



REPUBLIC OF KENYA

**COUNTY GOVERNMENT OF KIAMBU
FINANCE & ECONOMIC PLANNING DEPARTMENT**

COUNTY FISCAL STRATEGY PAPER (CFSP)

TRANSFORMING KIAMBU

FEBRUARY 2019

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FOREWORD

The 2019 county fiscal strategy paper (CFSP), sets out the Kiambu County Administration priority programs and reforms to be implemented over the next MTEF period (2019/20 – 2021/22). The programs and policies herein reflect the concerns of Kiambu people and are anchored under the second County Integrated Development Plan (CIDP), Governor’s manifesto, the ‘BIG FOUR’ National agenda and the Kenya Vision 2030. These priority programs and policies will guide the County Government in preparing their budgets both for the following financial year and over the medium term

The 2019 CFSP comes at early stage of the Second County Integrated Development Plan which covers the period 2018-2022 and builds on the gains made in key sectors of the economy during the First County Integrated Development Plan. In this regard, the policy goals, priority programs and fiscal framework are aligned to support achievement of the objectives of the Second CIDP and ultimately the Vision 2030. The county will augment economic transformation by implementing key programs under Governors Manifesto and the Second CIDP to transform the lives of the people of Kiambu. Through this paper, County Government proposes to allocate more resources to agriculture; industries, ICT innovations, health and environment with an aim to stimulating general economic performance while addressing the issues that promote welfare of County residents. To achieve this, the policy shifts resources from recurrent to capital investment while at the same time promoting sustainable and inclusive growth. Recurrent expenditure has been rationalized to decrease over time as capital expenditure increase in relative terms over the medium term period. To finance expenditures set out in this paper, the county will implement revenue enhancement initiatives in order to expand the Revenue base and strengthen Revenue

administration. In addition, the county has already initiated a number of revenue reforms and will continue to invest in technology geared towards automating revenue collection services. These reforms are expected to increase Own Source of Revenue which will help in financing future county Budgets. The reforms are also expected to make Revenue payment more convenient.

As required, the paper is aligned with the national objectives contained in the Budget Policy Statement (BPS 2019), the National Policy document that sets out the broad strategic priorities and policy goals that guide the National Government and County Governments in preparing their budgets

I would like to thank H.E. the Governor Ferdinand Waititu Babayao and H.E. the Deputy Governor for the guidance and counsel in the development of this document. My sincere gratitude goes to my fellow CECM, the county Treasury staff as well as other county Government officials, for their contributions. Equally we received useful inputs from stakeholders and Kiambu Residents during the public Participations which were held from 11th to 14th February 2019 in line with the requirements of the Public Finance Management (PFM) Act, 2012 and the Constitution. We value these inputs and extend our appreciation to all.

HON.CPA. Francis Kigo Njenga
County Executive Committee Member, Finance & Economic Planning

ACKNOWLEDGEMENT

The 2019 County Fiscal Strategy Paper is prepared in compliance with the provisions of the Public Finance Management Act; 2012. It outlines the current state of the county and outlook over the medium term, it also gives broad macroeconomic issues and medium term fiscal framework of the National Economy as contained in the 2019 Budget Policy Statement. The 2019 CFSP specifies the set strategic priorities and policy goals and a summary of Government spending plans, as a basis of the FY 2019/20 budget. The document is expected to improve the public's understanding of public finances and guide public debate on economic and development matters. Much of the information in this document was obtained from the various County Government Departments. We also received valuable inputs from Sector Working Groups and the public during budget consultation process which was held from 11th to 14th February 2019.

I am grateful to all County Treasury staff for their teamwork and support that has contributed immensely to the timely delivery of the policy paper. Special thanks go to David Warwathe, Stephen Mungai, Eliaph Karanja, Alice Kamau and Rosalyne Kibe for their commitment and hard work.

I am also grateful to the County Secretary and all Chief Officers for the valuable information they provided in their respective fields and for the cooperation shown during the period of the assignment. It is with great humility that I take the opportunity to express my profound gratitude and deepest regards to members of the County Executive Committee and especially His Excellency the Governor for the visionary leadership that has enabled us chart a clear development path. It is through his exemplary guidance, support and mentorship that the County Treasury has continued to produce and implement prudent policies, excellent plans and budget documents that have helped steer the County to greater success on financial and budgetary matters.

Finally, Special thanks also go to all the members of the public who attended and actively participated in the public forums held from 11th to 14th February 2019. We

reiterate our commitment to serving you and improve on prudent public finance management, transparency and accountability on all public finance matters.

Faith Njeri Harrison

Chief Officer, Finance & Economic Planning

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ABBREVIATIONS

ADP	Annual Development Plan
BPS	Budget Policy Statement
CBEF	County Budget and Economic Forum
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy paper
CIDP	County Integrated Development Plan
CIUDS	County Integrated Urban Development Strategy
CLIMS	County Land Management Information System
CLMC	County Land Management Committees
ECDE	Early Childhood Development Education
ECDEC	Early Childhood Development Education Centre
FY	Financial Year
ISUDP	Integrated Strategic Urban Development Plan
ICT	Information, Communication & Technology
IFMIS	Integrated Financial Management Information System
LH&PP	Land, Housing and Physical Planning
MOU	Memorandum of Understanding
MSMEs	Medium and small micro Enterprises
MTEF	Medium Term Expenditure framework
MTP	Medium Term Plan
OSR	Own Source of Revenue
PDPs	Partial Development Plans
PFMA	Public Finance Management Act
REA	Rural electrification Authority
SACCOs	Saving and Credit Cooperative Societies
USSD	Unstructured Supplementary Service Data
WB	World Bank
VTCs	Vocational Training Centres
GIS	Geographical Information system

Fiscal Responsibility Principles for the National and County Governments

In line with the Constitution, the Public Finance Management Act (PFMA), 2012, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. The PFM law (Section 107) states that:

(2) In managing the County government's public finances, the County Treasury shall enforce the following fiscal responsibility principles as set out in section 107 of the public finance management Act-

- (a) The County government recurrent expenditure shall not exceed the County government's total revenue;
- (b) Over the medium term, a minimum of thirty percent 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 a 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 for 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

- (h) The County government recurrent expenditure shall not exceed the County government's total revenue;
 - (i) Over the medium term, a minimum of thirty percent of the County government's budget shall be allocated to the development expenditure;
 - (j) The County government's expenditure on wages and benefits for its public officers shall not exceed a 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;
 - (k) Over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
 - (l) The County debt shall be maintained at a sustainable level as approved by County assembly;
 - (m) The fiscal risks shall be managed prudently; and
 - (n) 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.
- (4) 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
- (5) 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.

1.0 INTRODUCTION

1.1 Overview

1. This paper is prepared in accordance with the provision of Section 117 of the PFM Act 2012 and Regulations 26, 27 and 28 of the PFM Regulations 2015 which requires the County Treasury to prepare the County Fiscal Strategy Paper. The paper has aligned itself with the national objectives contained in the 2019 draft Budget Policy Statement and also applies fiscal responsibility principles under Section 107 of the PFMA in the management of public finances. The paper has been enriched with views from the members of the public through public hearings that were held from 11th to 14th February 2019 at ward levels.

2. The Paper sets out broad strategic priorities and policy goals that guide the two levels of the County Government in preparing their budget for the subsequent financial years and medium term expenditure. It provides valuable proposals for reviewing fiscal strategy in light of emerging challenges and opportunities. The County Fiscal Strategy Paper is therefore a critical document for policy makers as it facilitates evaluation of effectiveness of existing strategy.

3. The 2019 County Fiscal Strategy Paper contains:
 - i. an assessment of the current state of the economy including macroeconomic forecasts as contained in the National Budget Policy Statement;
 - ii. the financial outlook with respect to county Government revenue from the National Government and Own Source of Revenue, expenditures for the next financial year and over the medium term;
 - iii. the proposed expenditure ceilings for the county Government Departments;
 - iv. The fiscal responsibility principles and financial objectives over the medium-term;
 - v. key achievements, plans for 2019/20 FY and over the MTEF period as well as challenges experienced by the department; programs planned for implementation for FY 2019/20

2.0 RECENT NATIONAL AND COUNTY ECONOMIC DEVELOPMENT AND OUTLOOK

4. Economic activities picked up in 2018, after the slowdown in 2017, reflecting improved rains, better business sentiment and easing of political uncertainty. The National economy grew by 5.8 percent, 6.2 percent and 6.0 percent in the first, second and third quarters of 2018 respectively, up from 4.7 percent in similar quarters in 2017. Growth for the first three quarters of 2018 averaged 6.0 percent and is projected to grow by 6.0 percent in 2018 up from 4.9 percent in 2017. This growth is supported by a strong rebound in agricultural output, steadily recovering industrial activity, and robust performance in the services sector.
5. The economy continues to register macroeconomic stability with low and stable interest rates and a competitive exchange rate to support exports. Month-on-month Overall inflation remained stable and within target at 5.7 percent in December 2018 from 5.6 percent in November 2018, largely on account of low food prices following favourable weather conditions and a decline in energy prices due to lower prices of electricity and diesel. However, overall inflation increased from 4.5 percent in December 2017 to 5.7 percent in December 2018 on account of an increase in international oil prices.
6. The foreign exchange market remains stable supported by a continued narrowing in the current account deficit. The current account deficit is expected to narrow to 5.2 percent of GDP in 2018 from 6.3 percent in 2017, with strong performance of agricultural exports particularly tea and horticulture, increased diaspora remittances, strong receipts from tourism, and lower imports of food and Standard Gauge Railway (SGR) related equipment relative to 2017.
7. Over the medium term, economic growth is expected to rise gradually to 6.0 percent per annum due to investments in strategic areas under the “Big Four” Plan that aim to increase job creation through the manufacturing sector, ensure food security and improved nutrition, achieve universal health coverage and provide affordable houses to Kenyans. These efforts will support the business environment, create jobs and ultimately promote broad based inclusive growth.

8. Kenya continues to be ranked favourably in the ease of doing business and as a top investment destination. In the 2019 World Bank's Doing Business Report, Kenya was ranked position 61 in 2018 moving 19 places from position 80 in 2017.

2.1 National Economic Developments

Global and Regional Economic Developments

9. Global growth is projected to remain steady and grow by 3.7 percent in 2018 and 2019. The levelling-off is driven by the recently announced trade measures, including the tariffs imposed on \$200 billion of US imports from China, closure of output gaps in advanced economies, moderation in trade and investment, and a gradual tightening of financing conditions due to ongoing withdrawal of accommodative monetary policy in advanced economies. Global growth optimism is constrained by rising trade tensions likely to have a negative impact on confidence, asset prices, global trade and investments.
10. Growth prospects for sub-Saharan Africa continue to strengthen. Growth is expected to improve from 2.7 percent in 2017 to 3.1 percent in 2018 and further to 3.8 percent in 2019, supported by a stronger global growth, higher commodity prices, improved capital market access and contained fiscal imbalances in many countries. However, downside risks may arise from uncertainties in the run up to the 2019 general elections in South Africa.
11. Kenya's economic growth has remained strong and resilient even under emerging global challenges, supported by strong public and private sector investment and appropriate economic and financial policies. The broad-based economic growth has averaged 5.6 percent for the last five years outperforming the average growth rate of 4.7 percent in the period 2008 to 2012 and 4.6 percent in the period 2002 to 2007
12. The rebound in economic activity in 2018 is a reflection of improved rains, better business sentiment and easing of political uncertainty. The economy grew by 6.0 percent in the third quarter of 2018 and 6.2 percent in the second quarter of 2018 up from 5.8 percent in the first quarter of 2018, averaging 6.0 percent in

the first three quarters of 2018. Growth is projected at 6.0 percent in 2018 up from 4.9 percent in 2017, which is in line with the 2018 Budget Review and Outlook Paper (BRPOP) projection

Inflation Rate

13. Inflation rate was highly volatile in the period 2008-2012 and averaged 10.6 percent compared to the period 2003-2007 when it averaged 8.5 percent. The sharp increase in inflation rate in the year 2008 to 2010 was occasioned by internal shocks (post-elections disruptions and unfavourable weather conditions) and external shocks (high crude oil prices and global financial crisis). The tightening of monetary policy, together with an easing in global food and fuel prices, saw the levels of inflation come under control in 2012. The inflationary pressure witnessed in 2017 due to drought that affected food prices eased in 2018 supported by improved weather conditions that resulted in lower food prices.
14. Month-on-month overall inflation remained stable and within target at 5.7 percent in December 2018 from 5.6 percent in November 2018, owing to a decline in food prices particularly maize, onions and tomatoes following improved weather conditions and a decline in energy prices following lower costs in prices of electricity and diesel. However, overall Inflation increased from 4.5 percent in December 2017 to 5.7 percent in December 2018 on account of an increase in international oil prices.
15. Kenya's rate of inflation compares favourably with the rest of sub-Saharan African countries and especially its peers such as Nigeria and Ghana whose inflation rates were 11.2 percent and 9.5 percent, respectively in November 2018.

