

COUNTY GOVERNMENT OF KIAMBU



FINANCE, ICT & ECONOMIC PLANNING DEPARTMENT

2022 COUNTY FISCAL STRATEGY PAPER

Economic Recovery amid Covid-19 Pandemic

NOVEMBER 2021

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FOREWORD

The 2022 County Fiscal Strategy Paper (CFSP) under the theme “ ECONOMIC RECOVERY AMID COVID-19 PANDEMIC” sets out the priority programs and reforms to be implemented by Kiambu County over the next MTEF period (2022/23 – 2024/25). The programs and policies herein reflect the needs of Kiambu people and are anchored under the second County Integrated Development Plan (2018/19 - 2022/23 CIDP), Governor’s manifesto, the ‘BIG FOUR’ National agenda and the Kenya Vision 2030. The paper is also aligned with the national objectives contained in the 2022 Budget Policy Statement (BPS), the National Policy document that sets out the broad strategic priorities and policy goals that guide the National and County Governments in preparing their budgets.

The County Government balanced fiscal policy measures outlined in this Fiscal strategy paper prioritize programs and activities that promote strategic priorities of the County whose outcomes shall have an impact on society, *‘putting money in people’s pocket’* while further ensuring the delivery of high quality services at reasonable cost.

The 2022 CFSP comes at the final year of implementation of the County Integrated Development Plan covering the period 2018-2022. 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. Through this paper, the County Government proposes to allocate more resources to agriculture; roads, health and trade with an aim to stimulate general economic performance while addressing the issues that promote welfare of County residents. To achieve this over the medium term period, the policy shifts resources from recurrent to capital investment as a means to promote sustainable and inclusive growth.

The expenditure priorities in this CFSP have been critically reviewed to ensure that they are in accordance with the County Government strategic priorities. Consequently, budget allocations have been premised on the sustainability, affordability and the degree to which the programmes contribute towards job creation and reduction in poverty and inequality.

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 the existing and additional revenue streams. These reforms are expected to make revenue payment more convenient and increase Own Source of Revenue which will help in financing current and future County Budgets. As we finalize preparation of the budget for the FY 2022/23, we are clearly conscious of our limited fiscal space occasioned by revenue shortfalls and rising expenditure pressures.

I would like to thank H.E. the 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 valuable contributions. Equally we received useful inputs from key stakeholders and the general public. We value these inputs and extend our appreciation to all for their valuable contributions.

Wilson Mburu Kang'ethe
CECM, Finance & Economic Planning

ACKNOWLEDGEMENT

The preparation of the 2022 County Fiscal Strategy Paper was achieved through consultation and co-operation between all county departments. More strategic information was obtained from the National Government Budget Policy statement (BPS) and the county sector working group's reports from respective departments. This CFSP document is prepared in accordance 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 2022 Budget Policy Statement (BPS). The 2022 CFSP specifies the set strategic priorities and policy goals and a summary of Government spending plans, as a basis of the FY 2022/23 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 the budget consultation process which was held within the year. 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 the County treasury team from Economic planning 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 stakeholders for their active participation during preparation of this CFSP. We Reiterate our commitment to serving you and improve on prudent public finance management, transparency and accountability on all public finance matters.

William Kimani
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
GIS	Geographical Information system
GDP	Gross Domestic Product
ICT	Information, Communication & Technology
IFMIS	Integrated Financial Management Information System
ISUDP	Integrated Strategic Urban Development Plan
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
VTCs	Vocational Training Centers
WB	World Bank

Fiscal Responsibility Principles for the National and County Governments

(1) 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-

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

(4) Every County government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the County assembly.

Legal Basis for the Publication of the County Fiscal Strategy Paper

The County Fiscal Strategy Paper is published in accordance with Section 117 of the Public Finance Management Act, 2012. The law states that:

1. The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly, by the 28th February of each year.
2. The County Treasury shall align its County Fiscal Strategy Paper with the National objectives in the Budget Policy Statement.
3. In preparing the County Fiscal Strategy Paper, the County Treasury shall Specify the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for the coming financial year and over the Medium term.
4. The County Treasury shall include in its County Fiscal Strategy Paper the Financial outlook with respect to County Government revenues, expenditures and Borrowing for the coming financial year and over the medium term.
5. In preparing the County Fiscal Strategy Paper, the County Treasury shall Seek and take into account the views of—
 - a) The Commission on Revenue Allocation;
 - b) The public;
 - c) Any interested persons or groups; and
 - d) Any other forum that is established by legislation.
6. Not later than fourteen days after submitting the County Fiscal Strategy Paper to the County Assembly, the County Assembly shall consider and may adopt it with or without amendments.
7. The County Treasury shall consider any recommendations made by the County Assembly when finalising the budget proposal for the financial year concerned.
8. The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the County Assembly.

1.0 INTRODUCTION

Overview

1. The County Fiscal Strategy Paper (CFSP) is a policy document that sets out the broad strategic priorities and policy goals to guide the County Government in preparing their budgets for the subsequent financial year and over the medium term.
2. The 2022 CFSP has laid emphasis on adherence to the fiscal responsibility principles that demonstrates prudent and transparent management of public resources in line with the Constitution and the Public Finance Management Act (PFMA), 2012. The document is also aligned to the 2022 Budget Policy Statement prepared by the National Government.
3. The 2022 CFSP is prepared in accordance to Section 117 of the PFMA, 2012 provide that, “The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the County assembly, by the 28th February of each year. The County assembly, not later than 14 days after the CFSP is submitted, table and discuss a report containing its recommendations and pass a resolution to adopt it with or without amendments. The CECM for finance shall take into account resolutions passed by the County Assembly in finalizing the budget for the FY 2022/23. The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to County government revenues, expenditures and borrowing for the coming financial year and over the medium term”.
4. The 2022 County fiscal strategy Paper contains: (a) an assessment of the current state of the economy including macroeconomic forecasts; (b) the financial outlook with respect to County Government revenue and expenditures for the next financial year and over the medium term; (c) the proposed expenditure ceilings for the County Government, including those of County assembly; (d) the fiscal responsibility principles and financial objectives over the medium term; and (e) Statement of Specific Fiscal Risks.
5. Preparation of the CFSP is a consultative process that involves seeking and taking into account the views of: The Commission on Revenue Allocation; the public; any other interested persons or groups; and any other forum that is established by legislation.

2.0. RECENT ECONOMIC DEVELOPMENT AND MEDIUM TERM OUTLOOK

2.1. Global and Regional Economic Developments

6. The spread and the adverse effects of the Covid-19 Pandemic and the resulting containment measures have devastated global economies. The global growth in 2021 is projected at 5.9 percent from a contraction of 3.1 percent in 2020 (WEO October 2021). The economic prospects vary across countries with emerging markets and developing economies given different policy responses to the pandemic.
7. The growth of the advanced economies are projected at 5.2 percent in 2021 from a contraction of 4.5 percent in 2020. Significant growth of the economy is projected in the United States (6 percent), France (6.3 percent) and the United Kingdom (6.8 percent). Further, growth in the Euro area is projected at 5 percent in 2021 from a contraction of 6.3 percent in 2020 while Spain is projected to grow by 5.7 percent in 2021 from a contraction of 10.8 percent in 2020. The projected recovery in the advanced economies particularly the United States reflects the anticipated legislation of additional fiscal support and broader vaccination coverage.
8. The emerging markets and developing economies are projected to grow by 6.4 percent in 2021 from a contraction of 2.1 percent in 2020. All major economies are projected to have a positive growth in 2021 with India, China and emerging and developing Asia having the highest projected growth of 9.5 percent, 8.0 percent and 7.2 percent respectively.
9. The Covid-19 pandemic impacted negatively on the Sub-Saharan Africa region. The region is projected to grow by 3.7 percent in 2021 from a contraction of 1.7 percent in 2020. This growth is due to improved exports and commodity prices as well as the rollout of vaccination programs. The growth will also be supported by a recovery in both private consumption and investments as economies re-open.

2.2. Domestic Economic Development

10. Kenya's economy was strong and resilient prior to the outbreak of Covid-19 pandemic despite the challenging global environment. The economy has continued to face development challenges which include poverty, inequality, climate change, continued weak private sector investment and the vulnerability of the economy to internal and external shocks.
11. Kenya, like most economies all over the world in recent times, has not been spared of the negative impact of Covid 19 pandemic. The pandemic and the resultant containment measures have adversely affected businesses and economic activities. As a result, the

economic growth in Kenya contracted by 0.3 per cent in 2020 compared to a revised growth of 5.0 per cent in 2019. The economy is projected to grow by 6.0 percent in 2021 and stabilize at 5.8 percent in 2022, reinforced by the prevailing stable macroeconomic environment and the ongoing implementation of the strategic priorities of the Government under the “Big Four” Agenda and initiatives under the Economic Recovery Strategy.

12. The contraction was spread across all sectors of the economy but was more dismal in accommodation and food services activities, education, and transport sectors. The overall performance of the economy in 2020 was cushioned from a deeper slump by accelerated growths in agricultural production (4.8 percent), mining and quarrying (6.7 percent), construction activities (11.8 percent) and health services (6.7 percent). The growth in agricultural production was attributed to favorable weather conditions in 2020 which improved production of food crops such as beans, rice, sorghum and millet, livestock and related products such as milk and meat. Improved production of cash crops such as tea and sugarcane also supported the sector's growth.

Quarterly GDP growth of 2021

13. The economy grew by 10.1 percent in the second quarter of 2021 compared to a contraction of 4.7 percent in a similar period in 2020 (Table 1.3). This growth was mainly supported by the rebound in economic activities in Mining and quarrying, Construction, Wholesale and Retail, Information and Communication, Education and Health sub-sectors.
14. The agriculture, forestry and fishing sector contracted by 0.9 percent in the second quarter of 2021 compared to a growth of 4.9 percent over the same period in 2020. This mainly resulted due to the depressed rainfall distribution that has affected production of crops such as Tea. However, the sectors’ performance was cushioned from a steeper slump from a further decline by favorable performance in milk production, horticultural export and sugarcane production.
15. The mining and quarrying sector grew by 17.7 percent in the second quarter of 2021 from 4.9 percent over the same period in 2020 while the industry sector grew by 7.9 percent in the second quarter of 2021 from a contraction of 0.5 percent over the same period of 2020.

Inflation Rate

16. The annual inflation rate has remained low, stable and within the Government target range of 5+/-2.5 percent since the end of 2017 as a result of prudent monetary and fiscal policies. The overall annual inflation rate increased to 6.45 percent in October 2021 from 4.84

percent in October 2020 but remained within the target range. This was mainly due to higher food and fuel prices.

17. The rate of inflation in Kenya has been favorably compared with the rest of sub-Saharan African countries. Kenya recorded a lower inflation rate than Burundi, Ghana, Nigeria and Zambia in September 2021.

Exchange Rate

18. The foreign exchange market has largely remained stable but partly affected by tight global financial conditions attributed to unprecedented Covid 19 uncertainties. The Kenya shilling to the US dollar exchanged at Ksh. 110.9 in October 2021 compared to Ksh. 108.6 in October 2020. In comparison with most Sub-Saharan African currencies, the Kenyan Shilling remained relatively stable, weakening by 2.0 percent against the US dollar in the year to October 2021. This depreciation of Kenya shilling was lower than that of Rwanda Franc, Nigerian Naira, Mauritius Rupee, Burundi Franc and Ghanian Cedi. The stability in Kenya shilling was supported by increased remittances, adequate foreign exchange reserves and favourable horticultural exports.

Interest rates

19. Short-term interest rates have remained fairly low and stable. The Central Bank rate was retained at 7.0 percent in September 2021. The decision was aimed at boosting growth and stimulating higher private-sector lending, especially the Small and Medium Enterprises distressed by Covid-19 pandemic. The interbank rate remained low but increased slightly to 5.3 percent in October 2021 from 2.7 percent in October 2020. The prevailing stable macroeconomic environment and the ongoing economic recovery strategy will accelerate growth during this year thus improving household incomes, completion of key infrastructure projects, and a focus on investment in sectors prioritized by the government's "Big Four" agenda. Weather conditions are also expected to be favorable in order to support recovery in the agricultural sector.
20. The average yield rate for the 91-day Treasury bills, which is a benchmark for the general trend of interest rates increased from 6.5 percent in October 2020 to 7.0 percent in October 2021. Equally, the 182-day Treasury bills rate rose to 7.4 percent from 6.9 percent over the same period of time.

Money and Credit

21. Broad money supply (M3) growth was moderate at 8.7 percent in the year to September 2021 from a growth of 10.7 percent in the year to September 2020. This reflected a relatively lower Net Foreign Assets (NFA) and reduced growth in the net lending to Government component of the Net Domestic Assets (NDA).
22. In the year to September 2021, Net Foreign Assets (NFA) of the banking system contracted by 11.7 percent compared to a contraction of 10.3 percent in the year to September 2020. The contracted growth of the NFA was largely due to scheduled debt service and other central bank operations. The NFA of commercial banks also declined during the review period as a result of a decrease in deposits abroad.
23. Net Domestic Assets (NDA) grew by 13.6 percent in the year to September 2021. This was a decline compared to a growth of 17.3 percent over a similar period in 2020 and mainly reflected a slowdown in net lending to the government resulting from a reduced utilization of Government deposits at the Central Bank of Kenya. Net credit flows to the private sector and other public sectors improved during the review period.

Balance of payment

24. The overall Balance of Payments position declined to a deficit of USD 107.6 million (0.1 percent of GDP) in the year to August 2021 from a surplus of USD 989.5 million (1.0 percent of GDP) in the year to August 2020. This was mainly due to a decline in receipts from services despite an improvement in the capital and financial accounts. The current account remained stable in the year to August 2021 with a balance deficit of USD 5,707.3 million (5.2 percent of GDP) compared to USD 4,975.6 million (4.8 percent of GDP) in the year to August 2020. This was supported by an improvement in the net primary and the net secondary income balances.
25. The balance in the merchandise account reduced by USD 979.9 million to a deficit of USD 10,069.7 million in the year to August 2021 mainly due to increased payments on imports despite an improvement in the export earnings. During the same period, exports grew by 9.9 percent primarily driven by increased receipts from exports of horticulture and manufactured goods. On the other hand, imports of goods increased by 10.4 percent in the year to August 2021 mainly reflecting increases in imports of oil and other intermediate goods.

Nairobi Securities Exchange

26. As shown by the NSE 20 Share Index, the activity in the capital market improved in October 2021 with equity share prices increasing considerably. The share index stood at 1,960 points by the end October 2021 from 1,784 points by the end October 2020. The market capitalization also increased to KSh 2,775 billion in October 2021 from KSh 2,150 billion over the same period in 2020 indicating increasing trading activities.

2.3. Impact of National Macroeconomic Variables on County Development

27. The County performance mainly depends on the global and national economic framework as transfers from the National Government account for the largest share of the total revenue. The growth of the outlook is supported by the stable macroeconomic environment and therefore the framework dynamics have direct and/or indirect impact on the County decision and operations.
28. The national performance determines the level of economic activities and the amount of resources meant for development expenditures in the County. The low and stable inflation rate promotes investments and reduces uncertainties and as a result the County is able to invest more on development thus improving economic growth and stability. Similarly, low and stable interest rates stimulate higher private-sector lending, especially the Small and Medium Enterprises. This encourages more spending and investments leading to economic growth and improved quality of life for the residents in the County.
29. Competitive exchange rate supports exports and encourages spending and investment which leads to economic growth. The weakening of Kenya shillings against the US dollar makes imports to be more expensive. This hampers implementation of development programs due to increased cost of imported inputs. The performance also depends on formulation and implementation of prudent policies and the County Government will continue to pursue prudent fiscal policy to ensure stability and guide service delivery.
30. A large proportion of the County population get their livelihood from the agriculture sector which is also a major contributor of the Country's Gross Domestic Product (GDP). The sector was adversely affected by Covid-19 pandemic and the resultant containment measures but managed to record improved performance due to favorable weather conditions. In this regard, the County will formulate prudent policies to support critical sectors such as agriculture and service sectors where there is huge potential.

2.4 Fiscal Performance

31. Budget execution in the first four months for the FY 2021/22 progressed well. The county government received two exchequer releases in the first quarter of the 2021/22 financial

year amounting to Kshs 1.93 billion of the equitable share of revenue. The County also received a conditional grant of Kshs 73.73 million under Kenya Devolution Support Program (KDSP). Budget absorption was 26 percent for recurrent expenditure and 16 percent for development expenditure. However, the County continued to experience late disbursement of exchequer which adversely affected budget execution. This led to low absorption of both the recurrent and development budget.

32. Revenues recorded positive growth rates to reflect the improvement in business environment, the impact of reversal of some of revenue relief measures affected in the previous financial year and the fruition of reforms in OSR administration by the County Treasury. Revenues are also expected to progressively improve in the rest of the fiscal year following the reopening of the economy, uptake of the COVID-19 vaccine and the increased demand for construction in the county. Going by the revenue performance in the first quarter, the revenue targets for the FY 2021/22 will be achieved. On the expenditure, the County Government has embarked on expenditure rationalization by promoting fiscal discipline, allocative and operational efficiency and prioritization to improve efficiency and reduce wastage by ensuring the expenditures are on the most impactful programmes that yield the highest welfare benefits to the people of Kiambu. Expenditure management will be strengthened with continued implementation of the Integrated Financial Management Information System (IFMIS) across all the departments.

Revenue Performance

2.5. Own Source of Revenue Performance

33. Own Source Revenue (OSR) for the first four months of the financial year 2021/22 was Kshs. 845 million compared to Kshs. 641 million realized during the same period in the financial year 2020/21. This represented 32 percent growth of the OSR. This growth is attributed to the improved business environment following the reopening of the economy and ease of measures put in place to contain the spread of the COVID-19 pandemic. Revenues are expected to progressively improve in the remaining period of the fiscal year following the reopening of the economy.

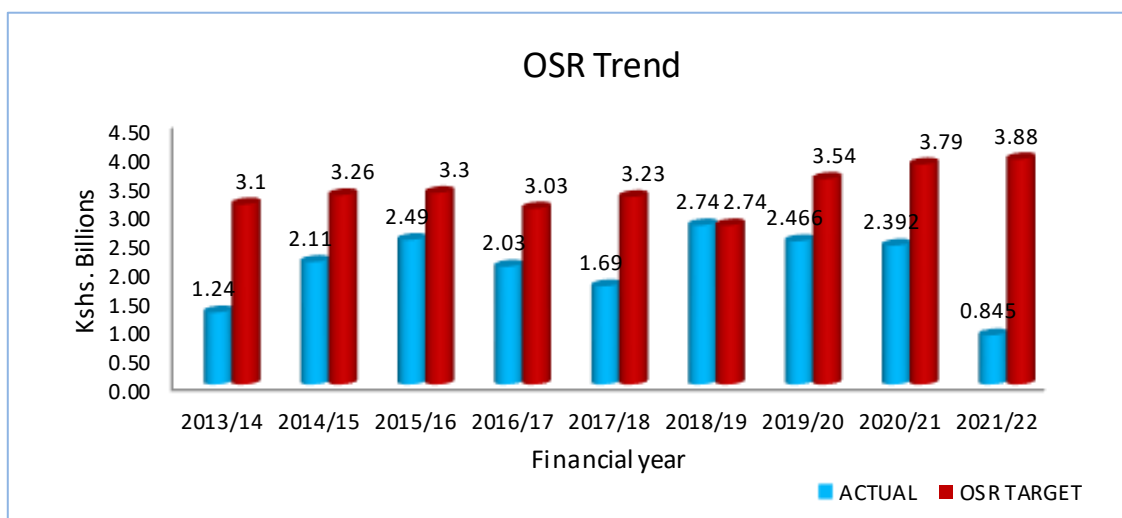
Table 1: Own source revenue performance

Revenue Streams	Actual Revenue as at 31st Oct 2020	Actual Revenue as 31st Oct 2021	Percentage Growth
Agriculture Livestock & Fisheries Management Unit	1,237,925	678,546	-45%
Physical Planning Management Unit	189,996,358	182,524,988	-4%
Business Permit Management Unit	33,997,210	19,100,936	-44%
Cess Management Unit	50,805,706	31,573,382	-38%
Education Culture ICT & Social Services Unit	16,500	6,000	-64%
Health Services Management Unit	200,237,253	344,349,964	72%
Housing Management Unit	7,152,422	7,017,923	-2%
Land Rates Management Unit	59,858,837	50,796,005	-15%
Market Management Unit	5,491,810	2,509,325	-54%
Others	1,370,450	4,005,439	192%
Roads Transport Public Works Management Unit	12,434,820	10,644,412	-14%
SlaughterHouse Management Unit	10,953,850	10,684,196	-2%
Trade Tourism Industry & Cooperatives Unit	883,241	1,700,316	93%
Vehicle Parking Management Unit	40,307,381	86,660,443	115%
Water Environment & Natural Resources Mgt Unit	20,304,128	8,659,623	-57%
Liquor Licences Management Unit	6,605,899	84,573,481	1180%
Total:	641,653,789	845,484,978	32%

34. As the economy recovers from the COVID-19 shocks, the County anticipates an upward growth of revenue collection for the period of the financial year compared to the first four months. To enhance revenue measures, the county is installing a new integrated revenue management system to reduce revenue leakages, improve efficiency and improve control through better recording and reporting. The County has also procured and installed a robust, efficient and cost-effective Hospital Management Information System (HMIS) for all public health care facilities to ensure a paperless and efficient records and patient information management system thus improving revenue collection over the medium term. The County will further build the capacity of revenue officers and officers involved in monitoring of revenue collection through training to equip them with relevant skills.

35. Other measures that the County government is putting in place to maintain growth of revenue over the medium term include mapping revenue sources, enforcement and targeting the community through short messages to encourage compliance.

Figure 1: Own Source of Revenue Trend



36. There has been a common trend of under-collection of Own Source Revenue (OSR) in County governments since the inception of devolution and Kiambu County has not been an exemption. From the figure above, the county has consistently missed its own revenue target except for the financial year 2018/19 when the actual annual collection slightly exceeded the set annual target.
37. For the financial year 2021/22, the reported figure of Kshs.845 million is the actual collection as at 31st October 2021. With the implementation of the Own Source Revenue enhancement measures, actual revenue collection is expected to increase during the remaining period of the financial year.
38. The own source revenue collected has been fluctuating over time. During the period under review, the County faced some challenges that hindered optimal collection of revenue. These challenges include; various waivers on fees and charges granted by the county to cushion business persons from the adverse effects of covid 19 pandemic; weak business environments, weak enforcement mechanisms of development control fees especially in the area of building plans approvals and non-compliance by traders among others. Regardless of this, revenue performance is projected to remain on an upward trajectory over the medium term. This will be achieved through the implementation of the recommendation of the task force on enhancement of its own source of revenue.

2.6.Expenditure Performance

Table 2: Analysis of County Expenditures as at October 2021

Vote	Department	Printed Estimates FY -2021/22	Actual Expenditure - up to 30th Oct 2021	% Absorption
RECURRENT				
4061	County Assembly	1,256,180,907	408,782,966	33%
4062	County Executive	341,580,991	88,956,280	26%
4063	County Public Service Board	62,096,211	11,052,127	18%
4064	Finance & Economic Planning	1,412,254,568	309,822,238	22%
4065	Administration & Public Service	835,988,341	153,680,331	18%
4066	Agriculture, Crop Irrigation & Marketing	463,162,497	75,718,045	16%
4067	Water, Environment & Natural Resources	341,523,466	47,220,552	14%
4068	Health Services	4,874,439,927	1,528,128,835	31%
4069	Education, Culture, Youth, Sports & Social Services	971,202,219	154,382,317	16%
4070	Youth and Sports	111,245,280	43,893,001	39%
4071	Lands, Physical Planning & Housing	214,659,654	41,444,965	19%
4072	Trade, Tourism, Industry & Co-Operative	145,502,334	28,928,121	20%
4073	Roads, Transport & Public Works	394,755,348	83,516,010	21%
TOTAL		11,424,591,743	2,975,525,788	26%
DEVELOPMENT				
4061	County Assembly	90,000,000	30,053,203	33%
4062	County Executive	-	-	-
4063	County Public Service Board	-	-	-
4064	Finance & Economic Planning	203,731,600	73,731,600	36%
4065	Administration & Public Service	31,000,000	-	0%
4066	Agriculture, Crop Irrigation & Marketing	837,527,252	97,720,363	12%
4067	Water, Environment & Natural Resources	293,000,000	76,332,656	26%
4068	Health Services	821,636,481	6,399,000	1%
4069	Education, Culture, Youth, Sports & Social Services	233,969,788	85,992,447	37%
4070	Youth and Sports	175,538,853	3,101,487	2%
4071	Lands, Physical Planning & Housing	280,000,000	11,298,648	4%
4072	Trade, Tourism, Industry & Co-Operative	386,098,578	56,349,697	15%
4073	Roads, Transport & Public Works	1,439,374,561	320,894,800	22%
Total		4,791,877,113	761,873,901	16%
Grand Total		16,216,468,856	3,737,399,689	23%

Source: Kiambu County Treasury

39. The total expenditure for the first four months of financial year 2021/2022 was Kshs 3.737 billion representing an absorption rate of 23 percent. During the period under review, Recurrent Expenditure was Kshs. 2.97 billion representing an absorption rate of 26 percent while Development Expenditure of Kshs. 761 million, representing absorption rate of 16%. Under recurrent expenditure, the department of Youth Affairs Sports and

Communication had the highest absorption at 39 percent while the department of Water Environment Energy and Natural Resources had the lowest absorption at 14 percent.

