improving accessibility and availability of basic services that enhance human capital development, improving access to adequate nutrition, investing in education, sanitation and health sectors are hoped to reduce the risk of intergenerational poverty.

The county shall continue to address health and education risks related to COVID19 i.e. poverty and malnutrition; and deprivations in health education, housing and water through universal health coverage, technical training, strengthening partnerships with humanitarian actors and development partners as well as support safety at work places by continuing to implement measures that reduce exposure to corona virus for all workers, formal and informal.

Sector	Sub Sector	Sector Priorities
Public Service Management and Administration	Public Service Administration (HR)	<ul style="list-style-type: none"> i. Carry out a workload analysis ii. Develop and review county organizational structures iii. Develop and implement the recruitment and maintenance policies. iv. Develop and implement Training and Development policy. v. Develop and implement performance management system. vi. Develop a reward and sanction framework. vii. Training on performance management. viii. Develop and implement an employee welfare policy ix. Establish a liaison office. x. Establish an industrial dispute resolution committee. xi. Acquire adequate and secure filing system. xii. Digitize all manual Human Resource Records. xiii. Training need analysis and recommendation
	Administration and Coordination (Governorship)	<ul style="list-style-type: none"> i. Improve efficiency in coordination ii. Public Awareness creation and enforcement of existing laws. iii. Training of enforcement personnel iv. Operationalize legal department v. Improve Disaster Preparedness and response
Finance, IT and Economic Planning	Finance	<ul style="list-style-type: none"> i. Expansion of County Treasury (Establishing Sub County offices) ii. Enhance public participation in the entire PEM framework iii. Enhance internal control systems (Automation, Audit Committee) iv. Enhance record keeping system and efficient stores v. Mapping of county revenue streams vi. Preparation of County revenue legislations
	Information Technology (IT)	<ul style="list-style-type: none"> i. Enhance office connectivity and communication infrastructure ii. Provide IT equipment and accessories iii. Establish Information Resource Centres (Ujumbe) iv. Establish E-Government system across the county v. Procurement of media production equipment and editing software

	Economic Planning	<ul style="list-style-type: none"> i. Timely preparation of quality requisite County policy documents ii. Review of CIDP 2018-2022 iii. Review implementation of ADP 2020-2021 iv. Monitoring, Evaluation and reporting of county and projects and programmes. v. Conducting statistical surveys and establishment of county statistical database. vi. Technical backstopping of other county departments in preparation of sector specific policy documents. vii. Dissemination of policy documents.
Education, Youth, Sports, Culture and Social Services	Youth Polytechnics	<ul style="list-style-type: none"> i. Improvement of YP infrastructure and new constructions. ii. Procurement and distribution of tools and equipment's to YPs. iii. Capacity building of YP instructors.
	Sports	<ul style="list-style-type: none"> i. Talent identification county wide ii. Infrastructure Development in all county stadia iii. Establishment of 1 Talent Academy iv. Procurement and issuance of Sports equipment and tools
	Social Services	<ul style="list-style-type: none"> i. Rehabilitation of social halls ii. Mobilization and sensitization of community to participate actively in all project activities; iii. Enhance the capacity of community members to initiate, plan, implement and monitor activities, which promotes their own livelihood iv. Promote, register and build the capacity of community groups in order to accelerate their participation in project activities v.
	Culture	<ul style="list-style-type: none"> i. Development of Mukurwe wa Nyagathanga ii. Establishment of a cultural studio iii. Nurturing and development of talents e.g. in music, dance and drama iv. Construction of county theatre
	ECDE	<ul style="list-style-type: none"> i. Improve ECDE infrastructure across the County ii. Capacity building of ECDE teachers iii. Establish Special Needs Education (SNE) which caters for ECD's
	Health	Health

		<p>communicable diseases and encouraging improved nutrition.</p> <ul style="list-style-type: none"> iii. Strengthen curative health services through provision of health personnel, drugs and equipment. iv. Enhance managerial skills of CHMT and SCHMTs v. Improve school health programs vi. Improve cross-sectoral cooperation for health promotion and public health, in the areas of water and sanitation, reproductive health, gender, HIV/AIDS, nutrition, school health, road safety and tobacco control vii. Construct and equip new health facilities viii. Provide adequate referral services. ix. Enrolment of community in NHIF
Trade, Tourism, Investment, Agri-Business, and Cooperatives	Trade Development and Promotion	<ul style="list-style-type: none"> i. Market development ii. Construction of sanitation blocks iii. Enhance market accessibility and connectivity iv. Avail piped, clean and safe water in the market centres v. Street/Market lighting vi. Enhance marketing and market information vii. Facilitate affordable and accessible credit facilities to traders
	Tourism	<ul style="list-style-type: none"> i. Development and marketing of tourism attraction sites ii. Tourism product development
	Industrial Development and Investment	<ul style="list-style-type: none"> i. Agro-processing and manufacturing of farm produce (Value addition) ii. Enhance market information and access (milk, macadamia, coffee, tea, avocados, French beans, mangoes, bananas) iii. Enhance market linkage (local and international) iv. Development of agribusiness portal v. Transform agricultural enterprises from subsistence to agribusiness.
	Cooperative Development	<ul style="list-style-type: none"> i. Enhance market linkage ii. Enhance/streamline management of cooperative societies
	Agri-Business	<ul style="list-style-type: none"> i. Promote e-marketing for agriculture based produce and products ii. Capacity building of farmers
Environment and Climate Change	Environment and Climate Change	<ul style="list-style-type: none"> i. Proper waste management mechanisms ii. Prevention of noise and air pollution iii. Increase farm forest cover iv. Rehabilitate degraded sites v. Promotion of clean energy vi. Integrate climate change measures into county policies strategies and planning