Kenya Shilling Exchange Rate

16. The Kenya Shilling exchange rate remained broadly stable and competitive against major international currencies. Against the dollar, the exchange rate has been relatively less volatile exchanging at Ksh 102.3 in December 2018 from Ksh 103.1 in December 2017. Against the Euro and the Sterling pound, the Shilling also strengthened to Ksh 116.4 and Ksh 129.7 in December 2018 from Ksh 122.0 and Ksh 138.2 in December 2017, respectively
17. The Kenya Shilling exchange rate has continued to display relatively less volatility, compared to most sub - Saharan Currencies This stability reflects strong inflows from tea and horticulture exports, resilient diaspora remittances and improved receipts from services particularly tourism.

Interest Rates

18. Interest rates have been low and stable for the period 2002 to 2011 due to ample liquidity in the money market. However, interest rates increased in 2012 following tight monetary policy stance in order to ease inflationary pressures. Interest rates remained stable and low in the period 2013-2018 except June – December 2015 when world currencies were under pressure. During the period, the policy rate (Central Bank Rate) was adjusted appropriately to anchor inflation expectation. The Central Bank Rate was reduced to 9.0 percent on 30th July 2018 from 9.5 percent in March 2018 as there was room for easing monetary policy stance to support economic activity.

Money and Credit

19. Broad money supply, M3, improved to a growth of 9.1 percent in the year to October 2018 compared to a growth of 7.2 percent in the year to October 2017. This was due to the increase in the net foreign assets (NFA) of the banking sector despite a slowdown in the growth of net domestic assets (NDA) of the banking system. The decline in growth of NDA was largely reflected in the decrease in net domestic credit to Government.

Nairobi Securities Exchange

20. Activity in the capital market slowed down with equity share prices declining as shown by the NSE 20 Share Index. The NSE 20 Share Index was at 2,834 points by end- December 2018 from 3,712 points in December 2017. The depressed share prices resulted in lower market capitalization of Ksh 2,102 billion in December 2018 from Ksh 2,522 billion in December 2017. The decline reflects trends in the global equities markets as investors shift to bond markets in expectation for a further hike in the U.S. interest rates on strong jobs and economic data.

2.3 Fiscal Performance

21. Budget execution advanced well and picked up towards the end of the second quarter of the FY 2018/19. The Finance Bill 2018 was presented to the assembly and approved within the stipulated time as provided for in the Public Finance Management Act, 2012. Own source of Revenue collected within the first half of the financial year was generally within the set targets. The county continued to experience late disbursement of exchequer which has continued to affect budget execution.

22. The absorption of development budget has generally remained low partly due to delayed disbursement of development exchequer.

2.4 Own Source of Revenue Performance

Table 1: OSR Performance

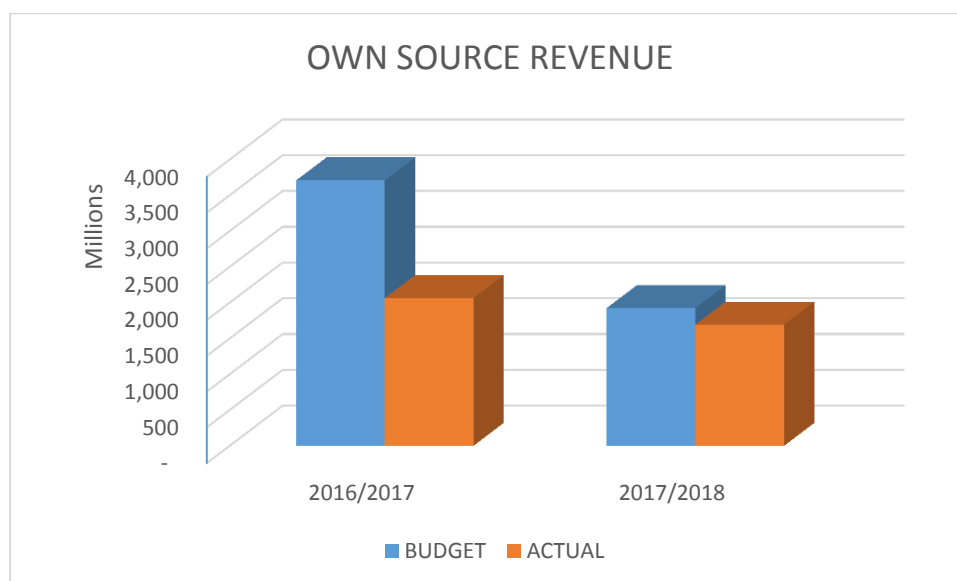
	Actual Revenue	Target Revenue	Actual revenue as	Variance
Revenue Streams	2017/18	upto 31st Dec 2018/2019	at 31st Dec 2018/19	
Agriculture Livestock & Fisheries Management Unit	22,199,626	18,826,647.75	1,440,960.00	-17,385,687.75
Physical Planning Management Unit	283,290,873	326,887,367.50	213,997,438.00	-112,889,929.50
Business Permit Management Unit	181,975,798	131,124,392.50	40,241,140.00	-90,883,252.50
Cess Management Unit	65,355,229	47,335,813.00	50,033,997.00	2,698,184.00
Education Culture ICT & Social Services Unit	105,000	-	24,000.00	24,000.00
Health Services Management Unit	493,863,597	272,806,032.00	400,811,305.00	128,005,273.00

	Actual Revenue	Target Revenue upto 31st Dec	Actual revenue as at 31st Dec	Variance
Revenue Streams	2017/18	2018/2019	2018/19	
Housing Management Unit	1,997,100	31,472,651.50	632,240.00	-30,840,411.50
Land Rates Management Unit	180,986,283	180,397,031.00	116,594,316.00	-63,802,715.00
Market Management Unit	13,219,617	40,074,352.00	10,080,996.00	-29,993,356.00
Others	91,179,089	9,663,324.25	18,648,740.00	8,985,415.75
Roads Transport Public Works Management Unit	34,065,005	77,359,064.00	14,866,745.00	-62,492,319.00
Slaughterhouse Management Unit	38,388,715	26,393,349.00	20,498,501.00	-5,894,848.00
Trade Tourism Industry & Cooperatives Unit	13,183,990	7,773,553.50	9,004,479.00	1,230,925.50
Vehicle Parking Management Unit	225,689,990	159,508,905.00	97,182,160.00	-62,326,745.00
Water Environment & Natural Resources Mgt Unit	41,693,580	29,306,513.50	10,624,500.00	-18,682,013.50
liquor management unit	6,627,500	9,663,324.25	1,395,000.00	-8,268,324.25
total	1,693,820,992	1,368,592,320.75	1,006,076,517.00	-362,515,803.75

23. In the FY 2015/ 16 the county collected 2.4 billion. The FY 2017/18 revenue performed dismally in comparison to the base performance major reason being that it was a major election year leading to prolonged politics which undermined the revenue.

24. The target for the current financial year is Ksh 2.9 billion up and above the actual collection of Ksh1.6 billion in the previous fiscal year. The county anticipates a growth increment of about 7% in revenue. In addition, the county has considered the implementation of new valuation roll which is a major source of revenue in properties such as land. Moreover, the county hopes that the new finance act Dec 2018 which was not contested will create good public relations; a factor that will create a good will and help improve revenue further

Figure 1: Own Source of Revenue



25. From the above diagram, in FY 2016/17, the county targeted to raise Ksh 3.7 billion in own-source revenue, but collected Kshs 2.1 billion. In FY 2017/18, the target was a bit lower at Ksh 1.9 Billion, but the county only managed to raise 1.6 billion. As seen, own source revenue collected in FY 2017/18 was low as compared to FY 2016/17. The revenue shortfall was as a result of; prolonged electioneering period, challenges in enforcement of development control fees especially in the area of building plans approvals, general reduction in charges, fees and levies in the finance Act. However, revenue performance is projected to remain on an upward trajectory over the medium term as proper tax administrative measures are being put in place.

2.5 Expenditure Performance

Table 2: Analysis of County Expenditures as at December 2018

RECURRENT BUDGET					
	DEPARTMENT	Approved Budget 2018-2019	Budget Allocation July-dec 2018	Actual Expenditures July-Dec 2018	Absorption %
4061	County Assembly	1,200,864,621	600,432,311	355,470,075	59%
4062	County Executive	332,517,998	166,258,999	159,353,430	96%
4063	County Public Service Board	74,322,096	37,161,048	27,489,460	74%
4064	Finance and Economic Planning	1,267,520,661	633,760,331	530,755,598	84%

RECURRENT BUDGET					
	DEPARTMENT	Approved Budget 2018-2019	Budget Allocation July-dec 2018	Actual Expenditures July-Dec 2018	Absorption %
4065	Administration and Public Service	535,729,867	267,864,934	234,722,732	88%
4066	Agriculture, Crop and Irrigation	239,258,769	119,629,385	95,962,374	80%
4067	Water, Environment and Natural Resources	237,465,095	118,732,548	109,798,428	92%
4068	Health Services	3,962,088,304	1,981,044,152	2,315,793,308	117%
4069	Education, Culture, Youth, Sports and Social Services	944,196,828	472,098,414	412,635,480	87%
4071	Lands, Physical Planning and Housing	146,149,241	73,074,621	63,833,542	87%
4072	Trade, Tourism, Industry and Co-Operative	119,484,132	59,742,066	40,536,680	68%
4073	Roads, Transport and Public Works	296,796,573	148,398,287	149,201,155	101%
4074	Livestock, fisheries And Marketing	239,258,769	119,629,385	43,158,218	36%
	RECURRENT TOTALS	9,595,652,954	4,797,826,477	4,538,710,480	95%
DEVELOPMENT					
	DEPARTMENT	Approved Budget 2018-2019	Budget Allocation July-Dec 2018	Actual Expenditures July-Dec 2018	Absorption %
4061	County Assembly	55,000,000	27,500,000	-	0%
4062	County Executive	8,558,889	4,279,445	3,337,738	78%
4064	Finance and Economic Planning	121,708,880	60,854,440	22,066,509	36%
4065	Administration and Public Service	135,497,949	67,748,975	-	0%
4066	Agriculture, Crop and Irrigation	150,818,240	75,409,120	19,964,219	26%
4067	Water, Environment and Natural Resources	325,944,735	162,972,368	146,390,575	90%
4068	Health Services	967,474,920	483,737,460	190,972,718	39%
4069	Education, Culture, Youth, sports and Social Services	623,379,590	311,689,795	99,155,836	32%
4071	Lands, Physical Planning and Housing	2,067,372,548	1,033,686,274	39,541,408	4%
4072	Trade, Tourism, Industry and Co-Operative	294,386,912	147,193,456	43,934,199	30%
4073	Roads, Transport and Public Works	1,126,469,337	563,234,669	963,741,210	171%
4074	Livestock, fisheries And Marketing	150,818,240	75,409,120	-	0%
	DEVELOPMENT TOTALS	6,027,430,240	3,013,715,120	1,529,104,412	51%
	GRAND TOTAL	15,623,083,194	7,811,541,597	6,067,814,892	78%

26. The total expenditure for the first half of 2018/2019 was 6.0 Billion representing absorption rate of 78%, this is an increase from 66% reported in a similar period in FY 2017/18 where total expenditure was 4.4 Billion. Recurrent Expenditure was Kshs. 4.5 Billion representing absorption rate of 95%. Development Expenditure amounted to Kshs. 1.5 Billion, representing an absorption rate of 51%. Health department had the highest absorption of recurrent expenditure; this was mainly driven by compensation of employees in the health department. Department of Livestock and Fisheries had the lowest absorption under the recurrent expenditure. Under development expenditure, the department of Water, Environment and Natural Resources had the highest absorption while county assembly, agriculture and livestock departments had nil absorption. Considering that in the previous year's budgets in Kiambu County have been lagging behind in implementing development projects in various sectors, the positive growth in the absorption of development expenditure of 51% is encouraging.