40. Under development expenditure, the department of Education Culture Gender and Social services had the highest absorption at 37 percent while the department of Administration and Public Service had nil absorption.

41. The under absorption in both recurrent and development budget occasioned by delayed disbursement of revenues from the National Government (NG) and delay in procurement plan. The absorption rate is expected to rise in the coming months as revenue flows both from the National Government and own sources pick up.

2.7.Fiscal Policy

42. Going forward into the medium term, the County Government will continue with its revenue mobilization and expenditure prioritization policy geared towards economic recovery to support sustained, rapid and inclusive economic growth. This is aimed at achieving the transformative development agenda which is anchored on provision of core services, ensuring equity and minimizing costs through the elimination of duplication and inefficiencies, creation of employment opportunities and improving the livelihood of people of Kiambu County. This will further curtail growth in public expenditures to ensure attainment of fiscal consolidation over the medium term and also ensure debt is maintained within sustainable levels.

43. To achieve this target, the County Government will continue to restrict growth in recurrent spending and double its effort in its own resources of revenue mobilization. The County Government has also been cutting down on non-priority expenditures. The County will continue to put up stringent measures that ensure the budget is fully financed and there is no fiscal deficit. Adjustments will be made to fiscal aggregates to reflect revisions in the macroeconomic projections as well as revenue performance. To achieve this target, the County Government will continue to restrict growth in recurrent spending and put more effort in its own source of revenue mobilization.

44. The County Government continues to implement initiatives to boost revenue performance and enhance tax compliance. These revenue supporting initiatives have been implemented at considerable cost and will over the medium term help improve revenue performance. The initiatives include;

- i. installation of a new integrated revenue management system to curb leakages

- ii. enhanced staff capacity by training revenue officers and officers involved in monitoring of revenue collection
- iii. equipping of Sub Counties' offices with office equipment to facilitate collection of revenue
- iv. targeting the community through short messages to encourage compliance
- v. Implementation of a cashless system of revenue collection. The County executive stopped the use of cash handling by the revenue collectors to reduce chances of theft and increase accountability
- vi. Strengthening Audit function in auditing of revenue collection.

45. Further, the County Government will focus on expenditure rationalization by;

- i. **Promoting fiscal discipline, allocative and operational efficiency.** The County will align County expenditures with total revenues and allocate budget to programs, projects and activities that will have a high positive impact on the society. The County will also ensure the delivery of high quality services at reasonable cost.
- ii. **Allocation of resources.** The County Government proposes to allocate more resources to roads, agriculture, health, trade and industries with the aim of improving the livelihood and welfare of County residents.
- iii. **Service delivery.** The County Government endeavors to continue providing timely and quality services. The County Government has therefore embraced public private partnership (PPP) with the national government through various ministries and parastatals such as KURA, state department of housing and urban development and KENHA to carry out some of the earmarked major projects/programmes within the County.

2.8.Revenue Mobilization

46. Adequate mobilisation of OSR is the key to counties' improved ability to provide various public goods and services to eradicate poverty and achieve development goals. In the face of rising public debt and increasing expenditure needs-such as that occasioned by the COVID-19 pandemic-enhancing OSR mobilisation is key to enabling counties to bridge funding gaps occasioned by inadequate disbursements from the national government.

47. Additionally, the enhancement of OSR mobilisation can improve fiscal autonomy through more predictable access to revenue, thereby allowing the County to have greater ownership

and control over their development agenda. The success of devolution in Kenya is dependent on the existence of a sound revenue system in the country including OSR.

48. Revenue enhancement in the County Government plays a major role in meeting their financial responsibilities as well as financing the budgets and budgetary priorities as per the provisions of the Constitution of Kenya (2010) and County Government Act (2012). Over the years, the County Government of Kiambu has not been realizing its own source revenue targets thereby affecting implementation of the budget, programs and development projects. This has been occasioned by lack of openness and accountability in collection, reporting, poor administration, improper organizational structures, weak revenue monitoring and evaluation system, corruption among others.

49. To ensure sustainable revenue growth, the County Government will maintain a strong revenue enhancement and mobilization system over the medium term. Measures to achieve this include use of Integrated Revenue Management System to curb revenue leakages, enhance staff capacity through training of revenue officers to equip them with supervisory skills and officers involved in revenue monitoring and evaluation, mapping revenue sources, enforcement and targeting the community through short messages to encourage compliance.

50. The County Executive Committee Member in charge of Finance, ICT and Economic Planning established a task force on revenue raising measures on 27th August 2020. The taskforce was to identify challenges facing revenue collection and come up with revenue raising measures. It established there was a decline in revenue in various revenue streams. The main challenges identified that hampered revenue collection included collusion between some officers and the clients, low or unrealistic targets, low staff supervision, engagement of casuals in revenue collection areas, political interference in undertaking duties, absence of robust enforcement mechanism, manipulation of revenue generation systems, forgeries, impersonation, lack of databases, bureaucracy and centralization of services, lack of synergies and proper interdepartmental coordination and collaborations, stringent rules and regulations among others.

51. To curb the challenges faced and seal loopholes in the various revenue streams, the taskforce proposed revenue enhancement strategies and implementation plans with timelines. The strategies given included; emphasis in creation of synergies between and among all the relevant departments, regular reporting and follow up of forgeries and

prosecutions on cases of impersonations, setting of realistic targets, decentralization of services to sub-county and ward level, close staff supervision, establishment of databases, adoption of cashless payment systems, regular audit and maintenance of systems, revision of stringent rules and regulations among many others.

52. In conclusion, the taskforce recommended the creation of full autonomy for the Directorate in charge of revenue administration with ultimate creation of an independent Revenue Board. To this end, adoption of cashless payment system, installation of an integrated revenue system and appointment of a chief officer in charge of Revenue has been done so as to enhance efficiency in revenue collection and administration.

53. The County treasury in an effort to improve efficiency in its own source revenue collection, will procure a new revenue collection system 'CIFOMS' to replace County-Pro and ZIZI for unstructured revenue. The advantage with the new system is that all revenue will be collected and accounted for through one system and unlike now when we are using two revenue systems. Consequently reconciliation and production of accurate revenue reports will be possible. In addition to CIFOMS, the county will continue to use Unstructured Supplementary Service Data mainly referred to as USSD. (*419#) for collecting revenue in parking fees, quarry fees and livestock fees and Electronic Development Application Management System (EDAMS) used to process architectural plans, inspection and occupancy and outdoor advertising.

3.0. ECONOMIC RECOVERY AMID COVID 19 PANDEMIC

3.1. Preamble

54. The Covid-19 Pandemic had impacted negatively on global economies including Kenya.

This calls for urgency in instituting policy measures to strengthen economic resilience and cushion people of Kiambu and businesses from the adverse effects that result from economic shocks. The 2022 CFSP articulates priority economic policies and structural reforms as well as sectoral expenditure programs to be implemented under the Medium-Term Expenditure Framework for FY 2022/23 - 24/25 in order to provide an enabling environment critical to return the economy back to long term growth path while at the same time continue safeguarding livelihoods, jobs, businesses and industrial recovery. Towards this end, the County Government will undertake the following targeted strategic interventions to support the realization of the “Big Four” Agenda and achieve a resilient and sustainable economic recovery:

- i. Scale up development of critical infrastructure in the county such as roads and water to reduce the cost of doing business.
- ii. Enhance investment in key economic sectors for broad based sustainable recovery by promoting agricultural transformation, growth in manufacturing, environmental conservation and water supply, stimulating tourism recovery, and sustainable land use and management;
- iii. Expand access to quality social services in health, education and appropriate social safety nets for the vulnerable population;
- iv. Support the youth, women and persons living with disability through establishment of County Government funded empowerment program through training and availing non-interest loans (Jiinue fund) to them;
- v. Implement various policy, legal and institutional reforms to enhance efficiency of public service delivery.

55. The County governments in conjunction with the Ministry of Health have rolled out the mass Vaccination Programme to ensure that a larger proportion of the adult population is vaccinated to contain the Virus. Given the on-going efforts, including the mass vaccination programme will continue to bear fruits, it is expected that economy is on the path of recovery.

56. The 2022 CFSP therefore articulates priority fiscal policies and structural reforms as well as sectoral expenditure programs to be implemented under the Medium Term Expenditure Framework for FY 2022/23– 2024/25. In order to achieve the County Government’s

development goal of economic transformation for a shared prosperity, it focuses on the implementation of the policies and programmes that accelerate and sustain inclusive growth, create job opportunities for the unemployed, reduce poverty and income inequality and provide a better future for all residents of Kiambu.

57. To respond to the current challenges and cushion people of Kiambu and their businesses from the adverse effects of the Pandemic, the County Government is currently implementing Programmes whose objective is to return the economy to the growth trajectory, securing household food security for the poor, and creating employment and incomes *'putting money in people's pocket'*. Great gains have been realized under the Programmes including: job creation for our youth, women, business groups and saccos through access to affordable capital; provision of water to households; construction of roads among others. The county also signed an MOU with Kenya commercial bank and MasterCard foundation through a programme dubbed "The Kiambu County Jiinue fund" to cushion vulnerable people from the pandemic shock.

3.2 Priority Pro-Growth Policy Measures

58. The 2022 CFSP articulates measures that will stimulate growth, promote job creation, reduce poverty, and protect the vulnerable groups and businesses. To achieve these, the County Government will:

- Continue supporting the National Government on implementation of the "Big Four" Agenda for job creation:
- Fast track development of critical infrastructure in the county such as roads so as to reduce the cost of doing business as well as promote competitiveness;
- Revamp stalled county projects which are likely to have a major impact on the livelihood and the economy of the county when completed. "low hanging fruits"
- Improve access to education in early childhood and Village polytechnics
- Strengthen health care systems
- Support youth, women and persons with disability and other vulnerable groups or persons in the county to enable them actively contribute to the economic recovery agenda; and
- Implement various structural reforms to enhance the efficiency of public service delivery while at the same time ensuring accountability for better fiscal stability, improved fiscal discipline and minimized corruption.

3.2.1 Implementation of the “Big Four” Agenda for job creation;

3.2.1.1 Support manufacturing and employment creation

59. The manufacturing pillar of the Big Four continues to provide the necessary training ground for the Kenyan youth to acquire skills so as to replicate them in various industries. To maximize benefits from our major cash crops, the County Government is reviving and restoring the performance of major cash crops in the county through agro-processing. The County Government is supporting coffee farmers by providing lime to increase productivity and also plans to upgrade existing coffee factories to model factories for value addition of coffee grown in the County. The County government will also facilitate construction of milk powder and animal feed factories. This is expected to increase returns through value addition of milk, provision of affordable and quality animal feeds, as well as creating employment opportunities to the people of Kiambu especially the youth.
60. In order to create more employment opportunities, the county Government will continue to increase trading spaces through construction of new markets and upgrading of the existing ones, construction of bodaboda sheds across the county to provide conducive working environment for boda boda riders. The County will further partner with other development partners to construct and equip Ndumberi, Kiambaa and Mang'u progressive dairy milk facilities, feeds and pork processing facilities and also capacity build and mentor the youths, women and people with disabilities to embrace emerging technologies. Similarly, the county government is in the process of revitalising Kiganjo dairily so as to promote dairy farming in the region.

3.2.1.2 Food Security and Nutrition

61. Food and nutrition security is a necessity in developing a holistic human capital base that in turn increases Country productivity and enhances economic development. Kiambu being an agricultural County will take advantage of the fertile soils and hardworking farmers, as well as the available market due to its proximity to Nairobi City. In pursuit of this, the County will continue to support food security projects that includes; distribution of certified seeds to farmers, potato plantlets/mini-tubers, fruit trees and pesticides. This will go a long way in cushioning the farmers from adverse effects of Covid-19 pandemic.
62. The County Government is committed to improving production of maize and coffee among other crops through continued provision of subsidized fertilizer. The County has also introduced the Village Based Advisors (VBA) programme that trains groups of farmers on correct use of fertilizers and seeds. These farmers will in turn pass the knowledge acquired to their colleagues in the villages. The County also brought together

coffee and dairy farmers under umbrella associations to achieve economies of scale through purchase of inputs, processing and marketing.

63. Additionally, Kiambu County is reputed to be the biggest dairy producer with Githunguri Dairy Cooperative Society being our leading processor with its brand of Fresha. To support the dairy farming, the County will procure bulk milk coolers and pasteurizers for small dairies as well as implement the subsidized A.I program, vaccines and seras and other veterinary services. The County is also planning to distribute piglets to farmers and distribute Indigenous chicken to youth who have largely remained unemployed and have been further disadvantaged by the covid-19 pandemic effects on the economy.

3.2.1.3 Universal Health Coverage to all Kenyans

64. The County Government in collaboration with the National Government has made great strides in ensuring that every Kenyan has access to quality and affordable healthcare under the Universal Health Coverage (UHC) Program. However, the outbreak and rapid spread of COVID-19 Pandemic necessitated the urgent need to upscale implementation of the UHC. To this effect, an additional 247 healthcare workers have been recruited under the UHC program to improve service delivery.
65. Despite the challenges that has been experienced in the implementation of universal health in the county, Kiambu County is ready for the full roll-out of Universal Health Coverage (UHC), having been the 10th County to sign the MOU with the National Government. The County is set to progressively improve our health facilities, continue to hire additional medical personnel to match the needs of the expanded facilities. The County will also address the issue of a conducive working environment, working relations, and staff morale with a view to boosting it to ensure they continue serving with even more vigor and commitment.
66. The Department in conjunction with the ministry of health has rolled out the mass Vaccination Programme to ensure that a larger proportion of the adult population is vaccinated to contain the Virus. Assuming the on-going efforts, including the mass vaccination programme will continue to bear fruits, it is expected that economy is on the path of recovery.

3.2.1.4 Provision of Decent and affordable Housing for All Kenyans

67. According to the 2019 Census by the Kenya National Bureau of Statistics, the Population of Kiambu is over 2.4 million with over 60% of this population living in urban areas. This has continued to exert much pressure on supply for decent housing due to the increased

demand for urban housing. 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 as per the said vision and is in tandem with Sustainable Development Goal no. 11, on “making cities and human settlements inclusive, safe, resilient and sustainable” which targets to ensure access to adequate, safe and affordable housing and basic services in upgraded informal settlements.

68. 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.

69. Decent, quality and affordable housing program under the Affordable Housing Project (AHP) as a key pillar in the Government’s ‘Big Four’ agenda is being implemented by the County in partnership with the National Government through the State Department for Housing and Urban Development (SDHUD), National Housing Co-operation, private developers and other stakeholders in the built environment sector. In line with this partnership, the County Government of Kiambu will construct approximately 500 housing units of different typologies ranging from one to three bedroom apartments in Ruiru town within Ruiru municipality during the FY 2021/22 and approximately 2,000 housing units with the FY 2022/23 in Thika, Kiambu and Limuru Municipalities and a further 4,000 units within FY 2023/24 across all municipalities.

70. In-order to improve the quality of life for all and within the informal settlements, the County has in partnership with the national government through the Second Kenya Informal Settlements Improvement Project (KISIP2) will undertake surveying and planning of Kiandutu and Madharau informal settlements within Thika Municipality and Kanjeru, Kiamburi and Ruthimitu Informal Settlements within Kikuyu Municipality under the regularization of security of tenure (**issuance of title deeds**) during FY 2021/22. The county will also undertake infrastructure improvements in Kiang’ombe and Umoja Informal Settlements within Thika Municipality and Misri in Limuru town within Limuru Municipality during FY 2021/22 and FY 2022/23.

71. Under the Social Housing Program, the County will in the FY 2021/22 and FY 2022/23 in partnership with the national government and other development partners facilitate the construction of social housing units in Kibagare informal settlement in Karuri Municipality targeting low income earners.

3.2.2 Infrastructure Development for Inclusive Growth

72. The County Government continues to build a strong transport system to enhance connectivity in the county through roads in order to ensure businesses thrive in an enabling environment, and realize significant progress from manufacturing and agro-processing. This will in turn support growth in the other sectors of the economy such as commerce, tourism and other services. In view of this, the County Government has put in place deliberate efforts to scale up a robust network of high-quality roads to enable Kiambu people enjoy the benefits of expanded infrastructure assets, interconnectivity and competitiveness leading to improvement and better ranking in the ease of doing business in the county.
73. Kiambu County has a total of 7,917.43 Km of roads network. 249 Km of road are yet to be opened. 1,156.813KMs of these roads are paved and 6,760.62km unpaved. The County envisages providing sustainable mobility for all by inclusion of non motorized traffic lanes for human traffic as well as reduction of air pollution to road users. The County is committed to improving the existing road network in the rural areas to enable farmers, and other small-scale traders to move wares to market centres. Apart from upgrading the existing road network, the County Government will build new road networks to open up those areas that have in the past been left behind in road development.
74. The department has registered various achievements in all its directorates since 2018/2019; Construction to gravel standards over 1700km of rural access roads; rehabilitating/constructing 9No. bridges; Designing and construction of 14 Foot Bridges; rehabilitating/reconstruction of 42 Kms of bituminous roads; Upgrading 20 Km of major links and urban gravel roads to bitumen standards; construction and marking of street parking in major towns; construction of 6No. bus parks; construction of circuit gravel roads at rural shopping Centres and maintenance of over 1700Km of rural roads; and, maintenance of storm water drainage throughout the County. The Department is also constructing 3 No. fire stations and is in possession of 12 No. fire engines and vehicles. With respect to lighting the County, the department plans to install 149 flood masts and 592 street lights.

75. Going forward, during the FY 2022/23, the County Government has committed to construct 25 kilometers of major roads to Bitumen standards; 3 motorable bridges; 260 kilometers of Roads to gravel standards and 2 Bus parks/bus bays and parkings. The county plans also to maintain 300 kilometers of roads to motorable status; construct 2 km of storm water drains and 10 kilometers of non-motorized walkways; and construct 10 footbridges. Additionally, the county intends to install 300 street lights and 69 flood masts.

3.2.3 Departmental Transformation for Broad Based Sustainable Economic Growth

3.2.3.1 Water Supply and Environmental Conservation

76. Sustainable access to water and environmental conservation is essential for sustained agricultural transformation, higher productivity and growth as well as overall development. Towards this end, the County Government has continued to prioritize the sustainable management and conservation of the environment, protection of water catchment areas and access to clean, secure and adequate water.

77. During the period under review, the County Government extended water connectivity to semi-arid areas within the county, drilled and rehabilitated boreholes to enhance availability of water with over 6600 households connected to water on a 24-hour basis, in collaboration with the Athi Water Works Development Agency, the county government accelerated the finalization of the water projects such as Loromo and Extended water pipelines for Water Distribution Project targeting various areas in the county.

78. Under water provision and management, the department was able to complete the development of Kiambu County water and sanitation services policy 2018, drill seven boreholes and operationalize three boreholes; Thogoto, Ondire and Ndongoro that produce a combined total yield of 55m³/hr .Six boreholes across the county were also rehabilitated and 33 km distribution pipes laid in Gitithia, Kabunge, Escarpment, Kiuu-Gatundu. In partnership with NAMSIP, the Kambaa water project which aimed at reaching over 600 households in Kijabe ward in Lari was initiated and completed and Tigoni- Karuri water Transmission line commissioned. An 11km, 160mm transmission line from Tigoni treatment that works through Kentmere to the Gachorwi tank in Karuri was completed while the extension of 28kms of water pipeline for Githunguri-Ikinu water distribution is currently ongoing.

79. In addition, the department in collaboration with the Athi Water Works Development Agency has accelerated the finalization of the Loromo water project that targets areas of Bibirioni, Ngenia, Nderu and Thigio in Limuru Subcounty. Additionally, the department

managed to construct; septic tanks in Kamangu, Thogoto and Rukuma toilets, a bio-digester in Mutarakwa and Ndumberi toilets and 3 sanitation blocks; two in Ruiru and one in Kwambira Market. Furthermore, the department constructed and rehabilitated; a 54m³ ground masonry tank in Mithure, 2.9km rising mains to uptake water from both Nguirubi and Kiriri boreholes and a 108m³ steel elevated tank.

80. Kiambu County has made tremendous efforts on solid waste management. The County is the first one to establish a semi aerobic landfill in Africa through a partnership between UN-Habitat, JICA, Fukuoka University Japan and SWAN. The project is aerobic and no mechanical engineering is required. This eliminates scavengers, flies and other vectors. The sanitary landfill is based on Fukuoka technique and 13 officers have been trained. The Japanese diplomacy and Fukuoka Environment Foundation has so far donated 3 compactors and 1 dump truck. The County government is committed to ensuring the sanitary landfill functions. This site will play an important role in training other African countries on the best principles of solid waste management under the Africa Clean Cities Platform. Jomo Kenyatta University of Agriculture and Technology (JKUAT) is in the process of developing a Master's degree program on solid waste management and the sanitary landfill in Thika Sub-County will serve as the major practical site. Kiambu County Government will continue to explore new areas of cooperation between the County and the Japanese Government.
81. The County Government has also developed policies and programmes touching on conservation and management of solid waste management. The County has increased waste collection from 50-65%, held over thirty (30) major clean ups within the county, established Organic waste management center at Waruhiu, developed solid waste management policy and procured personal protective equipment (PPEs) and tools for all staff.
82. Going forward, the County Government intends to supply water upto 80% through a holistic approach whereby rich catchment areas with rich aquifers for example ondiiri, loromo, karimenu are identified and accessed for distribution of water to the rest of the County. Over the medium term, the County Government will prioritize the implementation of environmental conservation programs including tree planting and afforestation, water harvesting, smart agriculture, construction of water pans and rehabilitation of sanitation blocks, construction of sewer lines, drilling and equipping of boreholes.

3.2.3.2 Sustainable Management of Land for Social-Economic Development

83. Land as a factor of production is critical to economic, social, political and cultural development. Secure access to land, sustainable land use planning and equitable distribution of land remain immensely important for food security, employment creation and the socio-economic development of the county and Country at large. Towards this end, the County Government has continued to develop and implement policies and programs to guide land use, access to land title, development of decent housing in sustainable environments and security of tenure.

84. Going forward, the County Government will approve and implement County Spatial Plan, construct Affordable housing Projects, formulate a Housing policy/Act, repair and maintain County rental houses, Maintain county institutional offices, carry out County Land Survey, Mapping and Boundaries establishment, Valuation of properties, Develop and implement land valuation and rating system.

3.2.4 Empowering Youth, Women and Persons with Disabilities

85. The most pressing challenge in Kiambu and Kenya at large is the lack of jobs for the youth. The County government is committed to solving this challenge by dedicating resources to youth empowerment programmes and supporting businesses owned by youth, women and persons living with disabilities. To address this challenge the County will continue to build youth capacity through training on entrepreneurial skills and exchange programmes.

86. During this financial year 2020-21, the County signed two memoranda of understanding (MOUs) with Kenya Commercial bank and mastercard foundation on a partnership through a programme dubbed "The Kiambu County Jiinue Fund" which is designed to provide youth, women, business groups and saccos access to affordable capital to either begin or sustain businesses during and after the covid crisis at low interest rates.

87. The County rehabilitated polytechnics within the County in order to increase access to technical and vocational courses that further assist the youths by empowering themselves economically in future. The County also held AGPO sensitization and entrepreneurship training to the county youth and developed the 2018-2022 draft strategic plan and youth and sports policies that are awaiting approval.

88. Going forward, the County Government is leveraging partnerships with businesses and other private organizations to create opportunities for the youth through entrepreneurship programs. The County Government will also continue to commit resources to Youth

Opportunities and Employment Programs that shall seek to develop skills and create employment for youth. The county government through the program will open a school in Ndumberi, Business Development Service Centers (BDSC), whereby the county will identify youth interested in entrepreneurship and train them on how to run businesses such as carwash, salons, barber shops etc. The County Government will also 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.