Lands	Physical Planning	<ul style="list-style-type: none"> i. Prepare Integrated plans of urban centers and towns ii. Urban research and data management iii. Enhance revenue streams in collaboration with department of finance iv. Zoning of parks, open spaces and play fields v. establish urban parks vi. Succession programs vii. Planning, survey and mapping of all urban plots viii. Establish Alternative Dispute Resolution (ADR) mechanisms ix. Land information management for public and private land
	Housing	<ul style="list-style-type: none"> i. Enhance revenue streams in collaboration with department of finance ii. Beautification of open spaces iii. Rural Housing program iv. Provision of land for housing and industrial development
	Urban Development	<ul style="list-style-type: none"> i. Sustainable solid and liquid waste disposal mechanism ii. Storm water drainage in major towns and market centers iii. Set up urban management system as provided in Urban Areas and Cities Act iv. Enhance revenue streams in collaboration with department of finance v. Establish urban parks vi. Urban renewal and redevelopment program vii. Establish Alternative Dispute Resolution (ADR)
Roads, Transport, Energy, and Public Works	Roads, Transport, Energy, and Public Works	<ul style="list-style-type: none"> i. Upgrading of county access roads and bridges ii. Rehabilitation of existing and installation of new security lights iii. Improve drainage iv. Improvement of transport systems(motorized and non-motorized)
Agriculture, Livestock and Fisheries	Crop Production	<ul style="list-style-type: none"> i. Water harvesting ii. Ensure quality Seeds, fertilizers and pesticides iii. Control of Emerging crop pests and diseases iv. Extension support
	Livestock Production	<ul style="list-style-type: none"> i. Contract farming ii. Livestock feeds and equipment iii. Optimal extension staff to farmer ratio. iv. Enhance adoption of new technologies v. Enhance information Access vi. Youth involvement
	Veterinary Services	<ul style="list-style-type: none"> i. Veterinary drugs ii. Optimal extension staff to farmer ratio. iii. Enhance adoption of new technologies

		<ul style="list-style-type: none"> iv. Enhance information Access v. Emerging and existing zoonotic diseases of anthrax, rabies and rift valley fever
	Fisheries	<ul style="list-style-type: none"> i. Contract farming ii. Market promotion iii. Fish feeds and equipment iv. Optimal extension staff to farmer ratio. v. Enhance adoption of new technologies vi. Enhance information Access vii. Enhancing Public-Private Partnerships by encouraging private sector players to invest and participate in Fish farming.
Water and Irrigation	Irrigation	<ul style="list-style-type: none"> i. Irrigation infrastructure ii. Development of water harvesting and storage infrastructure for irrigation. iii. Enhancing farmer education and awareness, and improving communication and information flow. iv. Enhancing Public-Private Partnerships by encouraging private sector players to invest and participate in irrigation. v. Strengthening stakeholder participation in all irrigation projects and initiatives. vi. Enhancing compliance with environmental, statutory and legal requirements
	Water and Sanitation	<ul style="list-style-type: none"> i. Enhance user education on water and sanitation management ii. Enhancing Public-Private Partnerships to invest and participate in water and sanitation provision. iii. Strengthening stakeholder participation in all water and sanitation initiatives. iv. Enhancing compliance with environmental, statutory and legal requirements
County Assembly	County Assembly	<ul style="list-style-type: none"> i. Enhance public participation in County development ii. Enhance oversight iii. Fast track vetting and approving nominees for appointment to County public offices iv. Fast track approving the budget and expenditure, Bills, Acts and Development policies of the County government
County Public Service Board	County Public Service Board	<ul style="list-style-type: none"> i. Promote best labor practices in recruitment ii. Allocate, motivate and effectively utilize human resources for improved public service delivery iii. Promote public service integrity