2.6 Fiscal Policy

27. In the spirit of Article 201 of the constitution, the County Executive will continue to provide, in a timely manner, information to the County Assembly and other relevant government institutions to facilitate their oversight functions. This good practice on financial reporting coupled with adopted policies on transparency and good governance will ensure that County resources are allocated to high priority areas.

28. In allocating resources, we focus on projects outcomes and the impact it will have on the society. The policy is to promote fiscal discipline, allocative and operational efficiency by:

- i. Aligning County expenditures with total revenues;
- ii. Aligning our budgetary allocations to programs and activities that promote the strategic priorities of the County; and,
- iii. Ensuring that we deliver high quality services at reasonable cost.

29. The County Government proposes to allocate more resources to Agriculture, Industries, Health, Housing and ICT Innovation with the aim of improving the

livelihood and welfare of County residents. To achieve this, the policy shifts resources from recurrent to capital investment while at the same time promoting sustainable and inclusive growth. Recurrent expenditure has been rationalized to decrease over time as capital expenditure increase in relative terms over the medium term period. To finance the government priority programmes, the County will continue to maximize its efforts in own source revenue enhancement, mobilization, strengthening and reforming revenue administration, collection processes through re-engineering various ongoing structural reforms as well as building partnerships that support revenue performance.

30. The County will ensure; participatory monitoring and evaluation; preparation of annual work and procurement plans, adherence to the plans; carrying out of risk based audits; and rolling out of Institutional risk management framework. Our strategy will also ensure that we eliminate pending bills, which arise from improper planning. The County is in the process of verifying adopted pending bills with a view of clearing them

31. The County endeavours to continue formulating a Programme Based MTEF Budget so as to develop and prioritize expenditure plans and budget for results within the available resource envelope. The County MTEF is designed in a way that resources are allocated to high social return programmes. The budget making process is also participatory. Members of public are invited to give their views, and these inclusive participatory approaches have promoted transparency and accountability, and have led to community ownership of initiated projects. To further enhance this, a directorate for public participation has been formed and is now operational.

32. The County has put in place measures that promote good governance while ensuring that the public finances are efficiently and effectively managed at all levels within the County. Elimination of wastage through strict control and monitoring of expenditure has been key in scaling up levels of investments in economic and social infrastructure.

33. The County Treasury in collaborations with other departments has agreed to focus efforts on having targeted Supply Chain Management Interventions to

improve compliance with the law; achieve timely and effective procurement and delivery of goods and services; realize value-for-money through cost savings measures and combating fraud. E-procurement is now in place which is intended to improve procurement in the County.

34. The County has implemented various reforms aimed at sealing revenue leakages. This has been facilitated through automation of processes. The County has partnered with Co-operative bank where the bank has agents in our cash offices and all level 4 and 5 hospitals, these agents are tasked with collecting and banking all cash received on behalf of the county. The objective of this is to eliminate all risk of handling cash. Other reforms include, use of alternative modes of payment in particular use of pay bill numbers and USSD code to access services within the county, opening of sub county and hospital collection accounts and printing of new single business permit with additional security features. In addition, we have improved revenue management systems, including appropriate tariff-setting, regular billing and effective collection systems.

2.7 Revenue Mobilization

35. Mobilization of additional revenue through enforcement and administrative reforms including the automation of systems will continue to remain the key focus in the next financial year. The County will focus on land rates and property rent as the most appropriate source of revenue to finance development and provision of essential services.

36. Consultations with the County Budget and Economic Forum (CBEF) will deepen in all matters of planning, budgeting and financial management. Such consultations will ensure that there is transparency, accountability, and adherence to the Public Finance Management (PFM) Act on budget making process

37. The County will continue to use the following systems for efficiency in financial management:

- i. Integrated Financial Management System (IFMIS) as the system for processing payments e-procurement and budgeting.

- ii. County-Pro for revenue collection and management. This is mainly used for structured revenue.
 - iii. ZIZI for unstructured revenue collection.
 - iv. Unstructured Supplementary Service Data mainly referred to as USSD. (*419#) which is used for collecting revenue in parking and quarry fee.
 - v. Electronic Development Application Management System (EDAMS) used to process architectural plans, inspection and occupancy and outdoor advertising.
 - vi. Integrated Payroll and Personnel Database (IPPD) for payroll management
38. To improve efficiency of our public investment, streamline spending and reduce wastage. The county will strengthen systems so as to improve management and budgeting of development projects. This action with the support from departments and other county entities will ensure that all the projects in the budget are appraised before they are committed.

3.0 TRANSFORMING KIAMBU

39. The 2019 CFSP is the second to be prepared under the new administration led by H.E the governor Ferdinand Waititu Baba Yao, the 2019 CFSP reaffirms the priority policies and strategies outlined in the Governors Manifesto which are in tandem with the “The Big Four” National Government Plan and as prioritized in the 2018-2022 County Integrated Development Plan (CIDP).
40. The theme of transforming Kiambu aims at making Kiambu one of the wealthiest counties in the country with a high standard of living for all. In this regard, the Government has taken decisive steps to harness the implementation of various policies and programmes under each of main pillars of the governors manifesto namely:
- i. Wealth creation for both the rural and urban population leading to economic empowerment through agriculture growth and transformation.
 - ii. Job creation for the youth through investing in new industries and I.C.T innovations.
 - iii. Provision of preventive and curative health services (Universal Healthcare)

- iv. Access to clean and affordable water for drinking and irrigation.
- v. Improving the business environment and promotion of the manufacturing sector.
- vi. Provision of decent and affordable housing.
- vii. Good governance, public participation, justice for all and fighting corruption.
- viii. Aggressive Campaign against illicit alcohol and substance abuse.

41. Implementation of the policies and programmes under the above key agendas is expected to accelerate and sustain inclusive growth, create opportunities for productive jobs, reduce poverty and income inequality and provide a better future for all residents of Kiambu People.

42. The county government of Kiambu is committed to stakeholder's consultation so as to ensure there is proper prioritization of projects and implementation of sustainable programmes.

43. The county is committed to good governance and ensuring there is sustainable growth in the county by equitably distributing and utilizing the resources efficiently and optimally. The aim is to make Kiambu a model county whose main thrust is to increase access to the basic services to the society including the poor and disabled, the aged, orphans, widows and widowers.

3.1 Wealth Creation for the Rural and Urban Population

44. Kiambu County is rich in fertile agricultural land and is known for the production of key commodities such as coffee, tea, pineapples, macadamia nuts, vegetables and flowers, as well as dairy, poultry, pig and fish farming. It is also recognized for key agro-based industries such as Bidco Africa Limited, Del Monte Kenya Ltd, Brookside Dairy Limited, Githunguri Dairy Farmers Cooperative Society and Farmers Choice Ltd. among others. Other economic activities worth mentioning include; manufacturing (leather), mining (carbacid), textile (cotton), motor vehicle assembly, wholesale and retail trade.

45. The county Government of Kiambu under the able Leadership of HE the Governor Ferdinand Waititu Baba yao recognizes the importance of agriculture in wealth creation and food security. The county will therefore pursue the following approaches to revitalize agriculture in the county as the key driver to support wealth Creation for the rural and urban population

- i. Support and establish access to farm Inputs for key agricultural inputs such as fertilizers and seeds.
- ii. Provide effective, adequate and sustainable extension services to farmers.
- iii. Establish training centres for farmers in every sub county.
- iv. Revitalize and establish effective and well managed Co-operatives societies with respect to procurement process, processing, marketing and storage for agricultural produce.
- v. Access to other basic services to the poor and most vulnerable in our society including the disabled, the aged, orphans, widows and widowers among others.
- vi. Establish mechanism for cooperative societies to access affordable financing and business development services.
- vii. Improve management of farmer's cooperatives by encouraging hiring and maintaining of skilled manpower.

46. To enhance sustainable food security in the county, the county government intend to initiate food security program in Ndeiya-Karai, Gatuanayaga, Ngoliba semi-arid areas. This will involve undertaking the following activities among others: Enhancing mechanization through supporting private tractor ownerships by youth entrepreneurs; Provision of subsidized seed and enhanced fertilizer distribution system; Promoting of village based extension service; Establishment of organized food storage and uptake systems to ease the sales and distribution and Linking farmers to markets particularly millers and grain traders

3.2 Job creation for the youth through investing in new industries and I.C.T innovations

47. Most of the young people between the ages of 24 and 35 years in the county are unemployed. These energetic youths who are approximately 500,000 remain

idle leading to despair, unhappiness and anguish, causing them to engage in social ills including crime, suicide, alcoholism and involvement in criminal gangs. This poses a great threat to our future generation whose lives expectancies are negatively affected.

48. To address this challenge H.E. The Governor initiated and rolled out an ambitious programme on fighting illicit alcohol and rehabilitation of persons dependent on alcohol and other drugs popularly known as “Kaa Sober”. The main objective of this programme was to address the negative impact of Alcohol and Drug abuse among the jobless youths and families in Kiambu. . The idea behind the programme is to empower and equip the youths with skills, provide them with employment and thereby reducing poverty levels in Kiambu County. The programme is aimed at forming a replica of National Youth Service where the graduates will receive life skills as an exit plan which shall help them to self-generate income and hence become responsible citizens.
49. Under this programme, the county Government has rehabilitated and trained about 6,300 people who have graduated from various polytechnics within the county. Graduation of Kaa sober programme took place on 8th February, 2019.
50. Further, to support the youths, women and people with disabilities, the County Government has been allocating 100 Million in its annual budget to loan out to youths, women and people with disabilities, This fund is known as “Jijenge Fund;”. The County Government will also continue to create a conducive environment for micro, small and medium sized enterprises (MSMEs) to thrive as they are the pillar to create jobs for our youth and women.

3.3 Provision of preventive and curative health services (Universal Healthcare)

51. Health care is a fully devolved function; County government of Kiambu under the leadership of H.E Governor Babayao will continue partnering with the National Government to achieve Universal Health Coverage (UHC) under the BIG FOUR development Agenda. The County will continue to scale up the provision of specialized medical equipment and increase the number of health facilities at the community level including mobile health services. The primary

goal of these initiatives is to increase access to quality health care and reduce medical costs incurred by county residents.