3.2.5 Improve access to Education in Early Childhood and Village Polytechnics

89. Despite the negative effects of Covid-19 Pandemic and the ensuing containment measures, the education sector remains an important enabler in achieving the “Big Four”. The County Government converted Caregivers on contract to permanent basis to protect livelihoods supported by the education sector during the Pandemic period. The County Government also continues to make sustained investments in education for early childhood and village polytechnics. This has increased access to quality basic education and improved the outcomes of our Early Childhood Development Education (ECDE) centers and village polytechnics.
90. During the period under review, key achievement of the department includes; ECDE Directorate conducted training of programme officers and caregivers/teachers, Constructed and refurbished classrooms, ablution blocks and perimeter walls. Vocational Training Centre (VTC) directorate procured assorted tools and equipment, furniture and instructional materials, constructed training sheds, ablution blocks, workshops, classrooms, perimeter walls, installed hand washing stations and produced facemask for distribution to the community. Gender and Culture procured and distributed assistive devices, sanitary towels and food stuff and blankets to PWDs, Marked UN international day of PWDs, rolled out women empowerment programmes, carried training for TWG-SGBV and promoted culture and creative arts. Social Services disbursed bursary funds to vulnerable and needy students, held women legal clinics and trained groups on social enterprise.
91. Going forward, the County Government will continue to prioritize the education sector and allocate resources to enhance access to early childhood education and vocational training, develop Legal Frameworks, infrastructure development as well as construction and equipping of village polytechnics. The County will empower youth, women, PWDs and other special interest groups and also implement GBV programs in the medium term.

3.2.6 Strengthen Health Care Systems

3.2.6.1: County Health care

92. The health department is one of the devolved functions in accordance with Schedule IV of the Constitution of Kenya, 2010. The sector takes up the highest proportion of the County Budget every year to ensure that the population has access to quality and affordable health care services.
93. In the period under review, staff were promoted and UHC staff were recruited to improve service delivery in the provision of health care. In the past three years, 20 facilities were equipped with assorted medical equipment out of 107 facilities. Isolation facilities have been equipped with assorted medical equipment including laboratory and ICU equipment. These facilities are: Tigoni, Wangige, Gatundu, Thika and Kiambu County Referral Hospital.
94. Additionally, the County Government has procured a robust, efficient and cost-effective hospital management information system (HMIS) for all public health care facilities to digitize hospital management and ensure a paperless and efficient records and patient information management system.
95. In the next MTEF period, the County intends to improve infrastructure by renovating and furnishing health facilities. The County also plans to remunerate 3600 health care workers and have all facilities practice good inventory management by the end of the MTEF period. The medium term budget will prioritize scaling up of interventions aimed at enhancing equitable access to high impact healthcare services as outlined in the County Integrated Development Plan (2018-2022) and other departmental plans. Priority will also be given to the implementation of the Sustainable Development Goals (SDGs) that calls for efforts to move beyond meeting basic human needs in order to promote dynamic, inclusive and sustainable development as per Kenya's Vision 2030. The emphasis of the sector will therefore be geared towards the reduction of the health financial burden to the households and attainment of the highest standard of health care for sustained long-term growth and development.

3.2.6.2 County Health infrastructure

96. Various development projects in the health sector had stalled previously due to non-payment of bills. These projects included the building of additional medical blocks at Tigoni, Wangige, Rukuma, Thogoto and Lussigeti health facilities. Construction of all the stalled projects was revived and fast-tracked as the Covid-19 pandemic cases increased.

The new block in Tigoni Hospital with a capacity of 300 beds was opened a few months later and became the Kiambu Covid-19 treatment centre.

97. The County Government, with the assistance of the Emergency Response Committee and friends of Kiambu, later put up a fully-equipped isolation block with a 104-bed capacity, next to the centre. Another 150-bed capacity isolation centre was established at Ruiru (Level-4) Hospital. To curb the spread of the virus, the County Government invested in more isolation and quarantine facilities in its three Level-5 hospitals in Kiambu, Thika and Gatundu. To date, the isolation facilities run by the county government have a total capacity of over 900 beds. The County Government has a response strategy that links the 12 sub-counties to the County Health Management Team and County Executive. Its highlights include rapid response to suspected cases of Covid-19. More than 1,200 community health volunteers have been trained and the County Government continues to fumigate busy public spaces such as markets, schools, bus parks and others. Meanwhile, the new Wangige (Level-4) Hospital with a 150-bed capacity has also been completed. A toilet block has been constructed at Lussigetti (Level-4) Hospital and a generator installed at the facility. Equally, the County has planned to operationalize the theatre.
98. Nachu Dispensary in Kikuyu Sub-county has also been expanded to provide adequate outpatient services. Construction of a patient toilet, fence, and gate and water connection is underway. Equally, Lari (Level-4) Hospital's operating theatre was repaired and operationalized. A generator was also installed at the facility and a four-storey ward is under construction.
99. The county government has also completed ablution blocks at the Gichuru dispensary, Githunguri and Kamuchege health centres. Before the outbreak of Covid-19, Kiambu had only five ICU beds. This has been upgraded to 32 active ICU beds and the County government is in the process of upgrading further to a total of 50 ICU beds.
100. Further, the County Government has installed oxygen in all Level-5 hospitals and at the Kiambu Covid-19 treatment centre in Tigoni. The County Executive has also ensured the institutions are fully funded and that disbursements are done timely. Accordingly, there has been little, if any, stock-outs of drugs and other supplies in public health facilities.

3.2.7 Entrenching Structural Reforms to Facilitate Business and Employment Growth

3.2.7.1 Strengthening Governance

98. In its effort to ensure efficiency and effectiveness of public spending, the County Government will continue to strengthen expenditure control through necessary fiscal

measures and prudent public financial management reforms. To facilitate the attainment of priority programmes and projects, the County Government will focus on implementation and completion of ongoing and stalled priority projects and programmes. As a measure of accountability, the County Government will adhere to strict project timelines and budgets through ground inspection of projects and robust public engagements. This will enable redirecting of resources to other fundamental and critical sectors of the economy and the available resources will be directed to high priority areas especially programmes that support critical sectors such as Education, infrastructure, Health and Agriculture.

99. The success of programmes and projects implementation in the County will depend on prudent management of the available public resources. In order to promote good governance and transformative leadership for socio-economic development of the County and country, the County Government will encourage the residents of Kiambu to engage more in social audits of infrastructural projects being implemented so as to ensure value for money and enhance accountability in the use of public resources.

100. The County staff are indeed the engine that drives our County. The staff will continue to embrace teamwork and focus their capacities towards improved service delivery based on integrity, accountability and transparency; as well as ensure prudent application of allocated resources. Further, the County leadership will continue to host County Executive Management Meeting to deliberate on effective and efficient service delivery strategies for better implementation of programmes and projects.

101. The County Government will continue to progressively streamline the County Administrative structures for better services. Equally, building the capacity of the municipal administration and fully operationalizing their mandates will be key in order for the municipalities to render the expected services.

4.0 BUDGETS FOR FY 2022/23 AND THE MEDIUM TERM

4.1 Fiscal Framework Summary

105. The FY 2022/23 Budget framework the County Government will continue with the fiscal consolidation plan by containing expenditures and mobilization of revenues. In this regard, departments will be encouraged to adopt efficiency in allocation of resources through cost budgeting to restructure and re-align with the County Government priority programmes that will have high impacts on improving the livelihoods of the people of Kiambu and reduce non-priority spending.

106. The fiscal framework for the FY 2022/23 Budget is based on the County Government's policy priorities and macroeconomic policy framework set out in Chapter II and Chapter III.

4.2 Revenue Projections

107. The resource envelope for FY 2022/23 is projected at Kshs. 16.21 Billion which constitutes Kshs. 3.88 Billion Own Source Revenue and Kshs. 12.33 Billion as transfers from the National Government. Revenue from the national government is as per the 2022 Budget Policy Statement and is subject to review in light of the new BPS and the County Allocation of Revenue Act.

Table 3: Revenue Projections

	Actual Revenue 2020/2021 FY	2021/22 Revenue Estimates	2022/23 Revenue Projections
Total grants from National Treasury & Dev Partners	13,223,523,434	13,203,851,800	12,333,164,974
EQUITABLE SHARE	9,431,700,000	11,717,525,720	11,717,525,720
Conditional Grant from NG share of Revenue	928,747,759	-	-
Users Fees Foregone	34,671,542	-	-
Road Maintenance Fuel Levy Fund	293,374,560	-	-
Level 5 Hospitals	538,716,763	-	-
Development of Youth Polytechnic	61,984,894	-	-
Conditional Grant from Loans and Grants	873,090,645	615,639,254	615,639,254
Transforming Health System for Universal Health Care	46,398,807	11,433,390	11,433,390
World Bank-Natio Agriculture & Rural Growth Project	221,762,739	402,836,649	402,836,649
KDSP level 1	45,000,000	-	-
KDSP Level 2	-	73,731,600	73,731,600
MSF BELGIUM	32,073,740	26,400,000	26,400,000

DANIDA	26,820,000	20,897,250	20,897,250
KUSP-UDG GRANT	490,098,365	-	-
Agriculture sector Development support programme - ASDSP	10,936,995	30,340,365	30,340,365
KISIP II		50,000,000	50,000,000
Balance b/f 2019.20 and FY 2020/21	1,989,985,029	870,686,826	
OSR Streams			
Agriculture Livestock & Fisheries Management Unit	2,435,532	8,000,000	8,000,000
Physical Planning Management Unit	618,545,946	925,976,557	925,976,557
Business Permit Management Unit	244,995,000	277,788,593	277,788,593
Cess Management Unit	127,316,008	134,575,122	134,575,122
Education Culture ICT & Social Services Unit	344,500	27,000	27,000
Health Services Management Unit	670,847,454	1,374,370,589	1,374,370,589
Housing Management Unit	27,201,382	25,635,308	25,635,308
Land Rates Management Unit	292,531,794	362,964,554	362,964,554
Market Management Unit	11,038,680	50,039,568	50,039,568
Others	8,682,656	25,042,193	25,042,193
Roads Transport Public Works Management Unit	64,406,580	74,260,746	74,260,746
Slaughterhouse Management Unit	42,376,068	55,298,367	55,298,367
Trade Tourism Industry & Cooperatives Unit	4,541,662	17,061,761	17,061,761
Vehicle Parking Management Unit	164,055,999	346,119,650	346,119,650
Water Environment & Natural Resources Mgt Unit	82,913,868	72,462,693	72,462,693
liquor management unit	30,640,719	133,681,181	133,681,181
Total	2,392,873,847	3,883,303,882	3,883,303,882
Other Revenues-fund wind up	90,000,000.00		
Total Revenue	15,706,397,281	17,087,155,682	16,216,468,856

Source: Kiambu County Treasury

4.3 FY 2022/23 and Medium-Term Budget Priorities

108. The County Government is committed to implementing priority programmes under the 2022/23 ADP to achieve the aspirations of the people of Kiambu as outlined in the CIDP 2018-2022 while taking into account the need to enhance our resources during the programming period. The County Government will in this regard develop a framework for delivery of better quality services based on strong links between resources, budgeting, monitoring and clear expectations for delivering planned outcomes.
109. The County Government will continuously strive to ensure that public spending leads to high quality outcomes. Consequently, the medium-term spending programme will continue to focus on priority programmes aimed at economic recovery and quality of public spending. Sustainability, affordability and strict prioritization are expected to be the norm rather than an exception under this strategy. To achieve this, we need to ensure that:
- Spending is directed towards the most critical needs of the County and is well utilized;

- More outputs and outcomes are achieved with existing or lower level of resources; and
- Departments' requests for resources are realistic and take into account the resource constraints.

4.4 Expenditure Allocations

110. The total resource allocation for the FY 2022/23 is projected at Kshs 16.21 Billion against a resource requirement of Kshs. 23.42 Billion. The resource requirements are in accordance with the sector working group reports submitted to the county treasury by the respective departments. The total expenditure for the financial year is projected at Kshs 16.21 billion of which Kshs. 11.43 billion is allocated to recurrent expenditure (70 percent) and Kshs. 4.78 billion allocated to development expenditure (30 percent). The resource allocations to all the county departments/agencies for the financial year 2022/23 have been summarized in table 4;

Table 4: Proposed Allocations for FY 2022/2023

RESOURCE ALLOCATION FOR FY 2022/23			
		RESOURCE REQUIREMENT	ACTUAL ALLOCATION
Vote	Department	2022/23	2022/23
	RECURRENT		
4061	County Assembly		1,256,180,907
4062	County Executive	384,434,004	341,580,991
4063	County Public Service Board	86,199,821	70,096,211
4064	Finance & Economic Planning	2,086,500,000	1,412,254,568
4065	Administration & Public Service	887,311,588	835,988,341
4066	Agriculture, Crop Irrigation & Marketing	624,734,941	463,162,497
4067	Water, Environment & Natural Resources	422,991,621	341,523,466
4068	Health Services	5,637,111,967	4,874,439,927
4069	Education, Culture, Youth, Sports & Social Services	1,600,133,239	971,202,219
4070	Youth and Sports	419,575,713	111,245,280
4071	Lands, Physical Planning & Housing	409,002,993	214,659,654
4072	Trade, Tourism, Industry & Co-Operative	167,234,935	145,502,334
4073	Roads, Transport & Public Works	486,220,967	394,755,348
	TOTAL	13,211,451,790	11,432,591,743
	DEVELOPMENT	2022/23	2022/23
4061	County Assembly	-	-
4062	County Executive	-	-
4063	County Public Service Board	-	-
4064	Finance & Economic Planning	20,000,000	203,861,778
4065	Administration & Public Service	99,202,255	31,000,000
4066	Agriculture, Crop Irrigation & Marketing	636,275,032	887,778,887

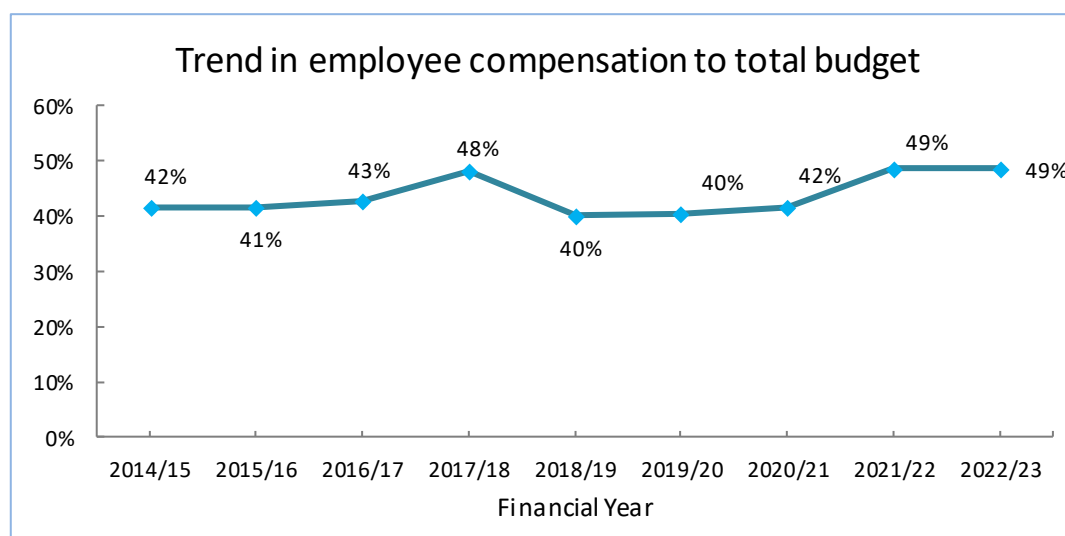
4067	Water, Environment & Natural Resources	876,095,485	310,580,000
4068	Health Services	1,378,004,552	821,636,481
4069	Education, Culture, Youth, Sports & Social Services	331,774,043	248,007,975
4070	Youth and Sports	233,594,175	175,538,853
4071	Lands, Physical Planning & Housing	2,753,073,000	280,000,000
4072	Trade, Tourism, Industry & Co-Operative	967,723,832	386,098,578
4073	Roads, Transport & Public Works	2,916,060,000	1,439,374,561
	TOTAL	10,211,802,374	4,783,877,113
	GRAND TOTAL	23,423,254,164	16,216,468,856

Source: Kiambu County Treasury

4.4.1 Allocation to Personnel Emolument

111. Expenditure to personnel emolument is projected at Ksh 7.88 billion (49 percent of the total county revenue) for the 2022/23 financial year. Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 percent of the County's total revenue. This therefore implies that the county government expenditure on personal emolument is above the legal threshold. The figure below shows the trend in PE expenditure since the 2014/15 financial year.

Figure 2: Trend in employees' compensation to total budget



Source: Kiambu County Treasury

4.4.2 Allocation to County Established Funds

112. Section 116 (1) of the Public Finance Management Act, 2012 provides that a County Executive Committee member for Finance may establish other public funds with the approval of the County Executive Committee and the County Assembly. The county treasury has made allocations to the county established funds as indicated in table 5.

Table 5: Allocation to County Established funds

No	Fund Name	Amount
1	Kiambu County Jiiue fund	100,000,000
2	Kiambu County Education Bursary Fund	150,000,000
3	Kiambu Emergency Fund	35,000,000
4	Kiambu Alcoholic Drinks Control Fund	50,000,000
5	Kiambu County Leasing Fund	200,000,000
Total		535,000,000

4.4.3. Conditional Grant Allocations

113. Article 202(2) of the constitution provides that County governments may be given additional allocations from the national government's share of the revenue, either conditionally or unconditionally. Over the last 8 years of devolution, the national government has provided conditional grants to county governments targeted at realization of specific national policies in the areas of health, roads and education. However, the 2021 budget policy statement converted all conditional grants from national government share of revenue into non conditional grants. The advantage of the conversion is that it will afford counties more autonomy to budget and prioritize allocation of resources. This paper has been prepared before the release of the budget policy statement and therefore conditional grants will be adjusted accordingly in light of the BPS.

4.5 Overall Deficit and Financing

114. The County Government has allocated resources for spending that are proportionate to the revenues expected in the FY 2022/23. The County budget shall be financed through transfers from the National Government and Own Source of Revenue. The FY 2022/23 fiscal framework is therefore fully financed.

4.6 Resource Allocation Framework

115. Resource allocation and utilization in the 2022/2023 financial year and the medium term will be guided by County Integrated Development Plan (2018-2022) and County Annual Development Plan (2022-23) in order to ensure effective utilization of public funds;

4.6.1 Criteria for Resource Allocation

116. The following criteria was used as a guide for allocating resources:

- i. Linkage of programmes to economic recovery amid the Covid-19 pandemic

- ii. Linkage of the programmes with the objectives of CIDP 2018-2022; Programmes that have high impact in terms of job creation, alleviating poverty and improving the livelihoods of the residents of Kiambu, '*low hanging fruits*'.
- iii. Degree to which the programme is addressing the core mandates of the departments;
- iv. Cost effectiveness and sustainability of the programmes
- v. Requirement for furtherance and implementation of devolution.

117. The budget estimates will be scrutinized and should additional resources become available in the process of firming up the resource envelope; the County government will redirect them to fund strategic priorities that may have been left out due to resource constraints.

4.7 Public Participation and Involvement of Stakeholders

118. The law requires that the inputs of the public be taken into account before the Budget proposals are firming up. In this regard, the County requested the public to submit their views and plan proposals for inclusion in the 2022 CFSP and Medium term budget. The public further submitted the same through written memoranda which are annexed (Annex 2).

4.8 Risks to the 2022/23 Budget Framework

119. The risks to the fiscal framework for the FY 2022/23 include;

- I. Under-performance in the County's own source revenue due to unprecedented events brought about by the Covid-19 pandemic. The economy is projected to experience an exceptionally strong but uneven recovery hence affecting the businesses operating within the county. While a rebound is expected in most economies, full recovery is not assured due to possible future COVID-19 waves, delays in vaccination programmes, increasing debt levels and rising inflationary pressures.

The County has therefore put more efforts to increase its own source revenue through revenue raising measures such as development of an integrated revenue management system to curb revenue leakages, mapping of revenue streams, equipping revenue officers with supervisory skills and having a strong and disciplined enforcement team. As a result, the county has shown some signs of recovery in OSR collection. However, due to the prevailing economic circumstances and the likelihood of continued presence of the Covid 19 pandemic, the county might not realize the targeted OSR.

- II. The County's wage bill is high and has continued to pose a risk to the budget framework. Over time, the need for technical and critical staff has occasioned the county to inevitably recruit more staff which has largely contributed to the increasing wage bill. The recent promotion of county staff as per the task force recommendation has also contributed to the increased wage bill.
- III. Unpredictability and timeliness of fund transfers from the National Government poses a risk to proper implementation of the County's budget. In FY 2020/21 and in the current financial year, this risk was worsened by delays in the release of resources from the National Government due to adverse effects of Covid-19 pandemic. In this regard, the County government has continued to implement strategies aimed at increasing its own source of revenue collection to finance the budget.
- IV. Heightened political activities
As the country heads towards the 2022 elections, political activities are bound to increase which are likely to affect economic growth. The first quarter of FY 2022/23 falls within the electioneering period, and as such, the uncertainties associated with this political environment may reduce the pace of economic development and investment leading to a drop in own source of revenue.

4.8.1 Specific Fiscal Risks

Court Cases

- V. The County Treasury considers, using their best professional judgment, that the ongoing pending court matters may have material financial implications, but are not certain enough to include the financial implications in the budget estimates for FY 2022/23 and medium term.

Pending Bills

- VI. Kiambu County Government presented pending bills worth Kshs. 2.312 Billion to the Office of the Auditor General (OAG) for special audit for the period 2013 - 2018 after the closure of financial year 2017/2018. Out of which bills worth Kshs. 1.831 Billion were found to be eligible, while bills worth Kshs. 0.481 billion were found not to be eligible. The County Government managed to settle Kshs. 1.63 Billion of the eligible pending bills as at 30th June 2021. The balance of Kshs. 196 Million audited eligible bill is prioritized to be settled in the first half of current financial year 2021/2022. A pending bill committee was gazetted in the financial year 2020/2021 to review the audited ineligible bills. Kshs.151.98 million of ineligible pending bills has already

been settled and Kshs. 131.58 Million cleared by the committee after their review and provision of sufficient documents is also scheduled to be settled in the 1st half of the financial year 2021/2022.

As at 30th June 2021, the County executive had accumulated outstanding bills worth Kshs. 5.75Billion. Kshs. 4.15Billion pending bills are outstanding payments to contractors and suppliers as well as to utilities companies whereas Kshs. 1.60 Billion are pending inter-entity transfer to Kiambu County Government entities. Included in the Kshs. 5.75 billion pending bills is Kshs. 562.89 million for the period 2013 -2018 which had not been subjected to OAG audit exercise.

The County Government of Kiambu has prioritized settlement of all eligible bills after their authenticity by the County Internal Audit Office. This is by allowing the bills to take first charge in the department's budgets. The departments have to shelve some of their programmes budgeted during the financial year in order to pay the pending bills. In the current financial year, Kshs 1.3 Billion has been budgeted across the departments to pay the third party pending bills. These payments will be spread throughout the financial year as committed to the office of OCOB by paying a minimum of Ksh. 100 million per Equity exchequer release. The County treasury also plans to ensure a minimum of 50% pending inter county entity transfers are remitted to the various entities.

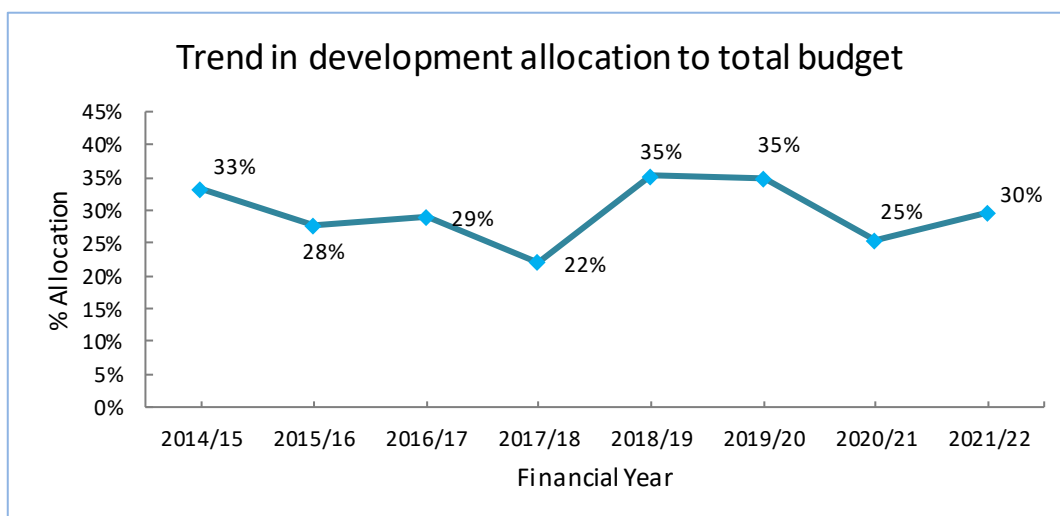
Going forward, the County Government has put in place measures to mitigate the problem of pending bills by strictly spending within the approved budget.

4.9 Compliance with Fiscal Responsibility Principles

120. Section 107(2) of the Public Finance management Act, 2012 provides that in managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles;

- i.** The county government's recurrent expenditure shall not exceed the county government's total revenue; in compliance with this requirement, the proposed recurrent expenditure is 70 percent of the total projected revenue
- ii.** Over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure; Consistent with this requirement, the County Government's allocation to development expenditures in the proposed fiscal outlays presented in this CFSP stands at 30 percent of total expenditures to development in FY 2022/23 and over the medium term.

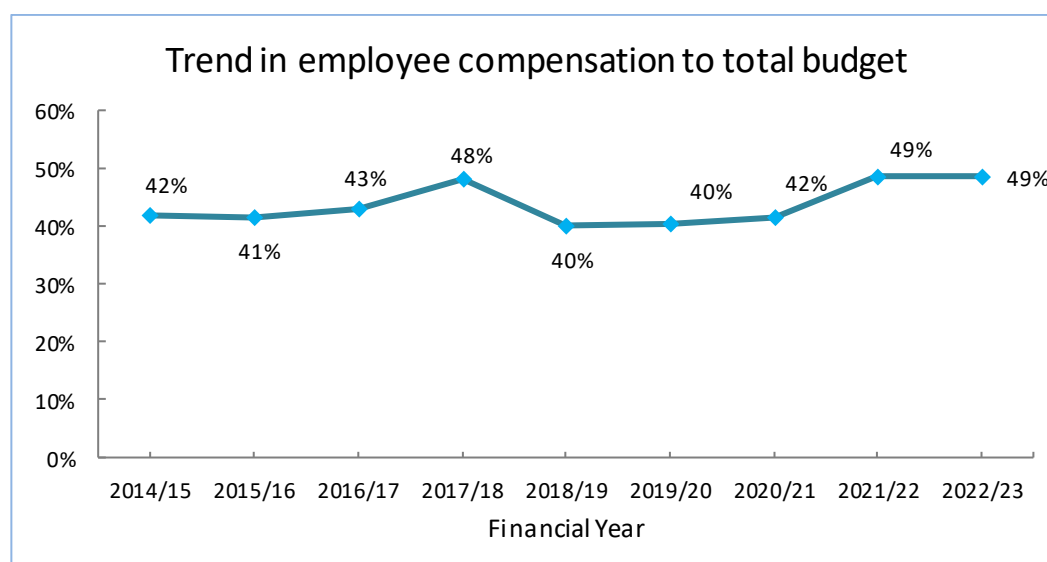
Figure 3: Trend in Development Budget Allocation



(iii) Compliance with the requirement for expenditure on wages

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 2022/23 on Personal Emolument (PE) is Kshs. 7.88 Billion representing 49% of the total revenue. This is higher than the legal provision threshold of 35 percent. Going forward, the County Government is committed to bringing the proportion of the expenditure on wages down so as to comply with the legal requirement.

Figure 4: Trend in employee compensation to total budget



(iv) Compliance with County public debt shall never exceed twenty (20%) percent of the County government's total revenue

Section 140 of the PFM, Act 2012 authorizes a County Executive Committee Member for Finance to borrow on behalf of the County Government only if the terms and conditions for the loan are set out in writing and are in accordance to Article 212 of the Constitution and Sections 58 and 142 of the PFM, Act of 2012 among other conditions. It is in this regard that the Commission on Revenue Allocation (CRA) in collaboration with the World Bank Group (WBG) and other stakeholders initiated the County Creditworthiness Initiative (CCI) for Kenya, to provide technical assistance to County Governments in bridging the creditworthiness gap and assist them access financing through the capital market for purposes of public infrastructure development and service delivery.

The County does not intend to borrow in the FY 2022/23 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 county receives credit worthiness approval from the commission on revenue allocation.

- v. Prudent Management of Fiscal Risks; 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 submitted to the County Assembly the 2021 Finance Bill which was approved and gazetted into Finance Act 2021. The Finance Act will serve as the legal basis for collecting Own Source of Revenue.

5.0 DEPARTMENT ALLOCATIONS AND PRIORITIES

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

- In the recurrent expenditure category, non-discretionary expenditures take first charge. This includes payment of salaries and wages projected at 45 percent of the expected total revenue receipts.
- Conditional grant from development partners also takes first charge
- 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.

5.1 County Assembly

122. Kiambu County Assembly (KCA) is a legislative arm of the Kiambu County Government composed of 92 members, 60 of whom are elected and 32 nominated to represent various interests. Its mandate is to represent the County residents, make laws and carry out oversight activities.
123. Some of the key achievements realized during the MTEF period 2018/19 - 2020/21 include; approval of County Finance bill 2020, County Annual Development Plan 2021/22 and supplementary Budget 1&2 of 2020/2021. In addition, the County Assembly developed work plans for the various Assembly Committees and departments, and also reviewed, considered and tabled reports from various committees. It further procured goods and services, reviewed and harmonized guidelines and policies, operationalized and facilitated an audit committee as well as preparation of financial and non-financial reports.
124. During the MTEF period 2022/23-2024/25, the County Assembly has prioritized three programmes namely; General Administration Planning and Support Services, Legislation and Oversight services together with Representation services. Under general administration planning and support services, performance, productivity and service delivery will be enhanced through staff training, completion of office complex, installation of biometric systems and CCTV cameras, policy formulation, reviews and guidelines and development of Memorandum of Understanding. To enhance effective legislation and oversight for good governance, the County Assembly will pass bills and motions, prepare PAC/PIC recommendation reports, approve county budget, train MCAs, develop M&E tools, process petitions, and prepare quarterly reports for the Controller of

Budget reports. Under representation services, Offices will be equipped and staffed for both Elected and Nominated MCA's.

125. In order to implement the prioritized programmes, the County Assembly has been allocated a budget of Ksh.1.26 billion in FY 2022/23, Ksh. 1.33 billion and Kshs 1.41 billion in the FY 2023/24 and 2024/25 respectively.

5.2 County Executive

126. 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' activities. It is responsible for implementation of the county's vision and mission. The department also mobilizes resources for funding government programmes at the county levels, oversees prudent financial management and promotes transparency and accountability in the use of public resources. Further, it oversees implementation of inter-counties relations and links all other sectors to the rest of the counties in Kenya.
127. During the MTEF period 2018/19 - 2020/21, the county executive made some achievements which include: provision of policy direction to all departments, production and discussion of various bills, preparation and release of cabinet papers, overseeing development of county development plans, promotion of public participation in the development of policies and plans, appointment of a responsible accounting officers for each of the ten departments, training staff of various cadres and establishment of new digital communication /platform and feedback mechanism.
128. In 2022/23 - 2024/25, MTEF period, the county executive plans to implement three programmes namely; administration planning and support services, government advisory services, and leadership & coordination of county departments. Under these programmes, the county executive will focus on providing effective and efficient public service delivery for enhanced governance and accountability through staff training. The programmes will also focus on ensuring compliance with laws, regulations, and procedures through inter-county relations. Further, the programmes will ensure that county departments achieve their goals by developing service charters, strengthening the link with the national government, and enhancing workers' efficiency through performance contracting.

129. In order to implement the prioritized programmes, the county executive proposes a resource requirement of Ksh. 384.43 million in FY 2022/23, ksh 406.90 million in FY 2023/24 and ksh 427.25 million in FY 2023/24. However, due to budgetary allocations, the department has been allocated KSh. 341.6 million, KSh. 362.1 million and ksh 383.8 million in FY 2022/23, FY 2023/24 and FY 2024/25 respectively.

5.3 County Public Service Board

130. The County public service board (CPSB) core mandate is to; establish and manage Kiambu County public service system, facilitate; recruitment, selection, training, development and promotion of staff, establish and abolish offices in the County, exercise disciplinary control and provide regular reports to the county assembly on the executions and the functions of the departments. The CPSB also; promotes County public service values and principles of governance, facilitates the development of coherent, integrated human resource planning and budgets for personnel emoluments, advises the county on human resource management & development, and makes recommendations to the SRC on behalf of the county regarding remuneration, pensions and gratuities for County public service employees.
131. During the 2018/19-2020/21 MTEF period, CPSB implemented the programme of general administration, planning and support services and recorded some major achievements that include; successful recruitment of 610 personnel in various cadres including medical officers to combat the prevailing Covid-19 pandemic, promotion of employees across the county, coordinating provision of health cover with the National Hospital Insurance Fund for county staff and engaging laborers in each ward to assist County Enforcement Officers in enactment and operationalization of the "Kiambu Alcoholic Drink Control Act 2018". Additionally, the board managed to; restructure some departments to improve service delivery, facilitate internships, solve a number of staff complaints and disciplinary cases, hold; sensitization forums on constitution, promotion of values and principles, benchmarking visits and trainings, human resource advisory meetings, stakeholders engagement forums and various capacity building forums. Further, the board collected and compiled staff wealth declaration forms, archived and digitized various files, and in an effort to comply with Covid -19 restrictions, an online application platform and an E - board system were established to aid in recruitment of staff.

132. In the 2022/23 - 2024/25 MTEF period, the department plans to implement the programme of general administration, planning & support services. The programme will focus on improving service delivery through ; recruitments of staff, training & promotion of staff, benchmarking from other counties, developing internship programmes, resolving disciplinary cases, formulation of competence inventory, maintenance of E- Board system & online application platform and carrying out; sensitization forums on promotion of values & principles, human resource advisory meetings and stakeholders engagement forums,

133. To enable the department to implement the prioritized programme, CPSB proposes a resource requirement of Ksh. 86.2 million in FY 2022/23, ksh 91.4 million in FY 2023/24 and ksh 96.9 million in FY 2023/24. However, due to budget constraints the department has been allocated KSh 70.1 million, KSh. 74.3 million and 78.8 million in FY 2022/23, FY 2023/24 and FY 2024/25 respectively.

5.4 Finance ICT and Economic Planning

134. The department is composed of eight directorates namely; Revenue, Finance, Budget Accounting Services, Supply Chain Management, ICT, Internal Audit, and Economic Planning. It's mandated with the preparation of annual estimates of revenues and expenditures including the preparation of supplementary estimates as need arise. It is responsible for policy analysis on; fiscal issues, trade issues and private sector development issues. The department is involved in the mobilization, disbursement and utilization of external resources (grants, loans, donations) while ensuring prudent public debt management. It is also responsible for the administration and enforcement of revenue laws and for that purpose, the collection and accounting for all rates, taxes, fees and charges payable by or under any laws in the County. Further, the department undertakes collection of statistical data needed for planning purposes; monitoring and evaluation, preparation of development plans as well as projects progress reports. It facilitates resource mobilization and allocation, budget execution, prudent financial management and promoting transparency and accountability in the County.

135. During the MTEF period FY 2018/19 - 2020/21, the department made some key achievements which include; revenue automation through implementation of an electronic revenue management system to facilitate transparency and seal revenue loopholes;

implementation of e-procurement through adoption of IFMIS Procure2Pay and training of staff on the e-procurement system; preparation of the second County Integrated Development Plan, timely preparation of all County Annual Development Plans, Annual budget estimates, supplementary budgets, county fiscal strategy paper and county budget review and outlook paper. The department also ensured; completion of the Valuation Roll in consultation with the Land, Housing and Physical Planning department, alignment of prioritized expenditure to available resources, improvement in budget execution, increased absorption of development expenditure, preparation of internal audit reports to monitor compliance with internal controls, and successful budgeting processes.

136. During the 2022/23-2024/25 MTEF period, the department plans to implement four programmes namely; general administration planning & support services, financial management services, economic planning & budgetary services, and resource mobilization & revenue. The programme on general administration planning & support services will focus on improving service delivery through training of staff on public finance management and maintenance of county emergency funds. The programme on financial management services will ensure prudent utilization of public resources through; implementation of procurement plans & laws and preparation of financial statements & audit reports. Under Economic planning & budgetary services, the department will coordinate planning, policy formulation and tracking of results through; monitoring & evaluation, timely preparation of policy documents, plans & reports, allocating more budget towards development projects and engaging the public in financial matters. Additionally, the department will embark on resource mobilization & revenue collection streamlining through maintenance of the system in place, facilitating sub county offices to undertake revenue collection and training of revenue officers.

137. To implement the priority programmes, the department proposes a resource requirement of Ksh.2.11 billion in FY 2022/23, Ksh.2.16 billion and Ksh 2.33 billion for FY 2023/24 and FY2024/25 respectively. However, due to budgetary constraints the department has been allocated Ksh 1.62 billion in FY 2022/23, Ksh. 1.71 billion in FY 2023/24 and Ksh.1.82 billion in FY 2024/25.

5.5 Administration and Public Service

138. This department has 5 directorates namely: Administration, Alcoholic Drinks Control, Inspectorate, Monitoring & Compliance, Betting & Gaming Control, and Human Resource Management & Human Resource Development. The core mandate of the

department is to provide services to the public and ensure there is good coordination of various structures within the county. It is responsible for efficient management and development of the human resources in the county such as capacity building of staff and determination of optimal staffing levels. Further, the department ensures enforcement and compliance of the public to various laws and curbs irresponsible betting & illegal gambling, together with alcohol and drugs abuse.

139. In the FY 2018/19- 2020/2021 MTEF period, the department implemented the programmes of administration, planning & support services, human resource management & human resource development services, alcohol, drugs & substance abuse control & rehabilitation, public participation and civic education, enforcement, monitoring & compliance and betting & gaming. The achievements met include; improved service delivery through completion of construction and equipping of Kiambu sub county offices, renovation of county headquarters offices Kiambu, deployment of staff of various cadres in the sub counties, carrying out capacity building on various members of staff, processing of staff benefits, staff promotions, medical cover, WIBA and protective materials as a containment measure for the spread of the Covid-19 pandemic. The department also ensured reduction of incidents associated with alcohol and drug abuse through crackdowns, carrying out awareness forums and undertaking rehabilitation of persons dependent on alcohol. Further, Kiambu County Alcoholic Drinks Control (Amendment Act, 2021) which would ease better control on alcohol business was assented. In addition, the department ensured compliance of public to county laws and applicable national legislations through enforcement of Covid-19 containment measures, enforcement of revenue collection within urban areas, control of hawking activities within CBDs, enforcement of building regulations and enforcement of Alcoholic Drinks Control Acts. Additionally, the department engaged the public in county development programmes through public participation and civic education forums. Further, the department managed to curb irresponsible and illegal betting and gaming through awareness forums, crackdowns and licensing of betting and gaming premises.

140. In the 2022/23 - 2024/25 MTEF period, the department has planned to implement the programme of administration, planning & support services, human resource management and human resource development services, alcohol, drugs & substance abuse control and rehabilitation, enforcement, monitoring & compliance and betting & gaming. The programmes will focus on providing quality administrative services for effective and efficient service delivery through; construction, renovation, and equipping of sub-county

offices, capacity building of staff and processing of staff medical cover & welfare benefits. The programmes will also focus on reducing alcohol and drug abuse through; crackdowns, carrying out awareness forums, and undertaking rehabilitation of persons dependent on alcohol. Additionally, the programmes will ensure enforcement of county laws by empowering the inspectorate unit. Further, the programmes will ensure responsible betting and gaming through crackdowns and licensing of betting and gaming premises and carrying out awareness forums.

141. In order to implement the named programmes, the department proposes a budget requirement of KSh. 986 million in FY 2022/23, KSh. 1.01 billion in FY 2023/24 and KSh. 1.07 billion in the FY 2024/25. However, due to budget constraints the department has been allocated KSh 866.9 million, KSh. 919.0 million and KSh. 974.1 million in FY 2022/23, FY 2023/24 and FY 2024/25 respectively.

5.6 Agriculture Livestock and Irrigation

142. This department is divided into two sections namely; Agriculture, Crop Production, Irrigation and marketing (ACPIM) and Livestock, Fisheries and Veterinary Service (LIFIVE). The ACPIM section comprises two directorates; Crops and Irrigation, Agribusiness and Market Development while the LIFIVE section comprises three divisions namely, Livestock Production, Fisheries Development and Veterinary Services. In addition, there are two institutions; Agricultural Training Centre at Waruhiu and Agricultural Mechanization Service in Ruiru. The department's overall goal is to attain food and nutrition security, promote innovative and sustainable agriculture for job creation and ensure there is equitable distribution of wealth across the County. It is a significant player in social and economic development of the County as well as delivery of national development agenda namely; the Kenya vision 2030, the Big Four Agenda and the Sustainable Development Goals (SDGs).

143. During the MTEF period 2018/19 -2020/21, the department implemented four programmes whose focus was to increase production and productivity, enhance food and nutrition security and wealth creation. Some of the key achievements include; procurement and distribution of 314.7 tonnes of certified seeds (maize and bean seed), procurement and distribution of 529.5 tonnes of basal fertilizer to farmers, procurement and distribution of 68,175 Hass avocado trees, 11,029 mango seedlings, 4,999 banana seedlings as well as 84,000 potato mini-tubers. The department further trained 68,175 farmers on modern farming technologies across the County through individual and group

visits, constructed over 69 Kilometers of soil and water conservation structures, and 220 water pans for demonstrations in collaboration with NARIGP as well as installation of 20 solar-powered systems. It also trained farmers and technical staff on fall armyworm control. In addition, the department through the directorate of agribusiness procured and distributed 25,650-50kgs bags of coffee and food fertilizer to farmers, and conducted training where 620 farmers/agri-entrepreneurs were trained on value addition technologies along banana value-addition, yoghurt making and vegetable preservation. A total of 425 farmers and 120 staff were also trained on coffee production management and value addition, 68 agro-dealers trained on quality inputs besides training 100 service providers and value chain actors (VCAs) on entrepreneurship.

144. Under livestock resources, management and development, a total of 67,200 FMD doses, 76,000 LSD doses, 41,800 Blanthrax and 23,329 doses of anti-rabies were procured through the introduced subsidized A.I programme. A total of 26,003 herds of cattle were inseminated and 6 inseminators were trained. In addition, 33,000 farmers/stakeholders were trained on livestock enterprises in collaboration with development partners as well as training over 20,000 value chain actors on Climate Smart technologies. The department through Fisheries division stocked 146,000 fingerlings (Tilapia and Catfish), purchased and installed 10 fish pond liners and conducted 36 training sessions on current aquaculture technologies. Further, in collaboration with Aquaculture, Business Development Program (ADBP) 8 eat more fish field days were held.

145. In the FY 2022/23- 2024/ 25 MTEF period, the department intends to implement six programmes namely; General administration planning and support services, Policy strategy and Management of Agriculture, crop development management, fisheries management and development, livestock resources management and development and agribusiness and information management. The objective of these programmes is to increase production and productivity, enhance food and nutrition security, and economic empowerment. To increase productivity and enhance food and nutrition security, the department under crop and irrigation directorate will procure and distribute food crop fertilizer, crop seeds and seedlings, fruit trees seedlings and potato plantlets/minitubers. It will also train farmers across the county on modern technologies, and provide extension services to farmers. In addition, Climate-smart agriculture will be promoted where climate-smart agriculture technologies will be identified and implemented, soil conservation structures constructed as well as the establishment of conservation agriculture demonstration plots. The department will further revive the coffee sector,

procure, distribute walking tractors, construct small scale water pans in all sub counties and a community water pan which will act as water reservoirs as well as completion of community irrigation projects, upgrading of Waruhiu ATC and revitalization of Ruiru AMS. The department will also contribute towards both NARIGP and ASDSP programmes.

146. The department through the directorate of livestock will procure vaccines for disease control, procure and distribute piglets and indigenous chicken, complete Thika Poultry and Rabbit slaughter house, offer A.I services both sexed semen and conventional as well as training farmers on modern technologies. It will also construct a milk processing plant and county feed factory, procure and install bulk milk coolers, and avail milk pasteurizers to farmers. It will further procure fingerlings and stock them in rivers/dams/ponds, procure aquaculture kits and deep freezers, equip farmers with modern technologies, rehabilitate and renovate Gatamaiyu fishing camp besides paying pending bills.

147. To enable the department to implement the prioritized programmes, a total budget of Ksh. 1.26 billion in FY 2022/23 has been proposed, Ksh. 1.12 billion for FY 2023/24 and Ksh. 1.06 billion in the FY 2024/25. However, it has been allocated Ksh. 1.35 billion in FY 2022/23, Ksh. 1.43 billion in the FY 2023/24 and Kshs 1.52 billion in the Financial Year 2024/25.

5.7 Water, Environment, Energy and Natural Resources

148. The Department of Water, Environment, Energy and Natural Resources (WEENR) comprises four directorates namely; Water & Sanitation, Natural Resources & Forestry, Environment & Waste Management, and Renewable Energy & Climate Change. The aim of the sector is to ensure that the County leads in provision of water and sanitation services, environmental protection and management, conservation of natural resources, reducing carbon emissions and enhancing resilience to impacts of climate change.

149. The mandate of the department is drawn from the Constitution of Kenya, 2010. Article 42 provides a guarantee that, “every person has the right to a clean and healthy environment, which includes the right to have the environment protected for the benefit of present and future generations through legislative and other measures. The programmes in this department support the main productive sectors namely; Agriculture, Tourism, Housing, Energy and Manufacturing. It also has direct and indirect linkages with all other sectors of the economy thus promoting socio-economic development geared towards the

realization of the Kenya Vision 2030, relevant Sustainable Development Goals (SDGs) and various multilateral agreements relating to the sector.

150. During the period under review, the department implemented five programmes namely; administration planning and support services, environment management, water provision and management, natural resources conservation and management together with climate change mitigation and adaptation. Under water provision and management, the department completed development of Kiambu County water and sanitation services policy 2018, drilled one borehole in Gatiiguru in Ngoliba Ward producing yield of 1 l m³ /hr, and operationalized four boreholes; Thogoto, and Ndongoro that produce a combined total yield of 39 m³/hr, kiuu borehole yielding 30 m³/hr to serve 1200 households in Kiuu ward Ruiru sub county and Salama borehole yielding 20 m³/hr to serve 800 households in Kalimoni ward Juja sub county . 33 KMs of distribution pipelines with assorted pipes were laid in Gitithia, Kabunge, Escarpment, Kiuu-Gatundu, Bathi-kandawire and six boreholes rehabilitated across the county.
151. In partnership with NAMSIP, the Kambaa water project which aimed at reaching over 600 households in Kijabe ward in Lari was initiated and completed and Tigoni- Karuri water Transmission line commissioned. The 11 km, 160mm transmission line from Tigoni treatment that works through Kentmere to the Gachorwi tank in Karuri to convey 1000 m³/per day to serve areas of Banana, Njiku, Kawaida and Muchatha was completed and extended 28 kms of assorted water pipes in Githunguri and Ikinu wards targeting areas of Upper Githiga, Kamondo, Gatina, Kiababu, Kinenie, Ha Gakuru and Kamuchege.
152. In addition, the department in collaboration with the Athi Water Works Development Agency has accelerated the finalization of the Loromo water project that targets areas of Bibirioni, Ngenia, Nderu and Thigio in Limuru Subcounty. The department also managed to construct three septic tanks to operationalize Kamangu, Thogoto and Rukuma toilets, two biodigesters in Mutarakwa and Ndumberi toilets and the construction of 4 sanitation blocks; two in Ruiru, one in Kahawa Wendani and one in Kwambira Market. Furthermore, the department constructed and rehabilitated; a 54 m³ ground masonry tank in Mithure, 2.9 km rising mains to uptake water from both Nguirubi and Kiriri boreholes and a 108 m³ steel elevated tank.
153. To increase access to water services in unserved areas, 694 km pipelines were procured and laid across the county which extended water coverage in areas such as Juja farm, Muthaara, Nyacaba, Mumbi, Oasis, Ruiru town, Gachororo and Mugutha under the jurisdiction of RUJWASCO. Other areas served include; Kiawanganyo,

Riabai, Ndumberi, Kirigiti Waironjo, Ting'ang'a and Nyauto under KIWASCO; Limuru east, Tigoni–Ngecha, Limuru central, Ndeiya, Kirenga, Kijabe and Kinale under LIWASECO; Karai, Kikuyu, Kinoo, Muthiga, Uthiru, Kamangu and Muguga under KIWASCO; Thimbigua, Number Ten, Kambara, Karuri and Muchatha under KAWSCO; Munyu–Githima, Gatundu, Landless, Gatuanyaga(kwa Waya) and Mukuneke under THIWASCO; Githiga, Kwamaiko, Ikinu, Kiambururu and Githunguri township under GIWASCO; and Mangu, Gichogocho and Kimunyu under GATWASCO.

154. To increase access to sewerage services, the Water Service Providers (WSPs) laid and extended a total of 38 KM of sewer pipelines in Limuru, Thika and Ruiru Juja regions. Under KUSP, 22.8km of sewer networks were laid in Juja kwa Chief (5km), Kiuu & Kahawa Wendani (8km), Kiganjo (5.2km) and Ilri-Mutega/Kinoo (4.8km) to connect 15,000 households. The WSPs are already connecting residents to the sewer networks. They further increased water and sewer connectivity by having an additional 15,278 water and 2,172 sewer connections which will serve a population of at least 76,390 people benefiting from water services and 10,860 who will benefit from sewer services.