52. To increase the uptake of NHIF, the County Government has enrolled all their staff in the Comprehensive Medical scheme for civil Servants starting in 2018/2019 Financial Year. Similarly, Kshs 12 Million has been set aside in the Health Department to enrol the elderly and vulnerable persons in NHIF in all the NHIF-accredited mission and private hospitals from all the wards in the county. This is in line with the BIG FOUR national agenda on universal Health Coverage. The county Government in partnership with the National Government will also continue to implement and improve the Linda Mama Programme.
53. Human resources are very crucial to the attainment of the Universal Health Coverage. To strengthen the health care service delivery, the county through the County Public Service Board advertised and recruited 10 clinical Officers, 10 Radiographer/sonographer and 20 Medical officers who were posted in various County Hospitals to support Health care Service Deliveries.
54. To further support achievement of Universal Health coverage (UHC), the county government intends to complete and equip the following Hospitals which are under construction and are at various stages of completion; Githunguri Level 4 Hospital, Tigoni level 4 Hospital, wangige level 4 hospital, Bibirioni hospital and Karuri Hospital.
55. In a bid to save life by improving referral services in the County, 15 new Advanced Life Support (ALS) ambulances have been distributed to various health facilities within the County.
56. The County Government will also strengthen the provision of secondary and tertiary healthcare services; increase the number of County referral health facilities; promote the use of alternative sources of financing health care and the role of the private sector in healthcare; and strengthen primary healthcare systems through empowerment of communities, equipping of primary healthcare facilities and recruitment of additional health workers.

3.4 Access to Clean and Affordable Water for Drinking and Irrigation

57. Environmental conservation and access to adequate supply of clean water is fundamental for the achievement of sustainable development. Indeed, a clean environment and adequate safe drinking water and sanitation do complement efforts towards improved primary health care and productivity of labour. In addition, adequate supply of water is essential for increased agricultural production, manufacturing activities and serving the rapidly urbanizing population.
58. For this reason, the County Governments in partnership with the National Government and other development partner will continue to invest in clean water supply, prioritize on construction of large-scale dams across the county to increase water storage, complete ongoing water projects in urban and rural areas in order to increase the number of people connected to safe piped water, protect wetlands and water towers and construct water harvesting and storage infrastructure across the country. In addition, the County Government will continue to expand sanitation infrastructure in the urban areas by connecting more households with sewerage and establish proper waste management system.
59. The National government will spend over Sh. 24 billion to construct Kariminu II dam that is expected to ease the perennial water problem in Nairobi and in Kiambu County. Once the mega dam is complete, it is expected to serve over 850,000 residents of Kiambu and Nairobi with clean water. Kiambu Governor has insisted that the first beneficiaries of this project will be locals and that there must be a special line to ensure that locals benefit first from both irrigation water and the electricity that will be generated from the project.
60. Key specific achievements include; development of draft County Water and Sanitation Bill which has been presented at various stages and is now at the County Assembly level; development of a draft water policy, developing the first draft of the Strategic Plan of the Department; merging the 8 No. water companies in a bid to improve efficiency in provision of clean water to all households in Kiambu, plans are underway to merge all the existing water companies into one.

3.5 Provision of Decent and Affordable Housing

61. Article 43 (1) b of Kenya's constitution provides that every Kenyan has “....a right to accessible and adequate housing and to reasonable standards of sanitation.” Supporting this, Kenya's Vision 2030 acknowledges the need for adequacy and decent housing for all, if Kenya is to be a middle-income country by 2030.

62. Affordable housing program principles include:

- a) Allowing every Kenyan to own property,
- b) Decent housing built to modern standards,
- c) Monthly cost of home ownership to be equivalent to rental cost, and
- d) A Target of 500,000 plus units owned by Kenyans by the year 2022.

63. This project will be implemented by The State Department for Housing and Urban Development (SDHUD) across the country through partnerships with the County Governments, private developers and other relevant stakeholders. In light of this project, several meetings have been held with key stakeholders such as Housing Cooperatives, Kenya Private Developers' Association (KPDA), Financial Institutions and Insurance Companies, Pension Scheme managers, County Governments in the Devolution Conference as well as Relevant Government Ministries and departments.

64. To enhance program segmentation, the National Government has defined three levels of housing types for the program as follows;

1. *Mortgage Gap housing*- Income Range: KES 50,000 –KES 99,999 which has a Share of Formally Employed citizens of 22.62%,
2. *Low cost housing*- Income Range: KES 15,000 –KES 49,999 which has a Share of Formally Employed citizens of 71.82%, and
3. *Social Housing*- Income Range: KES 0 –KES 14,999 which has a Share of Formally Employed citizen of 2.62%.

65. In line with the National Government's fulfillment of the “Big Four” agenda on the Affordable Housing Program, Kiambu County Government has planned to provide affordable quality houses for its employees and the general public. The

County is in the process of developing a 50 Acre- 13,000 unit's affordable housing project that will entail construction of 260 housing units per acre of land provided by the County Government by the year 2022.

66. The proposed affordable housing project will be undertaken in already existing estates with adequate space for expansion, which are currently composed of old dilapidated houses and structures (Urban renewal), as well as new sites acquired by the County Government. The County Government intends to get into partnership with qualified and interested investors (parties) in a Design Finance Build (DFB) methodology in the development of the affordable houses, with an Integrated Mixed Urban Development (IMUDs) environment which includes social amenities such as recreational centres, social halls, commercial centres, modern health facilities, schools and industrial parks.

67. In the partnership, Kiambu County Government will provide prime land (in Kiambu, Ruiru, Thika, Limuru and Kikuyu), necessary approvals, and legal framework and will collaborate with the National government to ensure units' uptake downstream. Kiambu is within the greater Nairobi Metropolis hence all land is in prime locations and with fast and easy accessibility to the Capital city.

68. In collaboration with the National Government the county will provide the structural designs to all the stakeholders implementing the proposed housing project and is ready to partner with developers on a proposed 70:30 ratio with the following development framework:

- i. The outlined size of units will be 20 Square Meters for Studios, 30 Square Meters for 1 Bedroom, 40 Square Meters for a 2 Bedroom and 60 Square Meters for a 3 Bedroom house
- ii. The selling prices for the affordable units must range between Kshs 800,000- Kshs 3 Million as indicated in the table below.

Table 3. The proposed sizes and unit costs

Size of the House	1 Room	2 Room	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Social Housing (Max Price)	600,000	1,050,000	N/A	N/A	N/A	N/A

Affordable Housing (Max Price)	N/A	N/A	800,000	1,000,000	2,000,000	3,000,000
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3.6 Good Governance, Justice for All and Fighting Corruption

69. Achievement of aspirations of the people of Kiambu will depend on prudent management of the available public resources. As such, the County Government will continue to strengthen expenditure control and improve the efficiency of public spending through public financial management reforms. The county Government will continue to curtail resources going to lower-priority areas and redirect those resources towards programmes that support critical sectors such as Education, infrastructure, Health and Agriculture. The County Government has already put in place mechanism to improve good governance at all levels. County Government resources are well distributed with projects being implemented in all areas within the County. Consensus is being sought from all county residents being involved through public participations. Transparency and accountability on all matters is emphasised. Rule of law is observed by all.

70. The County Government has scaled up the fight against corruption by implementing various legal, policy and institutional reforms in order to seal the loopholes used to embezzle public funds. To succeed in the fight against graft, the county Government has partnered with institutions mandated to fight against corruption so that they may bring all corruption suspects to book in record time, instil good governance and recover corruptly acquired assets. The recent arrests and prosecutions of persons including senior Government officials both at the national and County Levels, business persons, and ordinary Kenyans alike send a strong message that engaging in corruption attracts dire consequences. Strict compliance with the Public Procurement and Disposal Act, in procurement of Goods and services is also expected to rid the County Government Public Service From corruption. Going forward, the County Government will continue to Partner with various institutions that are mandated to fight corruption in the country, support civic education, transparency and accountability and the rule of law.

4.0 BUDGET FOR FY 2019/20 AND THE MEDIUM TERM

4.1 Fiscal Framework Summary

71. The fiscal framework for the FY 2019/20 Budget is based on the County Government's policy priorities and programmes as outlined in the Governors manifesto and in the CIDP. County government spending will be directed towards the most critical needs of the county and where such resources are well utilized and more outputs and outcomes are achieved with existing or lower level of resources.

4.2 Revenue Projections

72. The FY 2019/2020 resource envelope is projected at Kshs. 15.63 Billion constituting: Kshs. 2.96 Billion Own Source Revenue and Kshs. 12.6 Billion as transfers from National Government. As noted above, performance on County's own source revenue will be underpinned by continuous review of revenue administration policies.

73. The County Executive will present to the County Assembly, more detailed structural measures to boost revenue generation through the Finance Bill 2019 for consideration and enactment as required by the PFM Act, 2012.

Table 4: Revenue Projections

	Actual Revenue	Budgeted Revenue	Projections
revenue streams	2017/18	2018/2019	2019/20
Agriculture Livestock & Fisheries Management Unit	21,901,858	37,653,296	38,512,343
Physical Planning Management Unit	283,320,929	653,774,735	498,193,026
Business Permit Management Unit	181,948,848	262,248,785	319,939,820
Cess Management Unit	65,356,829	94,671,626	114,923,795
Education Culture ICT & Social Services Unit	105,000	0	184,633
Health Services Management Unit	493,885,752	545,612,064	868,451,329
Housing Management Unit	1,966,400	62,495,303	3,457,728
Land Rates Management Unit	180,988,383	360,794,062	318,250,934
Market Management Unit	13,220,337	80,148,704	23,246,711
Others	85,470,986	19,326,649	150,292,636
Roads Transport Public Works Management Unit	34,036,305	154,718,128	59,849,619
Slaughter House Management Unit	38,394,715	52,786,698	67,513,471
Trade Tourism Industry & Cooperatives Unit	13,233,850	15,547,107	23,270,472
Vehicle Parking Management Unit	225,748,920	319,017,810	396,958,100
Water Environment & Natural Resources Mgt Unit	41,686,380	58,613,027	73,301,552
liqourmanagment unit	6,627,500	19,326,647	11,653,831
Total	1,687,892,993	2,736,734,640	2,968,000,000

4.3 Expenditure Projections

74. Expenditure for FY 2019/20 is projected at 16.3 Billion. Recurrent expenditures is expected to increase from Kshs. 9.5 billion in the FY 2018/19 to Kshs. 9.7 billion in the FY 2019/20.

75. Expenditure on wages and salaries to county staff is projected at Kshs. 5.66 Billion for the FY 2019/2020 and is expected to relatively remain at this position for some time. In the medium term these emoluments will increase slightly due to annual increments but will largely remain at this level.

76. The allocation of resources for development expenditures is projected at Kshs 5.84 billion in the FY 2019/20 which translates to 36 percent of the total budget. The allocation is in compliance with the Fiscal Responsibility principles which require development allocation to be at least 30 Percent of the Total budget.

4.4 Overall Deficit and Financing

77. To avoid deficits that have no clear plan on how they will be funded, the County Government has allocated resources for spending that are commensurate to the revenues expected in the FY 2019/20. The County budget shall be financed through transfer from the National Government and Own Source of Revenue collected from fees, charges, rates, among others as allowed by the governing Acts and bylaws. The FY 2019/20 fiscal framework is therefore fully financed.