155. Through financing from the county, AWWDA, NAMSIP and the WSPs, 44 boreholes were drilled, equipped and operationalized, 2 spring sources developed and a composite filtration unit (CFU) installed providing an additional 21,354m³/day. These sources include; Mirimaini, Mugutha, Gachororo, Murera, Nyacaba and Juja Farm boreholes under RUJWASCO; Ngegu and Ruturo Boreholes under KIWASCO; Karambaini, Mahinga Primary, Ngecha dispensary, Nguirubi, Soko Mjinga, Mirangani and Kambaa boreholes as well as Kiambaa springs under LIWASCO; 5 boreholes at Twin Station and 2 boreholes at Riu under KIWASCO. The 2 boreholes at Gachie kwa Chief and Gachie Primary together with one spring source at Gathiri were under KAWASCO; 5 No boreholes at Ngoliba Market, Maryhill, Kiandutu, Kiangombe and Ngoliba under THIWASCO; 5 boreholes in Gatina, Gathangari, Ngochi, Githunguri Primary and Mitahato under GIWASCO and CFU at Marigoiti under GATWASCO

156. In a bid to combat the Covid-19 pandemic, the department in collaboration with the Kenya Water and Sanitation Civil Societies Network (KEWASNET) and the WSPs installed 240 hand washing points targeting 24 schools and 150 handwashing points in markets, bus parks and public spaces.

157. The directorate of environment increased waste collection from 50% -65% ,procured 46 skips, one skip loader, five dump trucks and five backhoes for solid waste management, and thirteen chaff cutters for shredding organic waste in major markets within the county.

It also procured 600 hours bulldozer services for rehabilitation of Kang’oki dumpsite and constructed a tipping platform. Additionally, new skips were introduced at Rukuma, Regen, Kisii area and Migingo, 30 worn out skips repaired as well as survey and rehabilitation of the decommissioned Gioto waste dumpsite and the construction of a tipping platform.

158. An ECO-School programme was also launched in 10 schools, five of them being in Thika sub-County, decommissioned Kiambu dumpsite, established an organic waste management centre at Waruhiu and a new organic waste management hub within Ruiru Sub-County in Githurai supported by Kenya Association of Manufacturers (KAM). Further, the directorate launched a waste sorting & segregation sensitization program supported by TakaTaka solutions, and procured 4-Tricycles under Kenya Urban Support Programme (KUSP) to enhance waste collection services in 4 municipalities and town centres. It also launched a 14-pilot colour-coded waste segregation bins in Thika Sub County sponsored by Kenya Association of Manufacturers (KAM)

159. In a bid to conserve the environment and natural resources, the department raised over 403,138 trees in schools, churches, water sources, farms and open public places in all the 12 sub-counties and 130,000 indigenous and exotic trees. It also planted 44,260 water-friendly indigenous trees and Bamboos on the riparian and water catchment areas within the County, expanded two county tree nurseries one in Kiambu and Thika sub-county and grew 3,000 avocados (Hash) and 3000 indigenous trees donated by Athi Water Development Agency as well as 3,100 indigenous trees raised by county. The trees covered sources of Bathi River in Kinale forest, traversing along Kimende, Kirenga, Kambaa, Githirioni, Gatamaiyu, Kamburu, Kamucege and Komothai locations. It further secured and protected over 16 KMs comprising nine rivers and one wetland i.e. Kamiti, Mukuyu, Bathi, Karatina, Gatharaini, Kiu, Ruiru, Gatamaiyu and Nduriri rivers and one wetland (Ondiri Swamp), pegged Gategutiri River (4.5 KM) in Kikuyu sub county and completed landscaping and beautification of three public amenities in Thika town, Kahawa Sukari in Ruiru and Kikuyu town through KUSP program.

160. In the MTEF period 2022/23-2024/25, the department has planned to implement five 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. The main objective of the programs is to enhance and improve service delivery, provide adequate, affordable clean water and sanitation services, enhance clean

environment, increase forest cover, and sustainable management of natural resources. The department intends to improve NRW (Non-Revenue Water) management by supporting water utilities and mapping connections. It will also drill, equip and operationalize boreholes, rehabilitate the intakes and lay down pipelines across the county. Additionally, tanks will be supplied to institutions or special groups, construct elevated steel tanks, construct new public sanitation facilities and rehabilitate the existing ones.

161. Under natural resources conservation and management, the department will improve natural resources and increase forest cover by raising seedlings in schools, farms, parks and public places identified, rehabilitating abandoned quarries, and protecting water catchment and riparian areas. It will further construct waste segregation units, organic waste composting hubs, and tipping platforms. Bulldozers and excavators will also be procured as well as garbage skips, skip loaders, tricycles, bottle banks, color coded waste collection bins, and color coded waste collection sacks.

162. Mitigation of climate change and adoption will be done through adoption of climate change policies more so Kiambu climate change policy and climate change Finance policy, legislations, regulations and plans operationalized. Besides, the department will also connect county facilities to solar energy, procure briquettes making machines, develop and implement climate change mainstreaming mechanisms, undertake climate change awareness campaigns as well as payment of pending bills during the period under review.

163. To enable the department to implement the prioritized programmes, a total budget of Ksh. 1.3 billion has been proposed for FY 2022/23, Ksh. 1.25 billion for FY 2023/24 and Ksh. 1.41 billion for FY 2024/25. However, due to budgetary constraints, the department has been allocated Ksh. 652.10 million in FY 2022/23, Ksh. 691.23 million in FY 2023/24 and Kshs. 732.70 million in FY 2024/25.

5.8 Health Department

164. Health services department has four directorates namely; Planning and Administration, Curative and Rehabilitative Services, Public Health and Sanitation Services and Nursing Services. The mandate of the department is to provide curative and preventive health services by strengthening the available health services to all. The department is a key player in implementation of the government's big four agenda on Universal Health Coverage (UHC) for all Kenyans.

165. During the MTEF period 2018/2019- 2020/2021, the department implemented three programmes namely; Preventive and Promotive services, General Administration, Planning and Support Services, and curative and rehabilitative services. These programmes focused on improving access to quality health care to all the residents of Kiambu by funding basic health care, promoting healthy behaviors and healthy lifestyles to reduce disease burden and premature deaths; prevention of illness and disability and enhancement of quality life. Some of the key achievements met include; servicing of 41 vehicles which include both ambulances and utility vehicles and procuring 4 vehicles to improve in support supervision which is key in service delivery. To improve service delivery, a total of 247 healthcare workers were recruited under the UHC program. In addition, 47 facilities were renovated as well as construction of 3 new facilities . Most stalled projects like medical blocks and wards in Lari level 4, Wangige level 4 and Tigoni hospital were completed, bed capacity in most facilities expanded and purchase of supplies and equipment done to respond to covid 19 pandemic.
166. Additionally, various management committees and task forces were appointed namely; Kiambu County Covid -19 vaccine deployment and vaccination taskforce, Kiambu County Antimicrobial Stewardship inter-agency committee, identification of Indigents for Insurance cover under UHC scheme, County Infection Prevention Control (IPC), EPLUS Ambulance management, Kiambu County Commodity Security TWG, Gatundu Level 5 Human Resource (staff) verification, Home Based Isolation Care, Kiambu County Non Communicable Disease (NCD), Quality Assurance and management, Covid -19 testing taskforce, and Weekly County Health Management Team meetings.
167. The department through curative and rehabilitative directorate enhanced provision of health services in Kiambu County by ensuring provision of ; pharmaceutical, laboratory and non-pharmaceutical commodities to all health facilities in the county as well as provision of assorted medical equipment including laboratory equipment to various health facilities. Also, specialized services have been enhanced by establishing and equipping critical care units in Kiambu Level 5 hospital and Tigoni level 4 hospital. Renal dialysis services are ongoing in Thika and Gatundu level 5 hospitals where the latter is also the non-communicable disease center in the county. In order to provide drug rehabilitation services the health department has partnered with MSF to provide quality medically assisted therapy for Opioid dependent persons based in Karuri level 4 hospital.
168. Following the onset of Covid-19 pandemic in FY 2019/20, installation of liquid bulk oxygen and provision of piped oxygen has been completed in Thika, Gatundu, Kiambu

and Tigoni Hospitals and Covid PCR equipment installed in Thika Level 5 hospital. Further, a fully equipped isolation facility was set up in Tigoni Level 4, Kiambu level 5 and Thika level 5 hospitals. To improve case management of severely ill children, the Clinton Health Access Initiative (CHAI) partnered with the health department to train 64 health care workers on Emergency Triage Assessment and Treatment Plus Admission (ETAT+). CHAI also donated 84 pulse oximeters to aid in the diagnosis and management of hypoxia in children and new-born.

169. To enhance emergency care, health care workers were facilitated with enough skills and resources where the department supported training of 30 health care workers in Basic life support courses and ETAT and also worked together with the RH department in training Health Care Workers in Emergency maternal and neonatal care, and Neonatal resuscitation. The department managed emergencies in need of advanced care where 16 county ambulances were serviced and fueled, and were very useful in Covid management and referral of patients. Six more ambulances were leased from E-plus company which facilitated more than 3,500 referrals over the past one year. This has led to a significant drop especially in maternal and neonatal care, trauma cases and cases in need of advanced management and morbidity.

170. The department of health has continued to supplement the under-fives with vitamin A as a child survival intervention. The coverage is currently at 97% through door to door supplementation. Other nutrition activities carried out in the year were; training of community and health workers on baby friendly community initiative with a focus on the 1000 days, initiation of kitchen garden at facility level, community nutrition outreaches and continued growth monitoring among the under-fives in all public health facilities. Procurement of nutritional therapeutic feeds in critical care units was done in Thika level 5 hospital. Further, 30 managers were sensitized on Chlorhexidine/Kangaroo Mother Care (CHX/KMC) from level 4,5, Faith Based Organizations (FBO) and private-Med Sup, Gynecologists, Pharmacists and Pediatricians including newborn and childcare in the context of Covid-19 pandemic with 10 TOT trained for 5 days on ICCM including dissemination of Covid-19 prevention and control.

171. Under preventive health services, mothers who tested HIV Positive at the Antenatal Clinic/Maternity/Post Natal Clinic were initiated on HAART as well as the infant prophylaxis issued. With the aim of reducing new HIV infections by 75% all the HIV exposed clients who sought Post Exposure Prophylaxis services were given the service. Viral suppression for the clients on HAART was at 94% however, Viral suppression for

the CALHIV is 71%. Additionally, the department developed and adopted a county COVID-19 emergency preparedness plan that is based on key strategic approaches intended to achieve a well-coordinated and effective response to the pandemic without overwhelming the health system. The county Public Health Emergency Operation Centre (PHEOC) was operationalized with a dedicated physical space established at Thika Level 5.

172. Under Community Health Services, Preventive and promotive health services were offered despite the major disruption brought by the COVID-19. To control the pandemic, new protocols and containment measures were cascaded to the community level by the directorate. Some of the measures promoted post the COVID-19 pandemic significantly contributed to reduction of some common communicable diseases such as diarrhea disease as a result of frequent hand washing, while masking contributed to the reduction of respiratory infections among the community members. Social Behavior Change Communication (SBCC) strategies were upscaled during the period.

173. Community Health Services (CHS) was able to achieve a 50% increase in the Community Health Units (CHUs) established. A total of 140 CHUs were established up from the existing 139 units and current CHU coverage in the County stands at 58%. However, the established CHUs are at different training levels and functionality. The CHC current coverage in the County is at 9.3%. Training was also carried out in two sub counties where 26 CHCs were trained in Ruiru sub county and 155 CHVs in Thika Sub County. To upscale screening services to the community by the CHVs, 200 comprehensive CHV kits supported by THS and 130 personal kits supported by Red Cross were distributed across the County. Though the kits are insufficient, they were instrumental in provision of community screening services for Non-communicable diseases which are unfortunately on the rise in the community.

174. To combat Gender Based Violence (GBV) which escalated post the COVID-19 pandemic, a total of 1,200 CHVs were trained to support the affected persons. An equal number was trained to support COVID-19 contact tracing. Spraying services were also upscaled in public places and residential areas to curb the spread of COVID-19 in the County. Additionally, in preparation of rolling out the community Home Based Isolation Care (HBIC), 510 CHVs, 120 Health Care Workers (HCWs) were sensitized on Infection Prevention and Control (IPC), COVID-19 and HBIC approaches.

175. To keep the community informed and aware of COVID-19 transmission and control more than 200,000 copies of Information Education Communication (IEC) materials were

distributed. Additionally, in readiness to the rolling out of Universal Health Coverage (UHC), the directorate has been creating awareness on the importance of medical schemes for every family/household. Towards the end of the review period, the directorate through the CHS was tasked with the identification of vulnerable persons in the County and a total of 37,576 vulnerable persons (Indigents) were identified and submitted to National Hospital Insurance Fund (NHIF) for biometric registration and enrolment in to the NHIF insurance scheme to be supported by the County Government.

176. In FY 2022/23-2024/25 MTEF period, the department has planned to implement six programmes namely; administration planning and support services, preventive health services, curative health services, county pharmaceutical services, reproductive health and county health policy development and management. Their main objective is to ensure there is effective and efficient health service delivery, reduce preventable health conditions, promote curative health services, offer quality pharmaceutical care services, provide quality reproductive and maternal, neonatal and child health care services and to support management and implementation of health programmes. The department will focus on; procuring and servicing both ambulances and utility vehicles, constructing new facilities and rehabilitating the existing ones, installation of Health Management Information System (HMIS) in all healthcare facilities as well as recruitment of staff.

177. The curative and rehabilitative directorate will enhance provision of pharmaceutical and non-pharmaceutical commodities to all health facilities in the county. It will procure assorted medical equipment, establish and equip critical care centres offering specialised treatment, construct emergency and maternity theatres, establish county HDU units and provide drug rehabilitation services. Additionally, the department will renovate and expand pharmacies, ensure there is an uninterrupted supply of essential medicines and cost-effective medical supplies of high quality in all levels of care as well as the construction and equipping of a county medical store to enhance good storage of medicines and medical supplies.

178. The department will also ensure 100% immunization coverage and skilled deliveries, increase the proportion of pregnant women receiving iron supplements, improve cervical cancer screening and HPV vaccination and reduce the number of low birth weight babies delivered as well as ensuring 100% fully immunized children. It will further conduct training on all the health workers, improve nutrition status of under 5, reduce the risk and incidences of Mother To Child Transfer (MTCT), enhance Universal access to comprehensive, quality, and integrated HIV and STIs prevention services, scale up TB

active case finding initiatives in the county, construct incinerators plants in level 4 hospitals and procure medical waste biohazard truck as well as payment of pending bills.

179. To enable the department to implement the prioritized programmes, it has proposed a budget requirement of Ksh. 7.02 billion in FY 2022/23, Ksh. 7.44 billion in FY 2023/24 and Ksh 7.88 billion in FY 2024/25. However, due to budgetary constraints, it has been allocated Ksh 5.70 billion in FY 2022/23, Ksh. 6.04 billion and Ksh 6.4 billion in FY 2023/24 and FY 2024/25 respectively.

5.9 Education, Gender, Culture and Social Services

180. This department is composed of four directorates namely; Early Childhood Development Education (ECDE), Vocational Training Centres (VTC), Gender & Culture and Social Services. The department's mandate is to increase access, equity, quality, and relevance of Vocational Training and early childhood development education. The department also promotes, conserves, and manages the county's cultural heritage and advocates for child protection, special interest groups, gender, and disability mainstreaming and empowerment.

181. During the 2018/19 - 2020/21 MTEF period, the department implemented the programmes of General administration, Planning and Support Services, Early Childhood Development Education (ECDE), Vocational Training Education, Gender & Culture and Social Services. To improve service delivery, one office was renovated and equipped, and access to learning across the country increased by; constructing and renovating ablution blocks and VTCs which were later equipped with modern equipment and computer labs. The department improved the quality of education and increased enrolment and retention of school going children by; assessing and accrediting VTCs and ECDEs, rebranding polytechnics, developing quality assurance reports, recruiting instructors in VTCs, recruiting and promoting teachers in ECDEs and implementing the Uji Programme to improve nutrition among the school going children. The department also enhanced gender and cultural values by; mapping cultural resources, training women, PWDs and SIGs, procuring and distributing sanitary briefs to the needy, holding cultural festivals, and conducting training on GBV to community leaders and other stakeholders. Further, the department helped the needy in the society by; providing bursary to needy students across the county, rehabilitating and assisting street families and supporting the vulnerable and old persons with blankets, foodstuffs and other essential items on the international Day of old Persons.

182. In the MTEF period 2022/23- 2024/25, the department has prioritized five main programmes namely; General Administration, Planning and Support services, Early Childhood Development Education (ECDE), Vocational Education and Training, Gender & Culture, and Social services. Under these programmes the department plans to improve service delivery through renovation and equipping of offices. Additionally, the department will ensure an increase in learning and psychosocial wellbeing of children under 9 years through construction and refurbishment of ECDE classrooms and continued implementation of nutrition programmes. The department will ensure an increased number of youth and adults with relevant skills for formal and self-employment through construction, renovation and equipping of VTCs. The department will also focus on reducing levels of gender disparity, violence and non-discrimination through training women, youth, PWDs and S.I.Gs and linking them with partners for financial support and carrying out sensitization forums against gender violence. Further, the department will improve cultural and social welfare of Kiambu county residents through provision of bursary schemes to needy children, carrying out street children outreach programs, empowerment of self help groups, procuring and distribution of sanitary towels, promoting of cultural groups and festivals, mentorship of upcoming artists, refurbishing and equipping of community halls and marking of; international women's day, international day of older persons and international day of PWDs.

183. In order to implement the prioritized programmes, the department proposes a resource requirement of KSh. 1.56 billion in FY 2022/23, KSh. 1.7 billion in FY 2023/24 and KSh. 1.72 billion in the FY 2024/25. However, due to budgetary constraints, the department has been allocated KSh 971 million in FY 2022/23, KSh. 1.02 billion and KSh. 1.09 billion in FY 2023/24 and FY 2024/25 respectively.

5.10 Youth Affairs Sports ICT and communication

184. The department is composed of three directorates namely; Youth Affairs, Sports and Communication. Its core mandate is to promote development of youth, sports and communication across the county. The department is also responsible for enhancing creative and innovative youth empowerment, promoting sporting excellence and embracing top of the range effective and efficient communication models.

185. Some of the key achievements during the MTEF period 2018/19 - 2020/21, include; equipping and sponsoring county staff to participate in Kenya Inter Counties Sports and Cultural Association (KICOSCA) and East Africa Local Authorities Sports and Cultural

Associations (EALASCA) games and awarding a total of 60 football teams that participated in the Super-cup competition. Further, the department held AGPO sensitization and entrepreneurship training to the county youth as well as developing the 2018-2022 strategic plan, and drafting youth and sports policies.

186. In the FY 2022/23 - 2024/25 MTEF period, the department has planned to implement four programmes namely: general administration, planning & support services, youth empowerment, sports, and communication. These programmes aim at improving efficiency and effectiveness in service delivery through equipping of offices and renovating the existing ones. The programmes will also ensure increased participation of youth in sporting activities through construction and upgrading of Limuru stadium & Thika stadium, repair and maintenance of sports facilities in 40 wards, purchase of sports equipment, sponsor athletes on regional competition, train referees and coaches' on sports management and sponsor staff competition in KICOSCA games. Further, youths and women across the county will be empowered through training and availing non-interest loans (Jinua fund) to them. The department will also increase awareness of county government services to the public by producing and distributing county newspapers, setting communication desks at each sub-county, purchasing up-to-date communication equipment, and producing county handbooks.

187. In order to implement the prioritized programmes, the department proposes a resource requirement of Ksh. 653.17 million in FY 2022/23, Ksh. 648.40 million in FY 2023/24 and Ksh. 688.40 million in the FY 2024/25. However, due to budgetary constraints, the department has been allocated KSh 286.79 million, KSh. 303.99 million and KSh. 332.23 million in FY 2022/23, FY 2023/24 and FY 2024/25 respectively.

5.11 Lands Housing, Physical Planning, Municipal Administration and Urban Development

168. This department has five directorates namely Physical Planning, Housing and Community Development, Survey and Geo-informatics, Valuation and Asset Management, Municipal Administration & Urban Development. The department is mandated to undertake spatial planning, land administration and management, housing development and management, Administration of land valuation for rating and urban infrastructural development (KUSP). The mandate of the department is to protect and secure public land, enhance orderly development within the County, enhance the development of decent housing, provision of base map for spatial planning as well as valuation and management of the County land. It also

plays a critical role in achieving the BIG FOUR National Development agenda under the Provision of Decent and affordable Housing pillar.

169. Some of the key achievements realized during the MTEF period 2018/19-2020/21 include; drafting of land bills (County Physical Planning Act 2018, County Valuation and Rating Bill, County Survey and mapping Bill). The department also prepared a draft County Spatial plan, 12 Integrated Strategic Urban Development Plans (ISUDPs) where 6 ISUDPS are complete and forwarded to NAMSIP and other 6 are in draft stage as well as the preparation of Part Development Plan (PDPs). Under valuation and asset management, the directorate was able to update the land rates register by capturing 7,632 new properties in the register and also drafted new area rates which are awaiting gazettment for implementation. To avoid errors and delays, the directorate also streamlined the rating process. Additionally, the directorate of housing development bridged the housing deficit in the county where it facilitated the completion of a residential housing block of 40 units 2-bedroom each in Thika sub-county. It also enhanced effective service delivery, by facilitating the process of construction of an office block at Red-Nova headquarters and renovation of residential houses in Kikuyu Sub county. The directorate further completed Surveying and Planning of Umoja Informal Settlement in Thika Sub-County for the regularization of Security of tenure and infrastructure development. The informal settlement is home to 164 households and the process of generation of title deeds is ongoing with the assistance of Kenya Informal Settlements Improvement Project (KISIP). Under Municipal Administration and Urban Development, the department was involved in the continuous implementation of the KUSP projects within the six municipalities i.e. road construction, street lighting, stormwater drainage, sewer systems, street beautification, public parks and amenities, and bus parks.

170. In the FY 2022/23 - 2024/25 MTEF period, the department intends to implement various programmes namely; Administration, planning & support services, Land Administration & Information Management Services, Physical planning, Housing & Community Development, valuation & Asset management and Municipal Administration & Urban development. These programmes will aim at ensuring efficient and effective administration and management of land resources together with facilitation and provision of decent and affordable housing. To improve service delivery, the department intends to construct, equip and maintain offices, recruit more staff, purchase and service vehicles. The department will also prepare county planning and building regulations and by-laws, Part Development Plans (PDPs) for market centres and other public lands, and zoning plans which will aim at providing an overall spatial framework for the county to guide development. Further, the department will ensure

sustainable urban growth and development through; upgrading of informal settlements and county residential houses and construction of housing units under affordable housing programmes. In addition, it will also digitize land information, facilitate issuance of titles and conduct valuation and capturing of properties. Under municipal administration and urban development, the directorate will upgrade municipal infrastructures through construction of roads, storm water drainage and sewer systems, installation of street lights, street beautification, public parks and amenities, rehabilitation of bus parks, construction of fire stations as well as purchase of disaster management equipment.

171. In order to implement the prioritized programmes the department proposes a budget requirement of Ksh. 3.16 billion for FY 2022/23, Ksh. 3.24 billion for FY 2023/24 and Ksh 2.46 billion for FY 2024/25. However, due to budgetary constraints, the department has been allocated Ksh. 494.66 million in FY 2022/23, Ksh 524.34 million and Ksh 555.80 million in FY 2023/24 and 2024/25 respectively.

5.12 Trade Industrialization, Tourism Investment and Cooperative Development

172. This department has five directorates namely; Trade, Industrialization, Tourism investments and Cooperative Development. The core mandate of the department is to promote investments in trade, tourism, cooperative development and enterprise development by providing an enabling environment for sustainable socio-economic development in the County.
173. During the MTEF period 2018/19 - 2019/20, the department implemented six programmes namely; General Administration, Planning and Support Services, Trade Development and Promotion, Industrialization, Co-operative Development and Management, Tourism Development and Marketing, and Investment Promotion and Development. Under the trade development and promotion Programme, the department completed the construction of 10 markets , constructed 5 market ablution blocks in Kimende, Kimunyu, Gitaru, Kerwa and Juja market and 40 bodaboda sheds across the county. In collaboration with NAMSIP 2000 traders were resettled in the newly constructed 4 modern markets. 43 boda boda sheds were also constructed and water tanks were distributed in the major markets in response to COVID 19 pandemic. Through the industrial development programme, the department trained 20 MSMEs groups on entrepreneurial skills. Under the tourism development and promotion Programme, the department organized/ participated in 23 exhibitions and tourism forums. The department also identified 20 tourism sites for mapping and Profiling, and formulated Policy notes to

guide in policy making and Zero drafted Tourism bills. The department, through cooperatives development programme, managed to train 595 cooperative societies' management members. Legislation to anchor the kiambu investment development authority(KIDA) was drafted. 24 sensitization forums where 1,738 members were sensitized on the benefits of cooperatives and participated in exhibitions on manufacturing and value addition were also held.