4.5 Budgetary Allocations for the FY 2019/20 and The Medium Term

78. The total budget allocation for the FY 2019/2020 is projected at Kshs 15.6 Billion; this is projected to increase to Kshs 16.5 and Kshs 17.5 Billion in FY2020/2021 and FY 2021/22 respectively the budgetary allocations to all the County Government departments.

4.6 Resource Allocation Framework

79. Resource allocation and utilization in the 2019/2020 financial year and the medium term will be guided by the following policy documents in order to ensure effective utilization of public finances;

- i. County Integrated Development Plan (2018-2022)
- ii. County Annual Development Plan (2019-20)
- iii. Ongoing projects
- iv. Emerging priorities
- v. Public Finance Management Act, 2012
- vi. Medium Term Plan III (2018-2022).

4.7 Risks to the 2019/20 Budget Framework

80. The risks to the fiscal framework for the FY 2019/20 include under performance in revenue collection due to unforeseen factors. This remains a major challenge as it generate pending bills and cause general cash flow problems or even cause undue demand for borrowing. To counter this, the County will put in structural reforms aimed at sealing loopholes, revenue enhancement while ensuring there are efficient and cost effective methods of collecting the revenues.

81. Another risk is the County's high wage bill. The County Government inherited a very large workforce from the defunct local authorities who had large salaries as a result of the 2012 Collective Bargaining Agreement. There has also been an increased pressure by workers union for higher pay especially by health workers.

82. Over reliance on national government transfers is another risk that also undermines the County's fiscal autonomy. Coupled with the unpredictability on account of the delays in release of the resources, it poses another risk to proper implementation of the County's budget.

4.6 Compliance with Fiscal Responsibility Principles

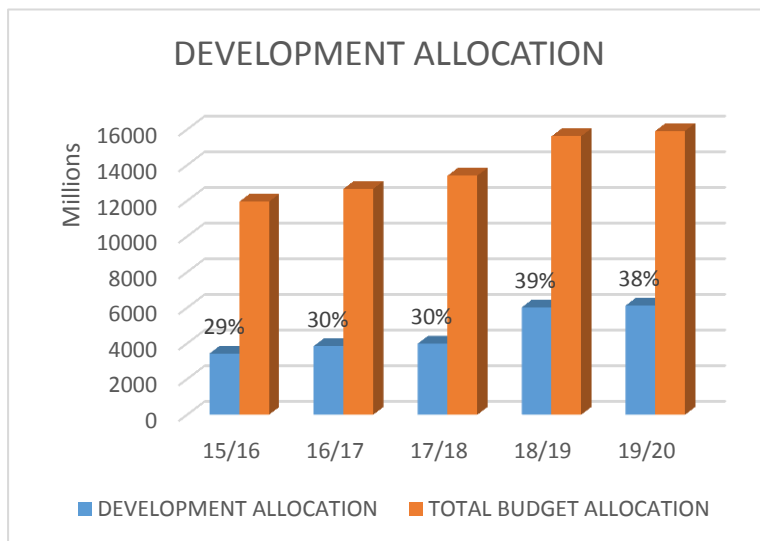
83. In line with the Constitution, the Public Finance Management (PFM) Act, 2012, the PFM regulations, and in keeping with prudent and transparent management

of public resources, the Government has adhered to the fiscal responsibility principles as set out in the statute as follows:

Compliance with the requirement for development spending allocations

84. Section 107(2) of the PFM Act 2012 requires County Governments to allocate a minimum of 30 percent of their budget to development expenditure. Consistent with this requirement, the county Government's allocation to development expenditures has been above the 30 percent of its total expenditures. In the FY 2017/18, the allocation to development in the revised budget was 30 percent of the total expenditures meeting the set threshold, the actual outturn however was 22 percent on account of underperformance in Own Source of Revenue and delayed release of exchequer by the National Government. In the fiscal outlays presented in this CFSP, the County Government continue to observe this requirement and has allocated 39 percent of total expenditures to development in FY 2018/19 and over the medium term

Figure 2: Development Allocation



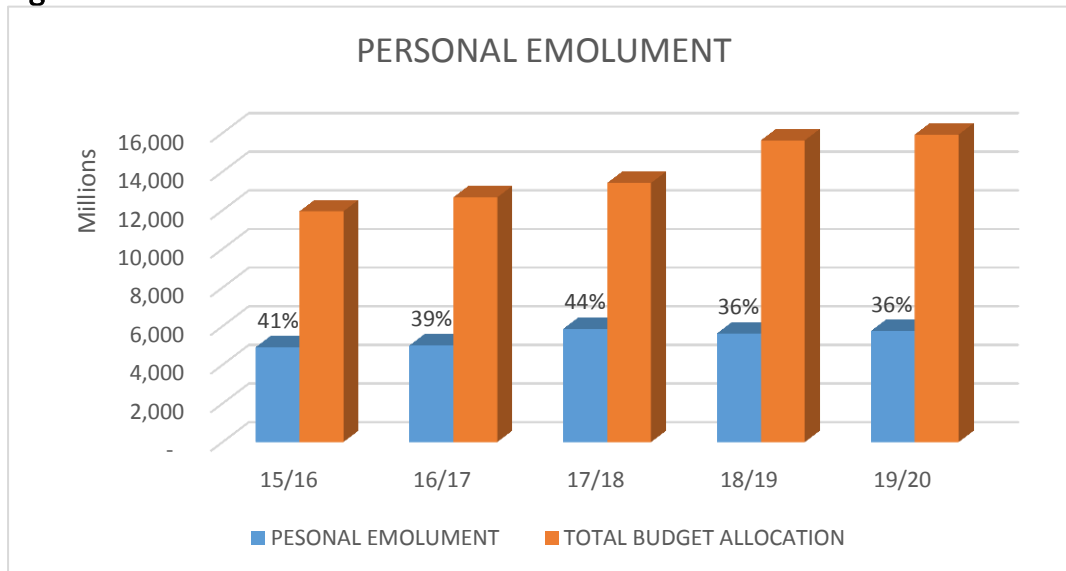
85. From the figure above, In the FY 2015/16, the development allocation was Kshs. 3.4 billion representing 29 % of the total budget allocation. In FY 2016/17, the allocation increased to 3.8 billion representing 30 % of the total budget allocation. A further increase was noted in the FY 2017/18 and FY 2018/19 where

development allocations amounted to 3.9 billion (39% of the total budget allocations) and 6 billion (38 % of the total budget allocations) respectively.

Compliance with the requirement for expenditure on wages

86. 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. In conformity to this regulation, the County Government projected expenditure in FY 2019/20 on Personal Emolument (P.E) is Kshs. 5.6 Billion representing 36% of the total budget. This is an increase from 35.2% in FY 2018/2019. Kiambu County has struggled to stay within the legal wage spending threshold since FY 2014/15. Some of the reason for failure to comply with the above provision is that Kiambu County has been fiscally constrained because the revenue sharing criterion used by the National Government ignored disparities in expenditure need occasioned by uneven distribution of personnel devolved from the national Government and those inherited from the defunct local Authorities. Considering the growing fiscal risks associated with uncontrolled expenditure on personnel emoluments, the National Treasury has on the basis of section 46(3)(c) of the PFM Act, 2012 requested all concerned Counties to prepare and submit action plans including timelines, for achieving sustainable wage bills. Upon receipt of the plans, the National Treasury shall engage with all the Counties, review their plans and provide any required technical assistance. Kiambu being one of the affected counties will in due course prepare and submit action plans including timelines for achieving sustainable wage bill to the National Treasury.

Figure 3: Personal Emolument



87. From the figure above, In the FY 2015/ 16, the PE was Ksh 4.9 billion representing 41% of the total budget. In FY 2016/ 17, PE remained at the same figure at Kshs 4.9 billion, However, the percentage allocation decreased to 39%. In the FY 2017/18, PE amounted to Ksh 5.9 billion a 44 % of the total budget. A remarkable change was noted in the FY 2018/19 where PE decreased to Ksh 5.6 billion (36 % of the total budget).

Prudent Management of Fiscal Risks

88. Fiscal risks will be managed prudently to ensure a reasonable degree of predictability with respect to the level of tax rates, charges and tax bases. The county Treasury will in due course draft and submit to County Assembly the 2019 Finance Bill for approval. Once approved by the county assembly, it will serve as a legal basis for collecting Own Source of Revenue.

4.7 Pending Bills

89. Kiambu County Governments had as at June 2018, accumulated pending bills worth Kshs. 2.3 Billion, including unremitted statutory deductions, salary arrears, outstanding payments to contractors and suppliers as well as to utilities.

90. The County Government has put in place measures to mitigate the problem of pending bills. Departments are required to provide for them in their annual budgets since they form the first charge over any other programme. The departments will have to shelve some of their programmes budgeted during the financial year in order to pay the pending bills. The County Government will endeavour to comply with the recommendations from the special audit ordered by the National Treasury on pending bills which has now been concluded.

91. On borrowing, the County will adhere to the borrowing framework agreed at the Intergovernmental Budget and Economic Consultation Forums (IBEC) and the fiscal responsibility principles of ensuring the borrowed funds finance development projects only.

92. The County does not intend to borrow in the FY 2019/20 and has therefore adhered to the principle of debt not exceeding 20 percent of the County government's total revenue. However, the County will consider borrowing in the medium term once the debt management strategy paper and strategic policy on debt management are approved by the County Assembly.

4.7 Resource Sharing Guidelines

93. Allocation of Departmental ceilings over the medium has been informed by the following guidelines;

- (i) In the recurrent expenditure category, non-discretionary expenditures take first charge. This includes payment of Salaries and wages projected at 36 percent of the expected total revenue receipts.
 - (ii) Conditional Grant from the National Government and from Development partners also takes first charge
94. Also included in the criteria used for apportioning the capital budget is on-going projects and intervention on investment projects in priority areas that support social development, economic growth and transformation of the County.

Table 5: Medium Term Department Ceilings, 2019/20 - 2021/22 (Kshs Million)

Vote	Vote Name	Approved Estimates 2018/19	Approved CFSP Ceilings 2019/20	projected Estimates	
				FY 2020/21	FY 2021/22
4061	County Assembly	1,255,864,621	1,375,864,621	1,331,216,498	1,411,089,488
4062	County Executive	341,076,887	339,107,458	359,453,905	381,021,140
4063	County Public Service Board	74,322,096	78,962,096	83,699,822	88,721,811
4064	Finance, Economic Planning and ICT	1,389,229,541	1,373,709,741	1,478,392,325	1,567,095,865
4065	Administration Public Service and communication	671,227,816	640,296,568	731,714,362	775,617,224
4066	Agriculture, Crop Production and Irrigation	780,154,018	772,957,049	840,534,472	890,966,540
4067	Water, Environment & Natural Resources	563,409,830	446,756,527	601,821,919	637,931,234
4068	Health Services	4,929,563,224	5,052,933,672	5,197,109,692	5,508,936,274
4069	Education, Youth, Sports Culture, & Social Services	1,212,720,002	1,214,395,604	1,181,259,340	1,252,134,901
4070	Youth, Sports & Communications	354,856,416	259,708,552	378,111,065	400,797,729
4071	Lands, Physical Planning & Housing	2,213,521,789	2,103,907,246	2,407,161,681	2,551,591,382
4072	Trade, Tourism, Industry & Co-Operative	413,871,044	526,844,483	446,095,152	472,860,861
4073	Roads, Transport & Public Works	1,423,265,910	1,453,356,383	1,540,557,766	1,632,991,232
	Total	15,623,083,194	15,638,800,000	16,577,128,000	17,571,755,680

Source: Kiambu County Treasury

5.0 DEPARTMENTAL/ SUB SECTOR PRIORITIES

5.1 County Assembly

95. Kiambu County Assembly (KCA) is a legislative arm of the Kiambu County Government created by the Constitution of Kenya, 2010 and comprises 92 members 60 of whom are elected and 32 nominated to represent various interests and constitutional provisions on gender equity. The assembly functions through 17 house committees, a speaker's panel with the administrative issues being handled by the County Assembly Service Board. The functions of the assembly are representation of County residents, law-making and oversight.