174. In the 2022/23 -2024/25 MTEF period, the department will focus on implementing six programmes namely; general administration planning and support Services, Trade Development and Promotion, Industrial Development, Tourism Development and Marketing, Investment Promotion and Development and Co-operative Development and Management. It will focus on the 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. To promote and develop trade, the department intends to construct, renovate and rehabilitate markets, construct bodaboda and shoe shiners sheds, hold and attend trade fair exhibitions and ensure fair trade practices and consumer protection by verifying trade measurements, conducting awareness forums and mapping weight and measures. Also, the department will focus on promoting and developing cooperatives in the county where cooperative management members will be trained, milk ATMs purchased and installed, construction of powder milk and animal feeds factories, support dairy and coffee cooperatives and to conduct a feasibility study on cooperative society. The department will further promote industries through the establishment of industrial parks, creation of incubation/startup development centres, training of MSMEs groups, and the construction of Juakali sheds and modern kiosks. To promote and develop tourism in the county, the department will identify, map and profile additional tourism sites, rehabilitate/landscape tourism sites, and preserve and gazette local heritage sites. Also, the department will promote and develop investment opportunities by identifying and mapping investment opportunities, establishing investment centres, holding investment forums and capacity building of stakeholders.

175. In order to implement the named programmes, the department proposes a budget requirement of Ksh 1.14 Billion for FY 2022/23, Ksh. 1.09 billion for FY 2023/24 and Ksh. 1.15 billion for FY 2024/25. However, due to budget constraints, the department has been allocated Ksh 531.60 million in FY 2022/23, Kshs 563.50 million in FY 2023/24 and Kshs 597.31 million in the FY 2024/25.

5.13 Roads Transport Public Works and utilities

176. The Roads, Transport, Public Works and utilities department consists of four directorates namely: Roads, Transport, Public Works and Utilities. The department plays a key role in planning, development & maintenance of county roads & transport infrastructure, public works and installations of county lighting, promotion of renewable energy, fire prevention, emergency and disaster response. Its main objective is to provide safe, efficient and effective transport infrastructure and services whilst achieving associated benefits and meeting the goals of environmental integrity, social equity and economic efficiency.
177. During the MTEF period 2018/19 - 2020/21, the department registered numerous achievements which include; construction to gravel standards of over 1,700 kms of rural access roads, construction and rehabilitation of 9 bridges including ndaraca bridge at Juja, designing and construction of 14 foot bridges, rehabilitation/reconstruction of 42 Kms of bituminous roads, and upgrading of 20 kms major links and urban gravel roads to bitumen standards. The department; also constructed and marked street parking in major towns and 6 bus parks across the county, it also constructed circuit gravel roads at various rural shopping centres, maintenance of over 1700 kms of rural roads and maintenance of stormwater drainage throughout the county. Further, the department constructed 3 fire stations, acquired 12 fire engines, installed 149 flood masts and 592 street lighting.
178. During the MTEF period 2022/23- 2024/25, the department has planned to implement four programmes namely: administration, planning & support services, public works & infrastructure maintenance, roads & transport and energy distribution & regulation. The programmes will focus on facilitating efficient service delivery through development of service charters and capacity building of staff. The programmes will also focus on development of quality, reliable, sustainable and resilient infrastructure to support economic development through construction of some access roads to gravel standards, construction of bus parks bays, maintenance of motorable roads, construction of storm water drains, construction of walkways, preparation of road inventory & condition survey, construction of footbridges, construction of some roads to bitumen standards and construction of motorable bridges. The programmes will also ensure improvement of security for a 24 hours economy, provide timely disaster response services and fire safety & rescue services through; installation of street lights & high mast flood lights, construction, renovation & equipping of fire stations, procurement of fire engines &

equipment, training staff on fire safety & disaster management, and recruitment of fire fighters.

179. In order to implement the prioritized programmes, the department has proposed a budget requirement of Kshs 3.40 billion in FY 2022/23, Ksh. 3.61 billion and Kshs 3.82 billion in the FY 2023/24 and 2024/25 respectively. However, due to budget constraints, the department has been allocated KSh 1.83 Billion in the FY 2022/23, KSh 1.94 Billion in the FY 2023/24 and KSh 2.06 Billion in the FY 2024/25.

ANNEXES

Annex 1: Budgetary allocations for FY 2022/23 and the Medium Term

EXPENDITURE PROJECTIONS FOR THE MEDIUM TERM					
		APPROVED	PROPOSED	PROJECTIONS	
Vote	Recurrent	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
4061	County Assembly	1,256,180,907	1,256,180,907	1,331,551,761	1,411,444,867
4062	County Executive	341,580,991	341,580,991	362,075,851	383,800,402
4063	Public Service Board	62,096,211	70,096,211	74,301,984	78,760,103
4064	Finance, ICT & Economic Planning	1,412,254,568	1,412,254,568	1,496,989,842	1,586,809,233
4065	Administration And Public Service	835,988,341	835,988,341	886,147,641	1,939,316,500
4066	Agriculture Livestock And Fisheries	463,162,497	463,162,497	490,952,247	520,409,382
4067	Water Environment Energy And Natural Resources	341,523,466	341,523,466	362,014,874	383,735,766
4068	Health Services	4,874,439,927	4,874,439,927	5,166,906,323	5,476,920,702
4069	Education Culture And Social Services	971,202,219	971,202,219	1,029,474,352	1,091,242,813
4070	Youth Sports & Communication	111,245,280	111,245,280	117,919,997	124,995,197
4071	Land Housing Physical Planning Municipal & Urban Development	214,659,654	214,659,654	227,539,233	241,191,587
4072	Trade Tourism Cooperative & Enterprise Development	145,502,334	145,502,334	154,232,474	163,486,422
4073	Roads Public Works Transport & Utilities	394,755,348	394,755,348	418,440,668	443,547,108
Vote	Development	11,424,591,743	11,432,591,743	12,118,547,247	12,845,660,082
4061	County Assembly	90,000,000	-	-	-
4062	County Executive	-	-	-	-
4063	Public Service Board	-	-	-	-
4064	Finance, ICT & Economic Planning	203,731,600	203,861,778	216,093,485	229,059,094
4065	Administration And Public Service	31,000,000	31,000,000	32,860,000	34,831,600
4066	Agriculture Livestock And Fisheries	837,527,252	887,778,887	941,045,620	997,508,358
4067	Water Environment Energy And Natural Resources	293,000,000	310,580,000	329,214,800	348,967,688
4068	Health Services	821,636,481	821,636,481	870,934,670	923,190,750
4069	Education Culture And Social Services	233,969,788	248,007,975	262,888,454	278,661,761
4070	Youth Sports & Communication	175,538,853	175,538,853	186,071,184	197,235,455
4071	Land Housing Physical Planning Municipal & Urban Development	280,000,000	280,000,000	296,800,000	314,608,000
4072	Trade Tourism Cooperative & Enterprise Development	386,098,578	386,098,578	409,264,493	433,820,362
4073	Roads Public Works Transport & Utilities	1,439,374,561	1,439,374,561	1,525,737,035	1,617,281,257
	Total	4,791,877,113	4,783,877,113	5,070,909,740	5,375,164,325
	Grand Total	16,216,468,856	16,216,468,856	17,189,456,988	18,220,824,407

Annex 2: 2022 CFSP and MTEF Budget Stakeholders' Proposals

Water, Environment, Energy and Natural Resources

S/No	Project Name	Location/ward	Priority Ranking	Project Cost/Budget	Justification/Remarks
1.	Provision of garbage containers in urban centres	County wide	1		Improve sanitation and better solid waste management
2.	Sensitization of the public on environmental conservation	County wide	3		Awareness creation
3.	Construction of public toilets in all urban centres and bus stations/parks	County wide	2		Improved Sanitation
4.	Establishment of recreational facilities	County wide	3		Provide a conducive environment for recreation activities
5.	Tree planting	County wide	2		Environmental conservation

Roads, Transport, Public Works and Utilities

S/No	Project Name	Location/ward	Priority Ranking	Project Cost/Budget	Justification/Remarks
1.	Design and Construction of foot bridges, bus stops along Eastern bypass	Ruiru Sub County	1		Ease of movement
2.	Covering of open trenches along the roads	County wide	1		Open trenches are hazardous



**COUNTY GOVERNMENT OF KIAMBU
COUNTY ASSEMBLY OF KIAMBU**

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REF: CAK/8/3/1/1/VOL 7(64)

April 26, 2022

The County Executive Committee Member,
Finance & Economic Planning,
County Government of Kiambu.
KIAMBU



Dear Sir/Madam,

RE: CONVEYANCE OF RESOLUTION OF THE COUNTY ASSEMBLY ON THE APPROVAL OF THE 2022 COUNTY FISCAL STRATEGY PAPER (CFSP)

The above matter refers.

On Tuesday, April 26, 2022 the County Assembly **adopted** the Report of the Select Committee on Budget and Appropriations on the 2022 County Fiscal Strategy Paper (CFSP). Further, pursuant to the provisions of Section 117 of the Public Finance Management Act, 2012 read together with Regulations 26 of the PFM (County Government) Regulations, 2015 and the County Assembly Standing Order 243 (7), the Assembly **approved** the 2022 CFSP with amendments as contained in the report.

This is therefore to convey the resolution of the Assembly and to forward the following:

- i. The Report of the Select Committee on Budget and Appropriations on the 2022 County Fiscal Strategy Paper (CFSP);
- ii. Motion as adopted for approval of the 2022 CFSP;
- iii. A certificate containing a schedule of the specific resolutions approved by the Assembly.

Yours sincerely,

John Mutie

CLERK, COUNTY ASSEMBLY OF KIAMBU

Encl.

Cc. Hon. Speaker, County Assembly of Kiambu
County Secretary, County Government of Kiambu



COUNTY GOVERNMENT OF KIAMBU

COUNTY ASSEMBLY OF KIAMBU

SECOND ASSEMBLY - FIFTH SESSION

REPORT OF THE SELECT COMMITTEE ON BUDGET AND APPROPRIATIONS ON
THE 2021 COUNTY FISCAL STRATEGY PAPER (CFSP)



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March, 2022

*Paper laid on
26th April 2022
by the Chairperson.*

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I. PREFACE

1. **Mr. Speaker**, on behalf of the Members of the Budget and Appropriations Committee and in conformity with Section 117 of the Public Finance Management Act (PFMA), 2012 read together with Regulations 26 of the PFM (County Government) Regulations, 2015 and the County Assembly Standing Order 243 (7); it is my utmost privilege to present to this House, the Committee's report on the 2022 County Fiscal Strategy Paper (CFSP).

1.1 Establishment and Mandate of the Committee

2. **Mr. Speaker**, the Public Finance Management Act, 2012 provides for the establishment of a Committee of the County Assembly whose main role is to take the lead in budgetary oversight by the County Assembly. In this regard, Standing Order 221 provides for the establishment of the Budget and Appropriations Committee whose mandate is to investigate, inquire into and report on all matters related to:

- (a) coordination, control and monitoring of the county budget;
- (b) discussing and reviewing the estimates and make recommendations to the County Assembly;
- (c) *examining the County Fiscal Strategy Paper presented to the Assembly;*
- (d) examining Bills related to the County budget, including Appropriation Bills; and,
- (e) consideration of the reports of the Controller of Budget on the implementation of the annual county budget.

1.2 Committee Membership

3. **Mr. Speaker**, the Budget and Appropriations Committee as currently constituted comprises the following Honourable Members:
 1. **1 Hon. Waiganjo Livingstone Wakibia, MCA- Chairperson**
 2. **Hon. Gatonye Margaret Njeri, MCA- Vice Chairperson**
 3. **Hon. Mwago Margaret Wanjira, MCA**
 4. **Hon. Chege David Ithibu, MCA**

5. Hon. Githaiga Martin Njoroge, MCA
6. Hon. Kagari Chris Karumba, MCA
7. Hon. Kibe Robert Githongo, MCA
8. Hon. Kimani Simon Kamau, MCA
9. Hon. Mwaura Susan Wanjiru, MCA
10. Hon. Njuguna Virginia Nyokabi, MCA
11. Hon. Waithaka Agnes Njoki, MCA
12. Hon. Wambui Joseph Kahira, MCA
13. Hon. Githinji Joseph Mung'ara, MCA
14. Hon. Macharia J. Covenant Chege, MCA
15. Hon. Kaberi Daniel, MCA
16. Hon. Ngugi Edward Kinyanjui, MCA
17. Hon. Njoroge Felistas Wanjiku, MCA

1.3 Examination of the 202 County Fiscal Strategy Paper (CFSP)

4. **Mr. Speaker**, the 2022 CFSP was submitted to the Assembly on November 30, 2021 and tabled on the floor of the House on Tuesday, February 22, 2022 pursuant to the provisions of Section 117 (1) of the PFMA, 2012 read together with Standing Order 243 (1) which provide that: "...the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly by the 28th February of each year. " Additionally, as per Standing Order 243 (3), the 2022 CFSP was promptly committed to the Sectoral Committees to deliberate on in line with their respective mandates and make recommendations to the Budget and Appropriations Committee.
5. **Mr. Speaker**, in line with the principle of public participation espoused in Article 196 (1) (b) of the Constitution which provides that "a county assembly shall facilitate public participation and involvement in the legislative and other business of the assembly and its committees." in this regard, oral and written submissions were sought from members of the public through newspaper adverts in the People Daily and Daily Nation of February 25, 2022 as well as

REPORT OF THE BUDGET AND APPROPRIATIONS SELECT COMMITTEE ON THE 2022

5. Mr. Speaker, in line with the COUNTY FISCAL STRATEGY PAPER

- 1.3 Examination of the 2022 County Fiscal Strategy Paper (CFSP)
4. Mr. Speaker, the 2022 CFSP was submitted to the Assembly on November 30, 2021 and tabled on the floor of the House on Tuesday, February 22, 2022 pursuant to the provisions of Section 117 (1) of the PFMA, 2012 read together with Standing Order 243 (1) which provide that: "...the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly by the 28th February of each year. " Additionally, as per Standing Order 243 (3), the 2022 CFSP was promptly committed to the Sectoral Committees to deliberate on in line with their respective mandates and make recommendations to the Budget and Appropriations Committee.
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through vernacular radio adverts on February 25-27, 2022 via Inooro and Kameme FM Radio Stations. (See annex I)

6. **Mr. Speaker**, the Committee received written memoranda from members of the public in context with the own source of revenue performance; economic empowerment of the people; food security and nutrition; solid waste management; good governance, service delivery and fighting corruption; budget priorities; public participation among others.
7. **Mr. Speaker**, in reviewing the 2022 CFSP, the Committee held fruitful deliberations with the Sectoral Committees and received their recommendations. Further, discussions were also held with the Clerk of the County Assembly and the County Treasury before this report was finalised. The recommendations arising from these discussions have been taken into account in the finalization of this report.
8. **Mr. Speaker**, once approved by the House, the 2022 CFSP recommendations will form the basis for preparation of the financial year 2022/2023 Budget Estimates pursuant to Section 129 (2)(b) of the PFMA, 2012. It is therefore imperative to note that this is a very critical stage in the budget making cycle as it forms the basis upon which the programmes will be implemented besides setting the ceilings for the various spending entities.
9. **Mr. Speaker**, allow me to draw the attention of this honourable Assembly to the regulation 37(1) of the PFM (County Government) Regulations, 2015 which states “...where a county assembly approves any changes in the annual estimates of budget under Section 131 of the PFMA 2012, any increase or reduction in expenditure of a vote, shall not exceed one percent (1%) of the vote’s ceilings.” And therefore the budget estimates will solely be guided by the aforementioned provision of the law.

1.4 Acknowledgements

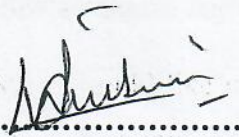
10. **Mr. Speaker**, the Committee wishes to thank the Office of the Speaker of the County Assembly and the Office of the Clerk of the County Assembly for the steadfast support received in reviewing and processing the 2022 CFSP.

11. **Mr. Speaker**, the Committee is also grateful to all the Sectoral Committees under the guidance of the Chairpersons for scrutinizing the document and reporting to the Budget and Appropriations Committee; and the County Treasury for being part of this critical process of reviewing the 2022 CFSP to ensure that the County Assembly lives up to its budgetary oversight role.

12. **Mr. Speaker**, the Committee further extends its gratitude to the members of the public for having find time to make submissions to the Committee on the 2022 CFSP.

13. **Mr. Speaker**, lastly I would like to salute the Members of the Budget and Appropriations Committee for their devotion, untiring commitment and valuable contributions to this initiative even as we continue on the campaign path in the run-up to the August general elections 2022. Their dedication has made it possible to complete this vigorous task.

14. **Mr. Speaker**, it is therefore my pleasant undertaking, on behalf of the Budget and Appropriations Committee; and pursuant to Section 117 of the PFMA, 2012 and Standing Order 243(4), to table this report on the 2022 County Fiscal Strategy Paper and recommend it to the Assembly for adoption.

13. Mr. Speaker for the Committee
SIGNED:  **DATE:** 21/03/2022

HON. WAIGANJO LIVINGSTONE WAKIBIA, MCA
CHAIRPERSON, BUDGET AND APPROPRIATIONS COMMITTEE

14. Mr. Speaker for the Committee
Appropriations Committee

II. CONSIDERATION OF THE 2022 COUNTY FISCAL STRATEGY PAPER

2.1 Background

1. **Mr. Speaker**, the County Fiscal Strategy Paper (CFSP) is a policy document that sets out overarching policy goals that will guide the annual budget and the Medium Term Expenditure Framework (MTEF). The document is expected to give the financial outlook with respect to the County Government revenues, expenditures and borrowing for the next financial year and over the medium term. It further 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.
2. **Mr. Speaker**, the 2022 CFSP, is the fifth under the current County Administration and the ninth since the advent of devolution. It seeks to actualize the priorities laid down in the County Annual Development Plan (C-ADP) 2022/2023; the agenda spelt out in the Second County Integrated Development Plan (CIDP2) 2018-2022 in line with the devolved functions of the County Governments and the concurrent functions between the National and County Governments. Further, the 2022 CFSP has been aligned to the 2022 Budget Policy Statement (BPS) as the economic and financial projections have taken into account the updated National Economic Outlook contained in the 2022 Budget Policy Statement (BPS).
3. **Mr. Speaker**, having been laid before the Assembly as above, Standing Order 243(3) provides that *"... upon being laid before the Assembly, the County Fiscal Strategy Paper shall be deemed to have been committed to each Sectoral Committee without question put, for each committee to deliberate upon according to their respective mandates and make recommendations to the Budget and Appropriations Committee.."* As such, the estimates stood committed to the Budget and Appropriations Committee as well as the Sectoral Committees for scrutiny by each such Committee in accordance with their respective mandate. Additionally, the views of the public were sought through newspaper adverts and vernacular

radio adverts as follows: in the Standard and Daily Nation newspapers of February 25, 2022 and through Inooro and Kameme FM Radio Stations on February 25-27, 2022.

2.2 Objectives of the 2022 CFSP

4. **Mr. Speaker**, the objective of the 2022 CFSP, is to lay down the framework for the preparation of the County budget. It is a requirement under Section 117 of the PFMA, 2012 which provides *“....that each County Treasury shall prepare and submit to the County Executive Committee Member the Fiscal Strategy Paper for approval, and the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly by the February 28 of each year. However, the County Treasury issued new circular guidelines for the budget making process for the FY 2022/2023, in particular, submission of the 2022 CFSP by November 30, 2021”*.
5. **Mr. Speaker**, pursuant to the provisions of the PFM Act, 2012, this County Fiscal Strategy Paper addresses the following:
 - i. The Medium-Term macroeconomic framework and its outlook as contained in the Budget Policy Statement and how it impacts on the county economic environment;
 - ii. A medium-term fiscal framework defining a top-down aggregate resources envelope and broad expenditure levels;
 - iii. Indicative allocation of available resources among county government entities;
 - iv. The economic assumptions underlying the County budgetary and fiscal policy over the medium term; and,
 - v. A statement of fiscal responsibility principles, as specified in the PFM Act and Regulations indicating how the Fiscal Strategy adheres to these principles.

2.3 Legal Compliance of the 2022 CFSP

6. **Mr. Speaker**, the legal underpinning of the 2022 CFSP, is provided for under Section 117 of the Public Finance Management Act, 2012, Regulation 26 of the Public Finance Management (County Government) Regulations, 2015 and Standing Order 243 (7).

7. **Mr. Speaker**, Section 117(2) of the PFM Act, 2012 states that the County Treasury shall align its CFSP with the national objectives in the Budget Policy Statement (BPS). The foreword of the CFSP 2022 states that the programs and policies reflected therein are anchored under the second CIDP, Governor's manifesto, the 'BIG FOUR' National agenda and the Kenya Vision 2030 and are aligned with the national objectives contained in the BPS 2022.
8. **Mr. Speaker**, Section 117(4) of the PFM Act, 2012 states that 'the County Treasury shall include in its CFSP the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.' The CFSP 2022 provides for FY 2022/2023 – 2024/2025 projections with the actual performance in the FY 2020/2021 and FY 2021/2022 projections. The CFSP also enumerates seven funds the county intends to operate in the FY 2022/2023.
9. **Mr. Speaker**, I wish to point out that Section 107 (2) of the PFMA 2012, states that "*the County Government over the medium term shall spend a minimum of thirty (30%) per cent of the County Budget on development expenditure.*" It is therefore projected that, the County Government will spend 30% of its budget on development in FY 2022/2023. It is worth noting that the County Government has been allocating above the 30% of its total budget in the previous years, however, the realization of the actual development expenditure has been low.
10. **Mr. Speaker**, Section 25 (1) (b) of the PFMA (County Governments) Regulations, 2015 states that the "*County Government's expenditure on wages and benefits for its public officers shall not exceed thirty five (35%) percent of the County Government's total revenue.*" However, the County's expenditure on wages and benefits will account for Kshs. 7.88 B, representing 49% of the total budget. This is an increase from 48% in the FY 2021/2022.
11. **Mr. Speaker**, Section 25 (1) (d) of the PFMA (County Governments) Regulations, 2015 states that the "*County Public Debt shall never exceed twenty (20%) per cent of the County Government's total revenue at any one time.*" Additionally, Section 140 of the PFMA, 2012 authorizes a County Executive Committee Member for Finance to borrow on behalf of the County Government only if terms and conditions for the loan are set out in writing and are in

accordance to Article 212 of the CoK, 2010 and Sections 58 and 142 of the PFMA, 2012. However, the County does not intend to borrow in the FY 2022/2023, but will consider borrowing in the medium term once the County receives credit worthiness approval from the Commission of Revenue Allocation. The CFSP 2022 should thus include a statement on the fact that the County has an ongoing borrowing arrangement on short term to manage cash flow as well as provide revenue projection over the medium term.

The County budget will therefore be financed by the equitable share, conditional grants and locally generated revenues. It is worth noting that the County Government however, had a pending bill amounting to Kshs. 4.09 Billion as at June 30, 2021.

12. **Mr. Speaker**, 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. To ensure a reasonable degree of predictability with respect to the level of tax rates, charges and tax bases; the County needs to legislate substantive legislations i.e. tariffs and pricing policy, entertainment tax, produce cess, among others. The legislations also need to contain clear justification for the fees and charges to be charged and the modalities for charging the same. The County Finance Bills will make reference to the substantive legislation, while proposing amendments to the charges, fees and taxes hence maintain a degree of predictability.

13. **Mr. Speaker**, Section 25 (3) of the PFMA (County Governments) Regulations, 2015 states that the, *"the County Executive Committee Member shall disclose the specific fiscal risks"* and as such, the 2022 CFSP has specific risks to the fiscal framework for the FY 2021/2022 and include:

a. Court Cases

The County Treasury considers using their best professional judgement on the ongoing pending court matters and therefore may have material financial implications. However, they are not certain enough to include the financial implications in the proposed Budget Estimates for the FY 2022/2023 and the Medium Term.

13. Mr. Speaker

b. Audited Pending Bills

As at June 30, 2021; the County Executive had accumulated pending bills worth Kshs. 5.75B. Kshs. 4.15B pending bills are outstanding payments to contractors and suppliers as well as to utility Companies where as Kshs. 1.6B are pending inter-entity transfer to County Government of Kiambu entities. Included in the Kshs. 5.75B pending bills is Kshs. 562.89 million for period 2013-2018 which had not been subjected to the Office of the Auditor General (OAG) audit exercise.

14. **Mr. Speaker**, the theme for the 2022 CFSP is, "*Economic Recovery amid Covid-19 Pandemic.*" In reviewing the 2022 CFSP, the Committee critically examined the policy goals, priority programs and the fiscal framework to support the realization of the indicated theme. To respond to the current challenges and cushion the people of Kiambu and their businesses from the adverse effects of the pandemic, the County Government is currently implementing programmes whose objective is to return the economy to the growth trajectory, securing household food security for the poor and creating employment and incomes '*putting money in people's pocket*' while further ensuring the delivery of high quality services at reasonable cost. To achieve this over the medium term period, the policy has shifted resources from recurrent to capital investment as a means to promote sustainable and inclusive growth.