96. Since the commencement of the current financial year the Assembly has achieved the following: Approved 4 pieces of legislation and 2 regulations; Approved the vetting of 9 nominees; Conducted 15 public participation activities; Sought and processed 16 statements and 2 petitions; Developed work plans for the various Assembly Committees and departments; Reviewed, considered and tabled 10 reports from the various committees; Established a partnership with the National Parliament, East and South Africa Management Institute (ESAMI) through a memorandum of understanding which has facilitated and conducted capacity building and benchmarking activities for members of the County Assembly, Members of the Service Board and Staff; Facilitated a staff audit exercise and approved a staff establishment; Procured goods and services; Established a pending bills committee to ascertain their authenticity; Reviewed and harmonized guidelines and policies; Strengthening of the Internal Audit Department and timely response to issues raised; Establishment of the Standing Public Finance Management Committee to promote transparency and good governance in the management of the day to day operations of the Assembly; Operationalization and facilitation of the Audit Committee; Production of financial and non-financial reports

97. Going forward, the strategic priorities to be implemented in the current financial year and for the FY 2019/20 and the medium term for the assembly include the following: Finalization of the Assembly 5 year strategic plan; Strengthening of the public finance management systems; Development of appropriate policies and

guidelines while reviewing of the existing guidelines and policies; Enhancement of technical capacity for members and staff; Establish of relevant managerial committees including corruption prevention committee. Finalization and implementation of performance management framework; Finalization and implementation of the staff establishment and carrying out employee needs assessment and job analysis; Development of an asset register; Acquisition for 1 acre land for assembly expansion; Acquisition of modern multi-storey office space that is responsive and improve access to the needs of all users including PWD's and lactating mothers; Construction of Ward offices for the Members of the Assembly; Construction of a new modern Chamber and adequate car park; Acquisition of Speaker's residence and provision of utilities in line with the laid down circulars; Operationalization of the Members Lounge and construction of the staff canteen; Improvement of security through installation of closed circuit television cameras(CCTV's) and security scanning system

98. To achieve key priorities, the County Assembly is proposing to implement two programmes in the FY 2019/20 and the medium term which are General Administration, Planning and Support Services and Legislation, Oversight and Representation. The resource requirements for the General Administration, Planning and Support Services Programme is Kshs. 1,240 Million of which Kshs. 875 Million for recurrent expenditure and Kshs. 365 Million is for capital expenditure while Legislation, Oversight and Representation programme requires Kshs. 655Million. Due to resource constraint, the assembly has been allocated Ksh.1.37 billion in FY 2019/20, Ksh. 1.33 billion and Kshs 1.41 billion in the FY 2020/21 and 2021/22 respectively. The treasury will however review the above ceilings in line with the County Allocation of Revenue Act(CARA)

5.2 County Executive

99. The County Executive provides overall policy and leadership direction in the management of county affairs and coordinates policy formulation, and implementation. In addition, it facilitates enactment of County legislation and oversees all Departments and offers direction on all County matters. It is responsible for implementation of the county's vision and mission.

100. The Sector utilised its budgetary resources to implement various programmes and activities where some of the key outputs realised include: provided policy direction and guidance through Cabinet meetings and county shareholders involvement; developed various County Government policies and developed various Cabinet papers; developed bills for submission to the County assembly for approval; Operationalized service delivery administrative structures within the County; initiated a Performance Management System; implemented digital communication/platforms and feedback mechanisms, promoted public participation in the development of policies, and various planning documents.
101. Some of the programmes the sectors will implement during the 2019/20 – 2021/22 MTEF budget period include; Planning and guiding County on various policies and programmes; Improvement of social infrastructure facilities; Develop citizen engagement framework and dissemination of information; Development of County Government plans and Policies ; Engagement of Public on legislative and policy issues; Monitoring of Compliance to Strategic Executive Orders and Policy Directives; motivate and develop the capacity of staff for better service delivery .
102. In order to implement the prioritized programmes the department has been allocated Ksh. 339.1 million in FY 2019/20, Ksh.359.4 million and Kshs 381 million in the Financial Year 2020/21 and 2021/22 respectively.

5.3 County Public Service Board

103. The county public service board core mandate is to establish and manage Kiambu County public service system, facilitate recruitment and selection, training and development, promotion, make recommendations to the salaries and remuneration commission on behalf of the county government, retirement, exercise disciplinary control and finally provide regular reports to the county assembly on the executions and the functions of the department. The Board is a key in the provision of leadership and policy direction as well as in coordination and implementation of County Government policy for the attainment of County goals, objectives and Kenya Vision 2030. In addition, the board is responsible for establishing and abolishing offices in the County public service, appointing staff

of the county, exercising disciplinary control, and promoting County public service values and principles of governance, facilitating development of coherent, integrated human resource planning and budgets for personnel emoluments in County, advising the County on human resource management and development, advising the County on implementation and monitoring of the national performance management system in the County, and making recommendations to the SRC on behalf of the County regarding remuneration, pensions and gratuities for County public service employees.

104. During the period under review, CPSB made some achievements in alignment with the set objectives including ; carrying out successful recruitment of 253 staff members to fill critical gaps in different Departments of the County, Provision of health cover with the National Hospital Insurance Fund for employees and their families, enactment of human resource policies, initiated actions for the creation of a coordination office for Persons Living with Disabilities (PLWD), engaged eight (8) labourers in each Ward to assist County Enforcement Officers in enactment and operationalization of the "Kiambu Alcoholic Drink Control Act 2018", restructured some departments for better service delivery, facilitated Inter-County Transfers, facilitated industrial attachment of 207 students and 48 internships, addressed disciplinary issues together with finalization of Human Resource Policies and Procedures manual draft. Finally, the board managed to coordinate and organize the updating of staff establishments.
105. In the FY 2019/20 -2021/22, the board has prioritized two programs i.e. general administration, planning and support services together with human resource development and management services. The objective of the two programs will be improvement of service delivery in the public sector through increased human resource productivity.
106. In order to implement the prioritized programmes the department has been allocated Ksh. 78.9 million in FY 2019/20, Ksh. 83.6 million and Kshs 88.7 in the Financial Year 2020/21 and 2021/22 respectively.

5.4 Finance and Economic Planning

107. The Department comprise of the following directorates, Accounting Services, Procurement, Internal Audit, Economic Planning, Budget and County Revenue.

The department mission is to offer effective and efficient services in resource mobilization, public finance management, coordination, economic planning and development, Budget and budgetary controls. The Department is also responsible for safeguarding the County's financial assets, developing sound, equitable economic policies and overseeing the prudent utilization of funds in order to facilitate allocation of funds to county priority areas. The department also acts as the link of all other sectors with the National government in matters of finance and resource mobilization.

108. Some of the key achievements of the Department include; The County has implemented various reforms aimed at sealing revenue leakages. This has been facilitated through automation of processes. The County partnered with Co-operative bank where the bank implanted agents in all cash offices and all level 4 and 5 hospitals, they are tasked with collecting and banking all cash received on behalf of the county. The impact of this is to eliminate all risk of handling cash. Other reforms include, use of alternative modes of payment in particular use of pay bill numbers and USSD code to access services within the county, opening of sub county and hospital collection accounts and printing of new single business permit with additional security features. In addition, we have improved revenue management systems, including appropriate tariff-setting, regular billing and effective collection systems. The finance Bill 2018 was submitted to the county assembly on time and approved and is now being used to collect Own Source of Revenue
109. On Expenditure management, the county aligned prioritized expenditure to available resources, established adequate internal controls, institution of revenue administration reforms, budget execution and increased expenditure absorption, timely production of policy planning documents and financial reports, and successful budgeting processes. The County was ranked third on prudent management of financial resources and got recognized by the Kenya Devolution Support Programme (KDSP) for its fiscal performance and for its openness and transparency on budget matters. The Department has also established and continues to manage the "The Kiambu County Emergency Fund".

110. Funding for the 2019/20 -2021/22 MTEF period will focus on delivery of the Department's priorities and in particular those aimed at creating an efficient revenue mobilization and expenditure management framework. Increasing our capacity to mobilize revenue will get much attention while strengthening of planning and budget execution will be crucial. Other areas of focus will include proper monitoring and evaluation of development projects, increased absorption of the development budget and evaluation amongst other programmes.
111. Some of the specific programmes to be undertaken in the FY 2019/19 include; implementation of the revenue enhancement plan, Enhancement of enforcement mechanisms; completion of the automation of processes to detect fraud and increase voluntary compliance; Expansion of the revenue base to net in more Revenues; Enhance other Departments' capacity through capacity building on matters of governance and accountability in budget execution, strengthening internal controls to ensure improved management of public resources and ensuring increased absorption of the development budget. The Department will also ensure that fiscal reporting in the use of public funds is clear, and work towards elimination of audit queries. It will promote inclusivity in budget making and ensure accountability and public participation in financial matters.
112. In order to implement the prioritized programmes the department has been allocated Ksh. 1.37 billion in FY 2019/20, Ksh.1.48 billion and Kshs 1.57 billion in the Financial Year 2020/21 and 2021/22 respectively.

5.5 Administration and Public Service

113. The core mandate of the department is to provide strategic leadership and direction in the administration and coordination of devolved system of the county government.
114. A total of two programmes were implemented by the department during the period under Review. Tremendous progress was made in achievement of the sector's set targets. These include the following among others: Completion of renovation and operationalization of County head Offices at Kiambu , Operationalization of Alcoholic Drinks Regulation Committees in the 12 Sub

Counties and the recruitment of sixty residents representing each ward in the Alcoholic Drinks Regulation Committee, Sensitization workshop of the 12 Sub County liquor committee members, review of Kiambu Alcoholic Drinks Control Act, 2013, established the Performance Management Directorate, establishment of a rehabilitation Programme for 6,500 persons dependant on alcoholic drinks dubbed 'kaa-sober'. During the same financial year, the total approved budget for the Sector was Ksh. 726,142,902 against actual expenditure of Ksh. 652,802,468. This indicates average actual expenditure rate of 89.9%. Under capital expenditure, 2 capital projects were implemented, which are at different stages of completion.

115. In the 2019/20 – 2021/22 MTEF period, the department has planned to implement six programmes namely; administration and public services, alcoholic drinks control and rehabilitation, human resource management and development, public participation and civic education, enforcement, monitoring and compliance and betting and gaming control. Under these programs, the departments will focus on; improving service delivery and accessibility to county services, creating well enforced unit, reducing incidences of alcohol, drug, illicit brew and substance use together with increasing awareness on the use of the drugs and alcohol. In addition, the department will focus on enhancing controlled betting services, curbing illegal and irresponsible gambling, and increasing public participation in formulation of government programs and finally enhance overall staff capacity.
116. In order to implement the prioritized programmes, the department has been allocated Ksh. 640.2 million in FY 2019/20, Ksh. 731.7 million and Kshs 775.6 million in the FY 2020/21 and 2021/22 respectively.

5.6 Agriculture Livestock and Irrigation

117. The Agriculture, Livestock and Irrigation (ALI) department is divided into two sections namely; Agriculture, Crop Production, Irrigation and marketing (ACPIM) and Livestock, Fisheries and Veterinary Service (LIFIVE)
118. The core mandate of the department is to attain food and nutrition security, promote innovative and commercially oriented agriculture through favourable

policy and legal framework for sustainable development of crop, livestock and fisheries industry for accelerated equitable socio-economic development in the county.