2.4 Risks to the Realization of the 2022 CFSP

15. **Mr. Speaker**, according to the 2022 CFSP, the proposed County budget ceilings for the financial year 2022/2023 is Kshs. 16.216 billion comprising Kshs.11.432 billion (70%) recurrent expenditure and Kshs.4.783 billion (30%) development expenditure. The budget will be financed as follows: Kshs. 12.333 billion (76.05%) equitable share of revenue raised nationally; and Kshs. 3.883 billion (23.94%) Own Source Revenue (OSR). This is an indication of the over-reliance on the National Government transfers which poses a risk in the County's fiscal autonomy. This is further coupled with unpredictability on account of the delays in release of resources and proper implementation of the County's budget.

16. **Mr. Speaker**, the risk of fiscal framework for the financial year also includes under performance of revenue collection due to unprecedented events brought about by the Covid -

19 Pandemic and slowed growth of the economy leading to closure of many businesses. The economy is projected to experience an exceptionally strong but uneven recovery hence affecting businesses operating within the County. While a rebound is expected in most economies, full recovery is not assured due to possible future Covid-19 waves, delays in vaccination programmes, increasingly debt levels and rising inflationary pressures.

To counter this, the County has put more efforts to increase its own source of revenue raising measures such as development of an integrated revenue management system to curb revenue leakages; mapping of revenue streams; equipping revenue officers with supervisory skills and having a strong and disciplined enforcement team.

17. **Mr. Speaker**, a major challenge facing the County is low absorption rates of the budget. This has been contributed to challenges in the procurement processes, late exchequer releases and centralization of funds.

18. **Mr. Speaker**, another risk is the high wage bill. There has also been an increased pressure by the workers union for higher pay, especially by health workers. Since the inception of devolution, the County has continued to hire more staff, especially casual workers which has largely contributed to the ballooning wage bill. The recent promotions of County Staff as per the task force recommendation has also contributed to the increased wage bill.

However, the Committee takes note of the correspondence to the Salaries & Remunerations Commissions dated November 25, 2021; that the County Government has frozen all recruitment of new staff other than essential services and replacement of staff who exit the service through the County Treasury Circular No. 3/2019 dated April 3, 2019.

19. **Mr. Speaker**, the Committee noted with concern the risk of the ongoing pending court matters that may have material financial implications but are not certain enough to include in the budget estimates for the financial year 2022/2023 and the medium term.

20. **Mr. Speaker**, unpredictability and timelines of transfers from the National Government poses a risk to proper implementation of the County's budget. In the FY 2020/2021 and the current FY 2021/2022, this risk was worsened by delays in the release of resources from the National Government due to adverse effects of Covid-19 pandemic. To counter this, the County Government has continued to implement strategies aimed at increasing its own source of revenue collection to finance the budget.

21. **Mr. Speaker**, County Government of Kiambu presented pending bills worth Kshs. 2.312 billion to the Office of the Auditor General (OAG) for special audit for the period 2013 – 2018 after the closure of financial year 2017/2018. Out of which bills worth Kshs. 1.831 billion were found to be eligible, while bills worth Kshs. 0.481 billion were found not to be eligible. The County Government managed to settle Kshs. 1.63B of the eligible pending bills as at June 30, 2021. The balance of 196 million audited eligible pending bill was prioritized to be settled in the first half of the current FY 2021/2022. A pending bills Committee was gazetted in the FY 2020/2021 to review the audited ineligible bills. Kshs. 151.98 million of ineligible pending bills, has already been settled and Kshs. 131.58 million cleared by the Committee after the review and provision of sufficient documents.

Additionally, **Mr. Speaker**, that in the current FY 2021/2022; Kshs. 1.3billion has been budgeted for across all departments to pay for third party pending bills. These payments have been spread throughout the FY as committed to the Office of the Controller of Budget (OCOB) by paying a minimum of Kshs. 100 million per Equity Exchequer release. The County Treasury also plans to ensure a minimum of 50% pending inter County entity transfers are remitted to the various entities.

22. **Mr. Speaker**, the Committee has noted the frequency of Supplementary budgets occasioned by the review in county's own source of revenue and the extensive changes in the development budgets. This has continually weakened the implementation of projects and credibility of budgets. The County Government should thus set attainable targets for own source of revenue.

23. **Mr. Speaker**, it is worth to mention the heightened political environment where economic growth and political environment are correlated. The FY 2022/2023 falls within the electioneering period and as such, the uncertainties associated with this political environment may reduce the pace of economic development and investment leading to a drop in own source of revenue.

24. **Mr. Speaker**, the Kenyan economy is vulnerable to various domestic and external shocks, such as the ongoing epidemic COVID-19 thereby leading to unpredictability in markets and economic conditions. To this end, upholding financial permanence is critical for safeguarding against these adverse shocks and ensuring that growth is sustained despite challenging circumstances.

2.5 Economic Recovery amid COVID-19 Pandemic:

25. **Mr. Speaker**, the 2022 CFSP articulates priority and economic policies and structural reforms as well as sectoral expenditure programs to be implemented in the Medium-Term Expenditure Framework for 2022/2023-2024/2025; in order to provide an enabling environment critical to return the economy back to long term growth path while at the same time continue safeguarding livelihoods, jobs, businesses and industrial recovery. To achieve these, the County Government will undertake the following targeted strategic interventions to support the realization of the “BIG FOUR” Agenda and achieve a resilient and sustainable economic recovery:

- a. Scale up development of critical infrastructure in the County such as roads and water to reduce the cost of doing business;
- b. Enhance investment in key economic sectors for broad based sustainable recovery by promoting agricultural transformation, growth in manufacturing, environmental conservation and water supply, stimulating tourism recovery, sustainable land use and management;
- c. Expand access to quality social services in health, education and appropriate social safety nets for the vulnerable population;
- d. Support the youth, women and person(s) with disability and other vulnerable groups or persons in the county through establishment of the County Government Fund

Empowerment Program through training and availing no-interest loans (Jiinue Fund) to them;

- e. The County Government in conjunction with the Ministry of Health will continue to roll out Mass Vaccination Programme to ensure that a large proportion of the adult population is vaccinated to contain the virus; and,
- f. Implement various policy, legal and institutional reforms to enhance the efficiency of public service delivery while at the same time ensuring accountability for better fiscal stability, improved fiscal discipline and minimized corruption.

2.6 Linking of the Budget Priorities to the County Development Agenda

26. **Mr. Speaker**, the 2022 CFSP, has been informed by the Kenya-Vision 2030, the Big Four National Agenda, the national government's priorities as outlined in the 2022 Budget Policy Statement (BPS), County Government's policy, County Government of Kiambu Integrated Development Plan (CIDP) 2018-2022, Annual Development Plan (ADP) FY 2022/2023 and feedback from the members of the public.

27. **Mr. Speaker**, the County Government will put focus on the following key strategy areas:

- i. Support Manufacturing and Employment Creation;
- ii. Food Security and Nutrition;
- iii. Universal Health Coverage to all Kenyans;
- iv. Provision of Decent and affordable Housing for all Kenyans;
- v. Infrastructure Development for inclusive Growth;
- vi. Water Supply and Environmental Conservation;
- vii. Sustainable Management of Land for Social –Economic Development;
- viii. Empowering Youth, Women and Persons With Disabilities;
- ix. Improve access to Education in Early Childhood and Village Polytechnics;

- x. Solid Waste Management; and,
- xi. Good Governance, Service Delivery and Fighting Corruption.

28. **Mr. Speaker**, there are efforts in the 2022 CFSP to create a linkage between, the CIDP 2018-2022, ADP and Big four agenda. This is exemplified by the focus on a number of key targets and outputs that are linked to the CIDP in various sectors.

2.7 Fiscal Performance and Policy Outlook

a) Review of Fiscal Performance from July-December, 2021

29. **Mr. Speaker**, the approved Supplementary I budget estimates for 2021/2022 FY is Kshs.17.506 billion comprising Kshs.12.637 billion (72%) recurrent expenditure and Kshs. 4.869 billion (28%) development expenditure. This budget is financed as follows: Kshs. 11.717 billion (66.93 %) equitable share of revenue raised nationally; Kshs. 630.639 million (5.38%) total conditional grants; an unspent balance brought forward (FY 2020/2021) of Kshs. 870.686 million (3.6%); and Kshs. 4.288 billion (24.49 %) Own Source Revenue (OSR).

Table 1. Analysis of the Revenue Sources for 2021/2022

S/No.	Revenue	Revenue Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	11,717,525,720	11,717,525,720	4,862,773,174	42%
B.	Conditional Grants from the National Government				
1.	Leasing of Medical Equipment	153,297,872	-	-	-
	Sub Total	153,297,872	-	-	-
C.	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	11,433,390	11,433,390	0	0%
2.	IDA (WB) Credit (National Agricultural and Rural	402,836,649	402,836,649	0	0%

1. S/No.	Revenue	Revenue Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
	Inclusive Growth Project NAGRIP)				
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Grant	73,731,600	73,731,600	73,731,600	100%
4.	Kenya Informal Settlement Improvement Project (KISIP II)	50,000,000	50,000,000	0	0%
5.	Nutrition International	-	15,000,000		
6.	MSF Belgium	-	26,400,000	-	-
7.	DANIDA Grant	20,897,250	20,897,250	0	0%
8.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	30,340,365	30,340,365	0	0%
	Sub Total	589,239,254	630,639,254	73,731,600	12%
D.	Other sources of revenue				
1.	Own Source Revenue	-	4,288,015,282	1,302,250,932	34%
2.	Balance b/f from FY 2020/21		870,686,826	870,686,826	
	Sub Total	-	3,883,303,882	2,172,937,758	
	Grand Total	12,460,062,846	17,506,867,082	7,109,442,532	40.6%

Source: Kiambu County Treasury

30. **Mr. Speaker**, during the first half of the financial year 2021/2022, the County received:

1. Kshs. 4.86 billion as equitable share of revenue raised nationally;
2. Kshs. 73 million as total conditional grants;
3. Kshs. 1.3 billion from own source revenue, and had cash balance of;
4. Kshs 870 million from unspent funds of financial year 2020/2021.

31. **Mr. Speaker**, the total expenditure for the first half of 2021/2022 was **6.82 Billion** representing absorption rate of **39.01%**, this is an increase as compared to total expenditure of 5.69 Billion reported in a similar period in FY 2020/2021. Recurrent Expenditure was **Kshs. 6.48 Billion**

representing absorption rate of 51.35%. Development Expenditure amounted to Kshs. 339.64 million, representing an absorption rate of 6.97%.

Table 2: Budget Performance by Departments for the First Half FY 2-21/2022

Vote	Department	Approved Budget (AB)		Actual Expenditure (AE)		Absorption % AE/AB	
		Rec	Dev	Rec	Dev	Rec	Dev
4061	County Assembly	1,408,021,994	90,000,000	577,598,292	0	41.02 %	0.00%
4062	Executive	385,580,991	-	176,611,867	-	45.8%	-
4063	County Public Service Board	62,096,211	-	31,800,822	-	51.21 %	-
4064	Finance & Economic Planning	1,885,271,633	278,731,600	792,889,998	73,731,600	42.05 %	26.45 %
4065	Administration & Public Service	860,988,341	31,000,000	422,102,551	3,756,241	49.02 %	12.11 %
4066	Agriculture, Livestock & Fisheries	463,162,497	816,027,252	255,277,712	53,742,588	55.11 %	6.58%
4067	Water, Environment & Natural Resources	371,523,466	293,000,000	193,335,937	44,037,944	52.03 %	15.03 %
4068	Health Services	5,099,020,001	802,636,481	2,979,976,319	74,079,724	58.44 %	9.22%
4069	Education, Culture, & Social Services	1,009,681,747	145,187,527	510,923,280	900,000	50.6%	0.61%
4070	Youth Affairs Sports and Communication	148,445,280	327,538,853	84,854,125	6,574,713	57.16 %	2%
4071	Lands, Physical Planning & Housing	234,659,654	264,282,261	121,848,653	11,298,648	51.92 %	4.27%
4072	Trade, Industry, Tourism & Cooperatives	142,002,334	386,098,578	83,092,509	23,990,447	58.51 %	6.21%
4073	Roads, Transport & Public Works	456,755,348	1,435,155,033	259,595,895	47,528,660	56.83 %	3.31%
	Total	12,637,209,497	4,869,657,585	6,489,907,960	339,640,565	51.35 %	6.97%

Source: Kiambu County Treasury

32. Mr. Speaker, it is worth noting, that under recurrent expenditure, Trade, Industry and Tourism Department recorded the highest absorption rate of 58.51 percent; followed by Health Services

Department with 58.44%; Youth Affairs, Sports and Communication Department with 57.16 and then the Roads, Transport & Public Works with an absorption rate of 56.83% percent. The County Assembly and the Finance and Economic Planning Departments recorded the lowest absorption of 41.02% and 42.05% respectively.

Under Development Expenditure, the County received 339.640 million whereby the Department of Finance, ICT and Economic Planning recorded the highest absorption rate of 26.45 percent.

b) Revenue Performance: July – December, 2021

33. **Mr. Speaker,** Own Source Revenue for the first four months of the financial year 2021/2022 was Kshs. 845 million, compared to Kshs 641 million realized during the same period in the financial year 2020/2021. This represented 32% growth in OSR. This growth is attributed to the improved business environment following the reopening of the economy and ease of measures put in place to contain the spread of the COVID-19 pandemic. Revenues are expected to progressively improve in the remaining period of the fiscal year following the reopening of the economy.

Table 3: Own Source Revenue Performance for period July to December, 2021

REVENUE STREAMS	ACTUAL REVENUE AS AT 31 Oct 2020	ACTUAL REVENUE AS AT 31 Oct 2021	PERCENTAGE GROWTH
Agriculture Livestock & Fisheries Management Unit	1,237,925	678,546	-45%
Physical Planning Management Unit	189,996,358	182,524,988	-4%
Business Permit Management Unit	33,997,210	19,100,936	-44%
Cess Management Unit	50,805,706	31,573,382	-38%
Education Culture ICT & Social Services Unit	16,500	6,000	-64%
Health Services Management Unit	200,237,253	344,349,964	72%
Housing Management Unit	7,152,422	7,017,923	-2%
Land Rates Management Unit	59,858,837	50,796,005	-15%
Market Management Unit	5,491,810	2,509,325	-54%
Others	1,370,450	4,005,439	192%

Roads Transport Public Works Management Unit	12,434,820	10,644,412	-14%
Slaughter House Management Unit	10,953,850	10,684,196	-2%
Trade Tourism Industry & Cooperatives	883,241	1,700,316	93%
Vehicle Parking Management Unit	40,307,381	86,660,443	115%
Water Environment & Natural Resources Mgt Unit	20,304,128	8,659,623	-57%
Liquor Licenses Management Unit	6,605,899	84,573,481	1180%
Total:	641,653,789	845,484,978	32%

Source: Kiambu County Treasury

c) Departmental 2021/2022 First Half Year Expenditure

34. **Mr. Speaker**, the County departments have spent 39% of the total budget as shown in Table 2. This is an increase compared to 32% of the total budget expended during the same period in FY 2020/2021. The increase was attributed to the reopening of the economy and ease of measures put in place to contain the spread of the COVID-19 pandemic

d) Medium Term Resource Allocation in the 2022 CFSP

35. **Mr. Speaker**, the FY 2022/2023 resource envelope is projected at Kshs. 16.21 Billion constituting Kshs. 3.88 Billion Own Source Revenue and Kshs. 12.33 Billion as transfers from the National Government. Revenue from the National Government is as per the approved 2022 Budget Policy Statement and is subject to review in the County Allocation of Revenue Act 2022.

Table 4: An Analysis of County Revenue Projections for FY 2022/2023

Revenue streams	Actual Revenue	Actual Revenue	Proposed
	2020/21	2021/22	2022/23
Total Grants from National Treasury & Dev Partners	13,223,523,434	13,203,851,800	12,333,164,974
EQUITABLE SHARE	9,431,700,000	11,717,525,720	11,717,525,720
Conditional Grant from NG share of Revenue	928,747,759	-	-
Users Fees Foregone	34,671,542	-	-
Conditional Grant-Road Maintenance Fuel Levy	293,374,560	-	-
Conditional Grants to Level - 5 Hospital	538,716,762	-	-
Conditional Allocation Development of Youth	61,984,894	-	-
Conditional Grant from Loans and Grants	873,090,645	615,639,254	615,639,254

Transforming Health System for Universal Health Care	46,398,807	11,433,390	11,433,390
World Bank-National Agriculture & Rural Growth	221,762,739	402,836,649	402,836,649
Kenya Devolution Support Project (KDSP) "Level 1	45,000,000	-	-
Kenya Devolution Support Project (KDSP) "Level 2	-	73,731,600	73,731,600
MSF BELGIUM	32,073,740	26,400,000	26,400,000
Revenue streams	Actual Revenue	Actual Revenue	Proposed
	2020/21	2021/22	2022/23
DANIDA	26,820,000	20,897,250	20,897,250
Kenya Urban Support Project (KUSP)-UDG	490,098,365	-	-
Agricultural Sector Development Support Programme(ASDSP)	10,936,995	30,340,365	30,340,365
KISIP II	-	50,000,000	50,000,000
Balance b/f 2019.2020 and 2020/21	1,989,985,029	870,686,826	
OSR Streams			
Agriculture Livestock & Fisheries Management Unit	2,435,532	8,000,000	8,000,000
Physical Planning Management Unit	618,545,946	925,976,557	925,976,557
Business Permit Management Unit	244,995,000	277,788,593	277,788,593
Cess Management Unit	127,316,008	134,575,122	134,575,122
Education Culture ICT & Social Services Unit	344,500	27,000	27,000
Health Services Management Unit	670,847,454	1,374,370,589	1,374,370,589
Housing Management Unit	27,201,382	25,635,308	25,635,308
Land Rates Management Unit	292,531,794	362,964,554	362,964,554
Market Management Unit	11,038,680	50,039,568	50,039,568
Others	8,682,656	25,042,193	25,042,193
Roads Transport Public Works Management Unit	64,406,580	74,260,746	74,260,746
Slaughterhouse Management Unit	42,376,068	55,298,367	55,298,367
Trade Tourism Industry & Cooperatives Unit	4,541,662	17,061,761	17,061,761
Vehicle Parking Management Unit	164,055,999	346,119,650	346,119,650
Water Environment & Natural Resources Mgt Unit	82,913,868	72,462,693	72,462,693
liquor management unit	30,640,719	133,681,181	133,681,181
Own Source of Revenue	2,392,873,847	3,883,303,882	3,883,303,882
Other Revenues-fund wind up	90,000,000	-	-
Total Revenue	15,706,397,281	17,087,155,682	16,216,468,856

Source: County Treasury

36. **Mr. Speaker**, over the last 9 years of Devolution, the National Government has provided conditional grants to County Governments targeted at realization of specific national policies in the areas of Health; Roads and Education. In the approved 2022 Budget Policy Statement,

Conditional Grants from the National Government Share of Revenue has been converted into Non Conditional Grant. According to the 2022 CFSP, the County will still maintain the purpose of these grants as it was before the conversion.

37. **Mr. Speaker**, the Committee further notes with concern that the conversion of the Road Maintenance Levy Funds (RMFLF) to equitable share could be a violation of the RMFLF Act, 1993 which provides that resources allocated under this fund will only be used for road maintenance purposes and cannot be applied for any other purposes.

e) Own Source Revenue (OSR) Performance

38. **Mr. Speaker**, the Committee observes that the tax revenue collection has not kept stride with the economic growth of the County over the previous financial years as indicated in Table 5 below. The effects of over projection have led to the pre-dominant review of fiscal projects. For example, the OSR projection of Kshs 4.288 billion as contained in the Supplementary I Budget Estimates for the financial year 2021/2022 represents a difference of about Kshs. 1.898 billion from the actual revenue of Kshs. 2.39 billion collected in the FY 2020/2021.

39. The effects **Mr. Speaker**, of over projection of OSR have led to major reviews of fiscal projects. A clear disconnect is therefore noticed between the sector/ department ceilings approved in the budget and the revised ceilings contained in respective supplementary budgets. The midstream reduction in departmental budgets has therefore led to incomplete projects as well as ballooning pending bills.

Table 5: Local Revenue Performance for the Seven Financial Years

	FY 2013/2014 Actual Revenue Collected	FY 2014/15 Actual revenue collected	FY 2015/2016 Actual revenue collected	FY 2016/2017 Actual revenue Collected	FY 2017/18 actual revenue collected	FY 2018/19 Actual revenue	FY 2019/2020 Actual Revenue	FY 2020/2021 Actual Revenue	Revenue Projection for FY 2021/2022	Projected Revenue 2022 CFSP
Local revenue collections	Kshs 1.24 Billion	Kshs. 2.11 Billion	Kshs. 2.49 Billion	Kshs. 2.03 Billion	Kshs. 1.68 Billion	Kshs.2 .74 Billion	Kshs. 2.46Billion	Kshs. 2.39 Billion	Ksh. 4.22 Billion	Kshs. 3.88billion

County Actual OSR performance from financial years 2013/2014 to 2020/2021

Source: County Treasury

40. **Mr. Speaker**, from the above table 5; the Committee notes that the projected revenue for the FY 2021/2022 is **Kshs. 4.22 billion** against the actual collected revenue of **Kshs. 2.39 billion** in the FY 2020/2021. It is indicative that the revenue performance will be underpinned by ongoing reforms in tax policy and revenue administration; as well as the post Covid-19 Economic Recovery Strategy. However, the lack of growth assessment and quantification of the expected impact of each policy measure by the County Treasury makes it difficult to infer to what extent these reforms will boost revenue collection.

f) Expenditure Projection in the FY 2022/2023

41. **Mr. Speaker**, as indicated in *Table 4 on analysis of county own revenue projections*, the overall County expenditure will decrease by 7.4 % (**Kshs. 1,290,398,226**) from **Kshs. 17,506,867,082** in FY 2021/2022 to **Kshs. 16,216,468,856** in FY 2022/2023. To finance the budget, the County Government projects to receive a transfer of **Kshs. 12.333 billion** from the National Government constituting of both equitable share and conditional grants and projects to collect **Kshs. 3.883 billion** revenue from own sources. This represents a balanced budget with a zero fiscal deficit (i.e. Revenue projections equal the expenditure estimates).

42. **Mr. Speaker**, the total recurrent expenditure in FY 2022/2023 is expected to be **Kshs. 11.432 billion (70% of the total budget)** as compared to **Kshs. 12.637 billion (72%)** in FY 2021/2022 (as per the approved Supplementary I Budget Estimates) representing decrease of about 1.204 million (9.53%). On the other hand, the overall development expenditure for the 2022/2023 is expected to decrease by **Kshs 85.780 million (1.76%)** from **Kshs. 4.869 billion** in the FY 2021/2022 to **Kshs. 4.783 billion** translating to **30 percent** of the overall budget; this is in line with the fiscal responsibility principle.

43. **Mr. Speaker**, the preliminary performance of the first half of FY 2021/2022 indicates that the total expenditure was **Kshs 6.829 billion** with a **39%** absorption rate for both recurrent and development. Considering that the previous budgets in Kiambu County have been lagging behind in implementing development projects in various sectors, the negative growth in the absorption of development expenditure of 6.97% is certainly ineffectual. The total funds allocated to development expenditure in the medium term (i.e. over the three financial years including FY 2022/2023) are above 30% of the total funds as required under section 107 (2) (b) of the PFM Act 2012

g) Compliance with Fiscal Responsibility Principals

44. **Mr. Speaker**, Section 107 of the Public Finance management Act, 2012 and Regulation 25 of the PFM (County Assembly) Regulations, 2015 requires that the County Treasury adheres with the fiscal responsibilities. Further, **Section 107 (2) b** requires that **the County Government over the medium term shall spend a minimum of thirty percent of the County Budget on development expenditure**. It is projected that the County Government will spend 30% of its budget on development in 2022/2023 FY. Although the County government has been allocating above the 30% of its total budget in the previous years, the realization of the actual development expenditure has been low as illustrated in Table 6 below.

Table 6: Development Budget Allocation

DEVELOPMENT BUDGET ALLOCATIONS								
	ACTUAL						PROJECTION	
	2015/ 16	2016/ 17	2017/18	2018/19	2019/20	2020/21	2021/ 22	2022 CFSP
	Kshs. Billio n	Kshs. Billio n	Kshs. Billion	Kshs. Billion	Kshs. Billion	Kshs. Billion	Kshs. Billio n	Kshs.
TOTAL BUDGET	11.48	12.4	12.59	16.91	17.86	17.88	17.50 6	16.21
DEV BUDGET	3.18	3.59	2.77	4.495	4.41	3.43	4.869	4.79
% ALLOCATI ON	28%	29%	22%	27%	26%	23%	28%	30%

Source: Controller of Budget

45. **Mr. Speaker**, the *County Government's Expenditure on Wages and Benefits for Its Public Officers Shall Not Exceed Thirty Five (35) per cent of the County Government's total revenue*. In 2022/2023 FY, the County's expenditure on wages and benefits will account for Kshs. 7.88 billion representing 49% of the total budget. This is an increase from 48% in FY 2021/2022. This impedes service delivery as allocations to social, economic and productive sectors are minimal. However, **Mr. Speaker**, the Committee takes note of the correspondence to the Salaries & Remunerations Commissions dated November 25, 2021; that the County Government has frozen all recruitment of new staff other than essential services and replacement of staff who exit the service through the County Treasury Circular No. 3/2019 dated April 3, 2019.