119. During the period under review, Five programmes were implemented by the department whose key achievements in the sector included but not limited to; purchase and distribution of 30,000 tissue culture banana seedlings and 10,000 plantlets , establishment of 3 fertilizer depots where 4000 tonnes of fertilizer was accessed by farmers, construction of 22 greenhouses, training of 131,151 farmers on modern farming technologies, distribution of 191.5 tonnes of certified maize and bean seeds and 314.5 tonnes of fertilizer. Training of 30 technical staffs and 12 private extension service providers on control of fall armyworm and 768 litres of pesticides distributed across the county.
120. Under livestock resources management and development, two- 5,000 litres per hour pasteurizer were purchased and installed as well as distribution of 21 bulk milk coolers. 4907 indigenous chicken and 444 dairy goats were purchased and distributed across the county and 2 communal cattle dips rehabilitated. Over 290,000 dipping were recorded in both private and communal dips. The department was also able to purchase and administer 123,000 FMD doses, 157,500 LSD doses, 261,000 Blanthax doses and 25,000 Anti-rabies doses to livestock. In addition, 63 fish ponds were constructed, 58 fish pond liners purchased and installed, 193,000 fingerlings stocked while 22 aquaculture demonstration centres and one recirculatory aquaculture system were established. 12 tonnes of fish feed were also purchased and distributed to the aquaculture demonstration centres.
121. In the FY 2019/20- 2021/ 22, MTEF period, the department has planned to implement six programmes namely general administration planning and support services, crop development management, fisheries management and development, livestock resources management and development and agribusiness and information management. These programmes aim at facilitating the attainment of food security, market access and product development, poverty reduction, employment and wealth creation and sustainable land management.

122. In order to implement the prioritized programmes the department has been allocated Ksh. 772.9 million in FY 2019/20, Ksh.840.5 million and Kshs 890.9 in the Financial Year 2020/21 and 2021/22 respectively.

5.7 Water, Environment and Natural Resources

123. The department has four directorates namely; Water, Environment, Energy and Natural Resources whose major mandate is to aid in the environmental management and protection together with provision of water and sanitation services across the county. The department also ensures provisions and delivery of direct and indirect goods and services that are a major contributing factor to other sectors such as tourism, trade and agriculture.

124. Among the key achievements of the department in the period under review were; restructuring and operationalization of the department together with the refurbishment of Kiambu county water and sewerage company offices, merging of the eight water companies to form Kiambu County Water and Sewerage Company. Drilling of 24 boreholes where 8 were equipped, construction of 3 elevated water tanks together with making water accessible to more households, increased waste collection by 12 %. The department also managed to plant over 650,000 trees in all the sub counties.

125. In the FY 2019/20- 2021/ 22, MTEF period, the department has planned to implement 5 programmes namely: administration, planning and support services, Water Resources Management and Sanitation, Environment Management and Protection, Natural Resources conservation and Management together with Renewable Energy and Climate Change. Through the mentioned programs, the department will have an objective of enhancing and improving service delivery, enhancing clean environment, providing adequate, affordable clean water and sanitation services, increase forest cover and sustainable management of natural resources and finally enhance use of renewable energy and initiate climate change initiatives.

126. In order to implement the prioritized programmes the department has been allocated Ksh. 446.7 million in FY 2019/20, Ksh. 601.8 million and Kshs 637.9 million in the Financial Year 2020/21 and 2021/22 respectively.

5.8 Health Department

127. Health is a shared function between the National Government and County Governments. The mandate of the health department is anchored in the fourth schedule, section 2 of the constitution of Kenya. To execute its functions, the department of Health Services which is anchored in the Kiambu County Government Act 2013 has established four directorates namely; Planning and Administration, Curative and Rehabilitative Services, Public Health and Sanitation Services and Nursing Services.
128. During the period under review, various programmes were achieved which mainly focused on environmental health, reproductive health, HIV Aids prevention, Tuberculosis, Human Resources for Health Management and provision of pharmaceutical and non-pharmaceutical products. The department realized the following achievement among others; recruiting 257 staff in the Financial Year 2017/18 where 150 nurses were recruited by the county while 107 staff including Clinical Officers, nurses, peer educators, Linkage care navigators and Laboratory Technologists were recruited by partners implementing in the county. Every month approximately 10 officers are released to go for training while over 500 officers from different cadres were sponsored by the County Government for short term courses in Technical, Financial and Management fields. Under preventive and promotive services, there was an improvement in establishment of Community Health Units (CHUs) from 77 to the current 130 which translated to 68.83% increase and 34.03% coverage of the expected 382.
129. To halt and reverse the increased burden of non-communicable diseases, the county established a renal-dialysis centre and an ICU section in Kiambu and Thika Level 5 hospitals. Pathology and endoscopy centres were also established. The burden of violence and injuries was reduced by establishing an emergency medical services unit in Thika level 5 and essential medical services provided through establishment of a reproductive health unit at Thika level 5, distribution of 50 devices to enhance cervical screening while 72 community based outreaches were conducted.
130. To support comprehensive health care the county has initiated construction and equipping of different hospitals which are at different stages of completion they

include: Githunguri level four hospitals whose foundation was laid down by the president of the republic of Kenya, H.E Uhuru Muigai Kenyatta. Others include Tigoni, Wangige and Bibirioni hospitals. In partnership with development partners, both Karuri and Lusigetti hospitals will have rehabilitation centre which will act as a major boost to the ongoing 'Kaa Sober' program.

131. In the period under review, the County enrolled all the civil servants to a Comprehensive medical scheme cover which has significantly increased the uptake of NHIF and has also set aside Ksh. 12 Million to enrol both elderly and vulnerable in the county to the NHIF to allow them access both public and private NHIF accredited hospitals.
132. The medium term budget for the MTEF period 2019/20- 2021/22 will prioritize on scaling up of interventions aimed at enhancing equitable access to high impact healthcare services as outlined in the proposed Medium-Term Plan III and other departmental plans. Priority in resource allocation for FY 2019/20 will be based on the following;
 - i. Scaling up Universal Health Coverage (UHC) in line with the big four Government Agenda
 - ii. Improving quality of healthcare through the revamping and expansion of health infrastructure
 - iii. Building capacity in human resources for health at all levels of the healthcare system.
 - iv. Ending AIDS, TB, Malaria and NCDs as a public health threat by 2030.
 - v. Increase access to County referral health facilities and specialized services, including mental health and other specialized health services
 - vi. Strengthening health research
 - vii. Enhance norms and standards and regulations in Kiambu County.
 - viii. Promote automation and interoperability of Healthcare Services in Kiambu County and strengthening of Health Information Systems (HIS) and Community Health Information Systems (CBHIS).
133. In line with the above mentioned priorities the department will implement six programmes which include; Administration, Planning and Support Services,

Preventive Health Services Curative Health Services, County Pharmaceutical Services, Reproductive Health and County Health Policy Development.

134. In order to implement the prioritized programmes the department has been allocated Ksh 5 billion in FY 2019/20, Ksh. 5.1 billion and Kshs 5.5 billion in the Financial Year 2020/21 and 2021/22 respectively.

5.9 Education, culture and Social Services

135. This department is composed of three directorates namely; Early Childhood Development Education (ECDE), Vocational Education and Training (VET), together with Gender, culture and Social services. The overall mandate of the department is to ensure increased access to quality early childhood education and skill development through promotion of Vocational Training Centres (VTCs); promote culture, home craft centres and childcare facilities. In line with the mandate, the department undertakes to empower the society through impartation of knowledge and skills that will enable them to optimally contribute to national development, promotion of culture and social economic development together with empowerment programs for various members in the society such as women, people with disability and other disadvantaged group. The department also aims at ;increasing access to education and training; improving the quality and relevance of VET and ECDE, revitalizing, preserving, managing and exploitation of the County's diverse culture ,arts and the film industry for social economic development, promotion and establishment of community libraries, transforming livelihoods through welfare programmes and social economic empowerment of women, Persons Living with Disability and other vulnerable groups, Children and elderly care and protection. In addition the Sector will also coordinate and promote gender and disability mainstreaming in development planning and advocate for equitable socio-economic development between men and women to address the county's gender disparity concerns.

136. In the period under review, the sector made tremendous achievements. The enrolment in ECDE centres increased significantly; In addition, Kshs 133.6 million

of bursary funds was disbursed to needy students in various secondary schools, colleges and universities. Two new vocational training centres were opened which increased the number from thirty-one to thirty-three (33). Vocational Education and Training Centres (VTCs) were supplied with training materials in Fashion design and Electrical & electronics and four were equipped with training tools and equipment. Multi sectoral technical working groups for gender-based violence were formed and community leaders sensitized on reduction and prevention of gender-based violence (GBV). Sanitary towels, blankets, foodstuffs and assistive devices were distributed to the needy and county music and cultural festivals held. Kshs 60 Million was received as subsidized vocational training centres support grants. Furthermore, the department has seen the people enrolled under the Kaa sober program obtain various skills and knowledge in different vocational training centres an initiative of H.E Governor Ferdinand Waititu Baba Yao. More than 6,500 trainees graduated on 8th February this year under the program.

137. For the FY 2019/20 - 2021/22 MTEF period, the department has prioritized two programs for implementation including: Pre-Primary and Vocational Training Centres and Gender, Culture and Social Services. Under the named programs, the department aims at; promotion of the school feeding programme, procuring modern tools, equipment and instructional materials for ECDE and VETS, refurbishment of ECDE centres and VETS, enhance increased use of ICT in ECDE and VETS. In addition, the departments aims at co-ordinating the development, implementation and review of policies on culture, gender and vulnerable persons in order to empower individuals, groups and communities for poverty alleviation, Co-ordinate the County social welfare programs namely, assistance and benevolence donations. Construction, refurbishment, management and administration of all County Social Halls, community Libraries and amenities. Construction and renovations of social halls, cultural centres, child and Gender Based Violence rescue centres, Rehabilitation of children in conflict and persons affected by social issues ,Refurbish an existing children's homes, Promote, lobby and advocate for gender mainstreaming, equality, socio economic empowerment

of women, PWLD and other vulnerable and disadvantaged groups, Promote interventions for the reduction of sexual and gender-based violence, Promote, preserve and manage cultural heritage and historical sites, materials and antiques and finally enhance and coordinate bursary program.

138. In order to implement the prioritized programmes the department has been allocated Ksh. 1.21 billion in FY 2019/20, Ksh. 1.18 billion and Kshs 1.25 billion in the Financial Year 2020/21 and 2021/22 respectively.

5.10 Youth Affairs Sports ICT and communication

139. The department comprises of four sub sectors namely; Youth Affairs, Sports, ICT and Communication. This department plays its tactical role in the County's transformation and economic development through: promotion and development of youth and sports for a vibrant sporting industry and empowered youth.
140. In the period under review, the department managed to make some achievements including; coordinating of sport teams to participate in international competitions, developing of sport infrastructures, empowering the youths through capacity building.
141. For the FY 2019/20 - 2021/22 MTEF period, the department has prioritized 3 programs for implementation including; youth, sports, program and ICT. Under these programs the department intends to reduce crime, drug and substance use among youths, promote youth participation in county decision making, promote health style among youth, develop and promote sporting culture and collaborate with other sporting bodies, enhance county public communication and finally establish a functional and dynamic information management system.
142. In order to implement the prioritized programmes the department has been allocated Ksh. 259.7 million in FY 2019/20, Ksh 378.1 million and Kshs 400.7 million in the FY 2020/21 and 2021/22 respectively.

5.11 Lands Physical Planning and Housing

143. The department is composed of five directorates namely: physical planning, housing and community development, Land Survey and Geo-informatics, Land Valuation and Asset Management together with Municipal administration and urban development. Through The directorates, the department has a core mandate of; undertaking spatial planning, land management and promotion of housing development for orderly spatial development. In line with the mandates, the department has a role of protecting and securing public land, enhance orderly development within the county, enhance development of decent housing, provision of base map for spatial planning together with valuation and management of county land among others. The department will play a critical role in achieving the BIG FOUR National Development agenda under the pillar of Provision of Decent and affordable Housing.
144. In the period under review, the department saw some achievements including; recruitment of additional staff, preparation of four bills namely; County Physical Planning Bill, County Valuation and Rating Bill, County Survey and mapping Bill and County Housing bill where one bill was completed while the other three are in draft awaiting approval. In addition, the department prepared one County Spatial plan and 12 Integrated Strategic Urban Development Plans (ISUDPs). Moreover, service delivery was greatly enhanced through; Harmonization of the approval process and enhanced revenue generation, embracement of E-development Application and Management Systems , sensitization workshops, preparation of Kiambu county draft valuation roll and land database for rating , setup of GIS to enhance inventory of public land and mapping together with inventory of county houses, urban renewal and renovation works.
145. For the FY 2019/20 - 2021/22 MTEF period, the department has put priority on one program namely; Land Management, Physical planning and Housing Development. Under the program, the department aims at ensuring efficient and effective administration and management of land resources together with facilitation and provision of decent and affordable housing.

146. In order to implement the prioritized programmes the department has been allocated Ksh. 2.1 billion in FY 2019/20, Kshs. 2.41 billion and Kshs 2.55 billion in the Financial Year 2020/21 and 2021/22 respectively.

5.12 Trade Tourism Industry and Cooperative Development

147. Trade, Tourism, Industry and Cooperative Development Sector comprises of four Sub sectors namely: Trade; Industry; Tourism; and Cooperative Development.

148. The Department has a strategic role in promoting trade, entrepreneurship, innovation, tourism and promoting investments in the County. It is also responsible for ensuring opening up of opportunities for trade expansion and export promotion, just to mention a few.

149. During the period under review, 23 markets were Constructed / Rehabilitated / Renovated against a target of 30 markets leading to improved business environment. New completed markets include Wangige egg shed, Karuri and Kamwangi markets. Partnership with World Bank to construct 7 modern markets in Kikuyu, Githurai, Kihara, Kiambu, Ruiru, Juja and Thika (Madaraka) towns was also established and preliminary activities completed for 4 markets. 60 boda boda sheds were constructed across the county as per target thus improving operating environment for the boda boda operators.

150. The department participated in 6 Trade fairs / forums. In addition, construction of an Investor Enabling Centre to promote investments was commenced at County Headquarter in Kiambu town. In Trade Development, 33 Business Groups numbering over 80 individual entrepreneurs against a target of 100 groups underwent training on value addition and Business management. The capacity building initiative was convened in partnership with the One Village One Product programme, a Japanese International Cooperation Agency (JICA). To promote fair trade, the department created awareness and enforced legal metrology Act where 41,381 weights were measured and standardized.

151. Sensitization on the benefits of co-operative were carried out and 2,648 members reached through Ushirika Events in Kiambu, Ruiru, Gatundu and Thika and show casing forums at KICC on manufacturing, agro processing and value

addition. As a result of these interventions, the sector achieved and exceeded its target of reviving dormant cooperatives and registration of new cooperatives that included the bringing together of BodaBoda operators at the established BodaBoda sheds to form Co-operative Societies. 262 co-operative against a target of 187 were recruited, formalized and registered. To strengthen the movement, 581 audits against a target of 608 were carried out and 1250 capacity building forums done.

152. Under Tourism Development and promotion, the department participated in 6 exhibitions and marketing forum which include Kenya Tourism Week, Magical Kenya Travel Expo, International Coffee Day Celebration, Tourism Stakeholder Forum, Tree Planting and Clean up at 14 Falls and UNCTAD. It also coordinated and organized miss Tourism Kiambu and participated in Miss Tourism Kenya. Under capital development, two tourist sites were undergoing renovation / rehabilitation namely 14 falls in Thika Sub County and Mathore View Point in Lari Sub County.
153. In drafting relevant legislation, the department developed County Licensing Act and three bills namely Tourism Bill, Trade and Markets Bill and Co-operative Bill were drafted
154. Funding for the 2019/20 -2021/22 MTEF period will focus on delivery of the Department's priorities and in particular those aimed at growth and development of trade and industry; tourism promotion and development; investments mobilization; Industrial and entrepreneurship development and employment creation, formation and profiling of Product, Business, promotion of industrial parks, resource mapping and profiling the county. This will be achieved through the implementation of four key programmes by the department namely; Administration planning and support services, Trade Development and promotion, Tourism Development and promotion and Cooperative Development and Management.
155. In order to implement the prioritized programmes the department has been allocated Ksh.526.84 million in FY 2019/20, Kshs 446.09 million and Kshs 472.86 million in the Financial Year 2020/21 and 2021/22 respectively.

5.13 Roads Transport and Public Works

156. The Roads, Transport & Public Works Department consists of three (3) directorates namely: Roads, Transport, Public Works and Utilities. The Department plays key roles in planning, development and maintenance of County roads and transport infrastructure, County Public works buildings and other installations, County lighting and promotion of renewable energy, fire prevention, emergency and disaster response.
157. The department registered various achievements in all its directorates during the period under review Construction to gravel standards over 250 km of rural access roads; rehabilitating/constructing 2No. Of bridges; rehabilitating/reconstruction of 31 Kms of bituminous roads; construction and marking of street parking in major towns; construction of 2No. Of bus parks; construction of circuit gravel roads at rural shopping centres and maintenance of over 350 Km of rural roads; and, maintenance of storm water drainage throughout the County. The Department is also constructing 3No. fire stations and is in possession of 12 No. fire engines and vehicles. With respect to lighting the County the Department has installed sixty- 15 metres high flood masts and 139 street lights funded by the county Government. The department has also acquired 2No graders which supports in roads opening and maintenance
158. The department has planned to carry out the following works; In the Roads and Transport directorate, Construction 15Km of bituminous road, Construction of 240 KM of gravel roads, construction of 5No. Bridges, construct 10Km of Non-motorized transport, preparation of master plan for the roads and storm water drainage systems, construction of 50Km of storm water drainages, Construction of Bus parks, Street lighting within the county towns, purchase of vehicles and equipment; in utility directorate, construction sixty-15 meters high flood masts, construction of 300 streetlights and construction of 3 No. fire stations in Kikuyu, Ruiru and Kiambaa while in public works directorate planned construction of 6 No. footbridges and support of all the other departments in design, construction and supervision of various facilities.

159. In order to implement the prioritized programmes, the department has been allocated Kshs 1.45 billion in FY 2019/20, Ksh.1.54 billion and Kshs 1.63 billion in the Financial Year 2020/21 and 2021/22 respectively.

5.14 Public Participation and Involvement of Stakeholders

160. The law requires that view from stakeholders and members of the public be taken into account before the Budget proposals are firmed up. In this regard, the county held Public Hearings for the 2019 CFSP and FY 2019/20 Budget between 11th and 14th February 2019. Views and suggestion received in those fora have been incorporated in this paper.

ANNEXES

Annex 1: Medium Term Department Ceilings, 2019/20 - 2021/22 (Kshs Million)

vote	Vote Name	Approved Estimates 2018/19	2019 CFSP CEILINGS 2019/20	projected Estimates	
				FY 2020/21	FY 2021/22
4061	County Assembly	1,255,864,621	1,375,864,621	1,331,216,498	1,411,089,488
4062	County Executive	341,076,887	339,107,458	359,453,905	381,021,140
4063	County Public Service Board	74,322,096	78,962,096	83,699,822	88,721,811
4064	Finance, Economic Planning and ICT	1,389,229,541	1,373,709,741	1,478,392,325	1,567,095,865
4065	Administration Public Service and communication	671,227,816	640,296,568	731,714,362	775,617,224
4066	Agriculture, Crop Production and Irrigation	780,154,018	772,957,049	840,534,472	890,966,540
4067	Water, Environment & Natural Resources	563,409,830	446,756,527	601,821,919	637,931,234
4068	Health Services	4,929,563,224	5,052,933,672	5,197,109,692	5,508,936,274
4069	Education, Youth, Sports Culture, & Social Services	1,212,720,002	1,214,395,604	1,181,259,340	1,252,134,901
4070	Youth, Sports & Communications	354,856,416	259,708,552	378,111,065	400,797,729
4071	Lands, Physical Planning & Housing	2,213,521,789	2,103,907,246	2,407,161,681	2,551,591,382
4072	Trade, Tourism, Industry & Co-Operative	413,871,044	526,844,483	446,095,152	472,860,861
4073	Roads, Transport & Public Works	1,423,265,910	1,453,356,383	1,540,557,766	1,632,991,232
	Total	15,623,083,194	15,638,800,000	16,577,128,000	17,571,755,680

Annex 2: Total Revenue Ceilings for FY 2019/2020

	Actual Revenue	Budget Revenue	projections
Revenue Streams	2017/18	2018/2019	2019/20
Equitable Share of Revenue(Unconditional Grants)	9,664,000,002	9,357,200,000	9,238,000,000
Grant from National Government			
Users Fees Foregone	17,886,541	34,671,542	34,671,542
Road Maintenance Fuel LevyFund	261,434,700	246,366,927	267,725,063
Conditional Grant -Thika Level 5	412,716,762	538,716,765	551,469,711
Conditional Allocation-Development ofYouth Polytechnic	60,096,220	68,110,000	68,110,000
Conditional Grant -leasing of Medical Equipment		200,000,000	131,914,894
Grant from Dev Partners			
Transforming Health System for Universal Health Care	10,000,000	50,000,000	
World Bank-Nat Agriculture & Rural Growth Project	50,000,000	140,435,164	
KDSP	56,459,859	332,455,156	
DANIDA	33,400,684	32,400,000	
KUSP		1,885,993,000	
Conditional Allocation-Other grants and loans			2,378,909,369
TOTAL GRANT	10,565,994,768	12,886,348,554	12,670,800,579
Agriculture Livestock & Fisheries Management Unit	22,199,626	37,653,296	38,512,343
Physical Planning Management Unit	283,290,873	653,774,735	513,909,806
Business Permit Management Unit	181,975,798	262,248,785	319,939,820
Cess Management Unit	65,355,229	94,671,626	114,923,795
Education Culture ICT & Social Services Unit	105,000	-	184,633
Health Services Management Unit	493,863,597	545,612,064	852,733,944
Housing Management Unit	1,997,100	62,495,303	3,457,728
Land Rates Management Unit	180,986,283	360,794,062	318,250,934
Market Management Unit	13,219,617	80,148,704	23,246,711
Others	91,179,089	19,326,649	150,292,636
Roads Transport Public Works Management Unit	34,065,005	154,718,128	59,849,619
Slaughter House Management Unit	38,388,715	52,786,698	67,513,471
Trade Tourism Industry & Cooperatives Unit	13,183,990	15,547,107	23,270,472
Vehicle Parking Management Unit	225,689,990	319,017,810	396,958,100
Water Environment & Natural Resources Mgt Unit	41,693,580	58,613,027	73,301,552
liquor management unit	6,627,500	19,326,647	11,653,857
Own Source of Revenue	1,693,820,992	2,736,734,640	2,967,999,421
Total Revenue	12,259,815,760	15,623,083,194	15,638,800,000