46. **Mr. Speaker**, the *County public debt shall never exceed twenty per cent of the County Government's total revenue at any one time*. In the 2022/2023 FY and the medium term, the County will not consider debt financing either through internal or external borrowing to finance budget. The budgets will therefore be financed through equitable share, conditional grants and

locally generated revenues. However, the County Government had a pending bill amounting to Kshs. 5.75 Billion as at June 30th 2021 and total pending bills paid during period is Kshs. 425.109 million and therefore total pending bills as at February 28, 2022 at Kshs. 5.326 billion.

Mr. Speaker, the Committee notes that the County Treasury proposes that all Departments *must* allocate an amount totaling to **Kshs. 1.3 billion** in the FY 2022/2023 budget estimates and therefore the amount initially allocated for the programmes will be reduced by the exact amount set aside for the said pending bills.

47. **Mr. Speaker**, *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*; to ensure a reasonable degree of predictability with respect to level of tax rates, charges and tax bases, the County needs to enact substantive legislation for instance, on entertainment tax, produce cess, among others. Such legislations also need to contain clear justification for the fees and charges to be levied and the modalities for charging the same. As such, subsequent County Finance Bills will make reference to the substantive legislation, while proposing amendments to the charges, fees and taxes hence maintain a degree of predictability.

48. **Mr. Speaker**, *fiscal risks shall be managed prudently*. The risk to the fiscal framework for the FY 2022/2023 includes under-performance of own source revenue, court cases, both audited and un-audited pending bills, heightened political activities among others. This remains a major challenge as it generates pending bills and causes general cash flow problems or even causes undue demand for borrowing. To counter this, the County Government has continued to implement initiatives to boost revenue performance and enhance tax compliance as follows:

- i. Installation of a new integrated revenue management system to curb leakages;
- ii. Enhanced staff capacity by training revenue officers and officers involved in monitoring of revenue collection;
- iii. Equipping of Sub Counties' offices with office equipment to facilitate collection of revenue;

- iv. Targeting the community through short messages to encourage compliance;
- v. Implementation of a cashless system of revenue collection. The County executive stopped the use of cash handling by the revenue collectors to reduce chances of theft and increase accountability; and,
- vi. Strengthening Audit function in auditing of revenue collection.

h) Medium Term Expenditure Framework (MTEF) Department Allocation for the FY 2022/2023

49. **Mr. Speaker**, the 2022 CFSP provides detailed information on the departments/sector including their mandates; key achievements and challenges faced in past financial year(s); the implementation status of MTEF period FY 2018//2019 through to FY 2020/2021 and the first half of the budget for the FY 2021/2022; and the resource allocation for the coming financial year(s). The departmental development expenditure allocation for the sectors has decreased from **Kshs. 4.869 billion** in the financial year 2021/2022 Supplementary I Budget Estimates to **Kshs. 4.783 billion** (a decrease of Kshs. 85.780 million or 1.76%).

50. **Mr. Speaker**, expenditure allocation for the departments indicates a business as usual approach, with a very insignificant change from the current financial year allocation. The bulk of the government expenditure goes to Health Service (35 percent) of the total County budget. However, critical sectors that are drivers of the Big four agenda and the Governor's Manifesto such as Agriculture, Crop Production and Irrigation; Water, Environment Natural Resources; Trade Tourism, Industry and Cooperation have the least allocations.

Table 7: Departments Ceiling for the Financial Year 2022/2023 and the Medium Term

EXPENDITURE PROJECTIONS FOR THE MEDIUM TERM					
		APPROVED	PROPOSED	PROJECTIONS	
Vote	Recurrent	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
4061	County Assembly	1,256,180,907	1,256,180,907	1,331,551,761	1,411,444,867
4062	County Executive	341,580,991	341,580,991	362,075,851	383,800,402
4063	Public Service Board	62,096,211	70,096,211	74,301,984	78,760,103
4064	Finance, ICT & Economic Planning	1,412,254,568	1,412,254,568	1,496,989,842	1,586,809,233
4065	Administration And Public Service	835,988,341	835,988,341	886,147,641	939,316,500

4066	Agriculture Livestock And Fisheries	463,162,497	463,162,497	490,952,247	520,409,382
4067	Water Environment Energy And Natural Resources	341,523,466	341,523,466	362,014,874	383,735,766
4068	Health Services	4,874,439,927	4,874,439,927	5,166,906,323	5,476,920,702
4069	Education Culture And Social Services	971,202,219	971,202,219	1,029,474,352	1,091,242,813
4070	Youth Sports & Communication	111,245,280	111,245,280	117,919,997	124,995,197
4071	Land Housing Physical Planning Municipal & Urban Development	214,659,654	214,659,654	227,539,233	241,191,587
4072	Trade Tourism Cooperative & Enterprise Development	145,502,334	145,502,334	154,232,474	163,486,422
4073	Roads Public Works Transport & Utilities	394,755,348	394,755,348	418,440,668	443,547,108
Vote	Development	11,424,591,743	11,432,591,743	12,118,547,247	12,845,660,082
4061	County Assembly	90,000,000	-	-	-
4062	County Executive	-	-	-	-
4063	Public Service Board	-	-	-	-
4064	Finance, ICT & Economic Planning	203,731,600	203,861,778	216,093,485	229,059,094
4065	Administration And Public Service	31,000,000	31,000,000	32,860,000	34,831,600
4066	Agriculture Livestock And Fisheries	837,527,252	887,778,887	941,045,620	997,508,358
4067	Water Environment Energy And Natural Resources	293,000,000	310,580,000	329,214,800	348,967,688
4068	Health Services	821,636,481	821,636,481	870,934,670	923,190,750
4069	Education Culture And Social Services	233,969,788	248,007,975	262,888,454	278,661,761
4070	Youth Sports & Communication	175,538,853	175,538,853	186,071,184	197,235,455
4071	Land Housing Physical Planning Municipal & Urban Development	280,000,000	280,000,000	296,800,000	314,608,000
4072	Trade Tourism Cooperative & Enterprise Development	386,098,578	386,098,578	409,264,493	433,820,362
4073	Roads Public Works Transport & Utilities	1,439,374,561	1,439,374,561	1,525,737,035	1,617,281,257
	Total	4,791,877,113	4,783,877,113	5,070,909,740	5,375,164,325
	Grand Total	16,216,468,856	16,216,468,856	17,189,456,988	18,220,824,407

Source: County Treasury

2.8 Submissions by the Sectoral Committees on the 2022 CFSP

51. **Mr. Speaker**, the Committee sought the input of this Assembly's Sectoral Committees as required by the Standing Orders; the Chairpersons therefore individually made submissions before the Committee regarding the departments under their purview.
52. **Mr. Speaker**, the specific concerns and recommendations of the sectoral committees are captured in the annexed committee reports (Annex II);

2.9 Submissions by the County Assembly on the 2022 CFSP

53. **Mr. Speaker**, the Clerk of the County Assembly appeared before the Committee to deliberate on the 2022 CFSP.
54. **Mr. Speaker**, I wish to bring to the attention of this House that the Committee received additional expenditure requests from the County Assembly amounting to Kshs. 500 million. Given the prevailing fiscal condition and limited resources, the Committee allowed slight adjustment to both development and recurrent expenditures to ensure they have resources for critical projects at Kshs. 100 million for development; Kshs. 180 million and Kshs. 50 million to replenish both Members and the Staff Car and Mortgage Funds respectively.

3.0 Submissions from the Public

55. **Mr. Speaker**, Article 196 of the Constitution of Kenya provides that a County Assembly shall facilitate public participation and involvement in the legislative and other business of the assembly and its committees; as such the views of the public were sought regarding the 2022 CFSP through both electronic and print media.
56. **Mr. Speaker**, Committee received written memoranda from members of the public in context with the Jiinue Fund being one of the best initiatives started by the Kiambu County, additionally to increase its funding; natural resources conservation and management in particular the Ondiri Wetlands and its ecosystem; economic empowerment of the people as

well as equal opportunities to all; food security and nutrition; solid waste management; operationalization of the Kiambu County Alcoholic Drinks Control (Amendment) Act, 2021; construction and equipping of affordable rehabilitation centers across the County, offer both outpatient and inpatient services, continuing after care of patients, family support services, individual and group therapy in line with the National Standards for Treatment and Rehabilitation of Persons with Substance Use Disorders; make provisions for the prevention and treatment of mental health disorders; recognition of Unpaid Care and Domestic Work; construction of lactation booths in primary health facilities; construction of day care centers in the upcoming markets; explore strategies on how to increase the County's OSR; promotion of good governance, service delivery and fighting corruption; budget priorities for the most critical needs of the County as such Health, Infrastructure, Industry and Trade; Youth Empowerment; Agricultural Sector; and, Public Participation.

Mr. Speaker, the above submissions as outlined are attached (Annex III) for consideration during finalization of the budget estimates.

III. RECOMMENDATIONS ON THE 2022 COUNTY FISCAL STRATEGY PAPER AND THE MEDIUM TERM EXPENDITURE FRAMEWORK

57. **Mr. Speaker**, in view of the proposed changes in both the recurrent and development expenditures, the projection of OSR revenue for the FY 2022/2023 has slightly increased by **Kshs. 338 million** so as to accommodate expenditure pressures to fund the County Assembly. The County Treasury assured the Committee that it shall fully implement the new measures put in place to revamp and ensure that optimum levels of Own Source of Revenue are achieved.
58. **Mr. Speaker**, having considered the aforementioned matters, the committee further recommends as follows:

3.1 Policy Recommendations

59. Mr. Speaker, on matters of policy, the committee recommends as follows:

- i. That, the County Assembly shall set aside Kshs. 50 million from its approved CARA ceilings to further supplement the Staff Car and Mortgage Fund;
- ii. That, the County Treasury should adhere to seek the views of the Commission on Revenue Allocation before finalizing the 2022, CFSP pursuant to Section 117(5) of the PFM Act, 2012 that states *“In preparation of the CFSP, the County Treasury shall seek and take into account the views of the Commission on Revenue Allocation before submission to the County Assembly.”*
- iii. That, the County Treasury should submit a report on the implementation status of projects linked to the “big four” agenda to the County Assembly when submitting the budget estimates. The report should indicate information on key milestones achieved, missed targets and a list of development projects to be completed in the FY 2022/2023;
- iv. That, to enforce commitment control, Departments should submit a quarterly projection of details of commitments by sub-programme/project to the County Treasury. The Treasury should ensure that its cash releases are aligned to those specific commitments;
- v. That, the County Executive should explore possibilities of decentralizing procurement process at departmental level in order to address lengthy procurement processes occasioned by centralization of the process that hinders implementation of the approved programmes and low absorption rates;
- vi. That, the County Treasury develops a policy to enable the reduction of unproductive and non-targeted tax waivers and tax breaks in order to protect revenue. This should be submitted to the Assembly alongside the FY 2022/2023 Budget Estimates;
- vii. That, the County Government continuously engage the National Government Agencies that are involved in revenue allocation to consider devolving more resources to the County that are commensurate to the cost of service delivery;
- viii. That, the County Treasury should commit to strictly adhere to the expenditure ceilings that will be approved in this report in order to avoid expanding the deficit while at the same time protect the key growth sectors;

- ix. That, the County Government reviews the compendium of County Projects and considers deferment of new projects by one financial year while ensuring adequate counterpart funding and provision of funds for stalled projects before finalization of the budget estimates for the FY 2022/2023;
- x. That, the County Executive should come up with strategies on how to reduce the County wage bill to 35% from 49% as provided for in section 107 of the PFM Act;
- xi. That, the CECM for Lands, Housing, Physical Planning, Municipal and Urban Development should develop a Land Value Index for the County to help reduce the cost of acquisition of land by June 2023;
- xii. That, the County Government should collaborate with the National Treasury to ensure that the County actualizes its revenue potential through working with the Ministry of Lands and Physical Planning to develop a National Rating Legislation to replace the outdated Valuation for Rating Act (Cap. 266) and (Cap.267). Further, the County can collaborate with the Ministry of Industrialization, Trade and Enterprise Development through the development of a Trade Bill which would harmonize business licensing across the County borders;
- xiii. That, during finalization of the budget estimates for the FY 2022/2023, the County Treasury should take into account the pending bills and ensure that these are adequately provided for within the approved expenditure ceilings;
- xiv. That, the County Government considers retaining amounts previously allocated as conditional grants to the respective departments such as, 15% share of the roads maintenance levy to help meet the objective of maintaining county roads; grants to level -5 hospitals; allocation of development of youth polytechnic etc.;
- xv. That, the County Government should come up with legal and administrative reforms aimed at sealing loopholes and enhance revenue, while ensuring there are efficient and cost effective methods of collecting the revenues; and,
- xvi. That, the financial year 2022/2023 budget estimates be submitted to the Assembly in a program based format pursuant to Section 129 (2) (b) of the PFM Act, 2012 read together with regulation 26 (4) of the PFM (County Governments) Regulations, 2015

including a list of projects and their location. This should be reconcilable with the development ceilings.

3.2 Financial Recommendations

60. Finally, **Mr. Speaker**, the Committee requests that this House adopts this report and further resolves as follows:

- i. That, the ceilings of each arm of government for the FY 2022/2023 be capped as follows:
 - i. County Assembly – Kshs. 1,586,180,907.00
 - ii. County Executive – Kshs. 14,968,287,949.00
- ii. That, the Assembly approves the County's own source of revenue for Financial Year 2022/2023 of Kshs. 4,221,303,882;
- iii. That, the aforementioned overall ceilings totaling to Kshs. comprise of the following:
 - i. Kshs. 11,670,591,743.00 for recurrent expenditure at 70% of the total budget; and
 - ii. Kshs. 4,883,877,113.00 for development expenditure at 30 % of the total budget.
- iv. That, once approved by this House, these recommendations together with schedule I attached **SHALL** from the basis of the 2022/2023 budget estimates.

Schedule 1: Budgetary Allocations for 2022/2023 CFSP and the Medium Term

	Approved 2021/2022	Supplementary I - 2021/2022	Proposed 2022 CFSP	BAC Recomen.	Final 2022 CFSP Ceilings	Projections 2023/2024	Projections 2024/2025
	Amount	Amount	Amount	Amount	Amount	Amount	Amount
RECURRENT							
County Assembly	1,256,180,907	1,408,021,994	1,256,180,907	230,000,000	1,486,180,907	1,331,551,761	1,411,444,867
County Executive	341,580,991	385,580,991	341,580,991	-	341,580,991	362,075,851	383,800,402
Public Service Board	62,096,211	62,096,211	70,096,211	8,000,000	78,096,211	74,301,984	78,760,103
Finance ICT & Economic Planning	1,412,254,568	1,885,271,633	1,412,254,568	-	1,412,254,568	1,496,989,842	1,586,809,233
Administration and Public Service	835,988,341	860,988,341	835,988,341	-	835,988,341	886,147,641	939,316,500
Agriculture Livestock and Fisheries	463,162,497	463,162,497	463,162,497	-	463,162,497	490,952,247	520,409,382
Water Environment Energy and	341,523,466	371,523,466	341,523,466	-	341,523,466	362,014,874	383,735,766

Natural Resources									
Health Services	4,874,439,927	5,099,020,001	4,874,439,927	-	4,874,439,927	4,874,439,927	5,166,906,323	5,476,920,702	
Education Culture and Social Services	971,202,219	1,119,681,747	971,202,219	-	971,202,219	971,202,219	1,029,474,352	1,091,242,813	
Youth Sports & Communication	111,245,280	148,445,280	111,245,280	-	111,245,280	111,245,280	117,919,997	124,995,197	
Land Housing Physical Planning Municipal & Urban Development	214,659,654	234,659,654	214,659,654	-	214,659,654	214,659,654	227,539,233	241,191,587	
Trade Tourism Cooperative & Enterprise Development	145,502,334	142,002,334	145,502,334	-	145,502,334	145,502,334	154,232,474	163,486,422	
Roads Public Works Transport & Utilities	394,755,348	456,755,348	394,755,348	-	394,755,348	394,755,348	418,440,668	443,547,108	
Total	11,424,591,743	12,637,209,497	11,432,591,743	238,000,000	11,670,591,743	12,118,547,247	12,845,660,082		

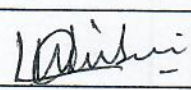
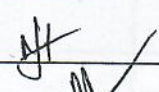
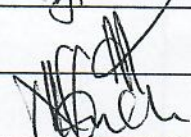
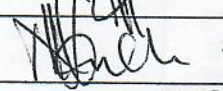
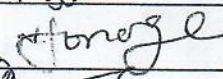
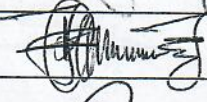


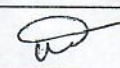

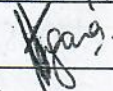

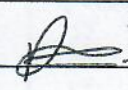
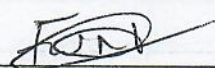
Development	Approved 2021/2022	Supplementary I - 2021/2022	Proposed 2022 CFSP	BAC Recomen.	Final 2022 CFSP Ceilings	Projections 2023/2024	Projections 2024/2025
County Assembly	90,000,000	90,000,000	-	100,000,000	100,000,000	-	-
County Executive	-	-	-	-	-	-	-
Public Service Board	-	-	-	-	-	-	-
Finance ICT & Economic Planning	203,731,600	278,731,600	203,861,778	-	203,861,778	216,093,485	229,059,094
Administration and Public Service	31,000,000	31,000,000	31,000,000	-	31,000,000	32,860,000	34,831,600
Agriculture Livestock and Fisheries	837,527,252	816,027,252	887,778,887	-	887,778,887	941,045,620	997,508,358
Water Environment Energy and Natural Resources	293,000,000	293,000,000	310,580,000	-	310,580,000	329,214,800	348,967,688
Health Services	821,636,481	802,636,481	821,636,481	-	821,636,481	870,934,670	923,190,750

Education Culture and Social Services	233,969,788	145,187,527	248,007,975	-	248,007,975	262,888,454	278,661,761
Youth Sports & Communication	175,538,853	327,538,853	175,538,853	-	175,538,853	186,071,184	197,235,455
Land Housing Physical Planning Municipal & Urban Development	280,000,000	264,282,261	280,000,000	-	280,000,000	296,800,000	314,608,000
Trade Tourism Cooperative & Enterprise Development	386,098,578	386,098,578	386,098,578	-	386,098,578	409,264,493	433,820,362
Roads Public Works Transport & Utilities	1,439,374,561	1,435,155,033	1,439,374,561	-	1,439,374,561	1,525,737,035	1,617,281,257
Total	4,791,877,113	4,869,657,585	4,783,877,113	100,000,000	4,883,877,113	5,070,909,740	5,375,164,325
Grand Total	16,216,468,856	17,506,867,082	16,216,468,856	338,000,000	16,554,468,856	17,189,456,988	18,220,824,407

ADOPTION SCHEDULE

MARCH, 2022

We, the undersigned members of the Budget and Appropriations Committee hereby adopt our report on the consideration of the 2022 County Fiscal Strategy Paper.

	NAME	SIGNATURE
1.	Hon. Waiganjo Livingstone Wakibia, MCA- Chairperson	
2.	Hon. Gatonye Margaret Njeri MCA-Vice Chairperson	
3.	Hon. Mwago Margaret Wanjira, MCA	
4.	Hon. Chege David Ithibu, MCA	
5.	Hon. Githaiga Martin Njoroge, MCA	
6.	Hon. Kagari Chris Karumba, MCA	
7.	Hon. Kibe Robert Githongo, MCA	
8.	Hon. Kimani Simon Kamau, MCA	
9.	Hon. Mwaura Susan Wanjiru, MCA	
10.	Hon. Njuguna Virginia Nyokabi, MCA	
11.	Hon. Waithaka Agnes Njoki, MCA	
12.	Hon. Wambui Joseph Kahira, MCA	
13.	Hon. Githinji Joseph Mung'ara, MCA	31889145 JK 
14.	Hon. Macharia J. Covenant Chege, MCA	22451988 
15.	Hon. Kaberi Daniel, MCA	27182277 
16.	Hone. Ngugi Edward Kinyanjui, MCA	
17.	Hon. Njoroge Felistas Wanjiku, MCA	

Second Assembly
(No.020)



Sixth Session
Morning Sitting
(024)

COUNTY ASSEMBLY OF KIAMBU

SECOND ASSEMBLY – (SIXTH SESSION)

ORDERS OF THE DAY

TUESDAY, APRIL 26, 2022 AT 10.00 A.M.

ORDER OF BUSINESS

PRAYERS

1. Administration of Oath
2. Communication from the Chair
3. Messages
4. Petitions
5. Papers
6. Notices of Motion
7. Statements

8. MOTION- APPROVAL OF THE COUNTY FISCAL STRATEGY PAPER 2022

(Chairperson Budget and appropriations Committee)

THAT this Assembly notes the report of the Budget and Appropriations Committee on its consideration of the County Fiscal Strategy Paper 2022 laid in the Assembly on **Tuesday, February 22, 2022**; and in accordance with the section 117 (6) the Public Finance Management Act, 2012, **adopts** the County Fiscal Strategy Paper, 2022 with amendments.

.../Notice Paper

NOTICE PAPER

Tentative Business for

Tuesday, April 26, 2022(Afternoon Sitting)

(Published pursuant to Standing Order 49(1))

It is notified that the following tentative business will appear in the Order Paper for Tuesday, April 26, 2022 at 2.30pm—

Priority given to business sponsored by Majority, Minority or Committees



**COUNTY GOVERNMENT OF KIAMBU
COUNTY ASSEMBLY OF KIAMBU**

Clerk's Chambers
County Assembly of Kiambu
Assembly Buildings
P.O.Box 1492-00900
KIAMBU

Tel: 067 586 0000
Email: info@kiambuassembly.go.ke
kiambucountyassembly@gmail.com
Web: www.kiambuassembly.go.ke

April 26, 2022

CERTIFICATE

APPROVAL OF THE 2022 COUNTY FISCAL STRATEGY PAPER

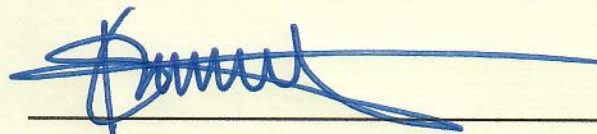
I, DAVID KIRIGI NGURE Deputy Clerk of the County Assembly, do hereby certify that pursuant, to the provisions of Section 117 of the Public Finance Management Act 2012, Regulation number 26 of the Public Finance Management (County Government) Regulation, 2015 and Standing Order 243, the House by a **resolution** passed on April 26, 2022 adopted the report of the Select Committee on Budget and Appropriations.

APPROVED RESOLUTIONS

- i. Policy Resolutions**
- ii. That, the County Assembly shall set aside Kshs. 50 million from its approved CARA ceilings to further supplement the Staff Car and Mortgage Fund;
- iii. That, the County Treasury should adhere to seek the views of the Commission on Revenue Allocation before finalizing the 2022, CFSP pursuant to Section 117(5) of the PFM Act, 2012 that states "*In preparation of the CFSP, the County Treasury shall seek and take into account the views of the Commission on Revenue Allocation before submission to the County Assembly.*"
- iv. That, the County Treasury should submit a report on the implementation status of projects linked to the "big four" agenda to the County Assembly when submitting the budget

- estimates. The report should indicate information on key milestones achieved, missed targets and a list of development projects to be completed in the FY 2022/2023;
- v. That, to enforce commitment control, Departments should submit a quarterly projection of details of commitments by sub-programme/project to the County Treasury. The Treasury should ensure that its cash releases are aligned to those specific commitments;
 - vi. That, the County Executive should explore possibilities of decentralizing procurement process at departmental level in order to address lengthy procurement processes occasioned by centralization of the process that hinders implementation of the approved programmes and low absorption rates;
 - vii. That, the County Treasury develops a policy to enable the reduction of unproductive and non-targeted tax waivers and tax breaks in order to protect revenue. This should be submitted to the Assembly alongside the FY 2022/2023 Budget Estimates;
 - viii. That, the County Government continuously engage the National Government Agencies that are involved in revenue allocation to consider devolving more resources to the County that are commensurate to the cost of service delivery;
 - ix. That, the County Treasury should commit to strictly adhere to the expenditure ceilings that will be approved in this report in order to avoid expanding the deficit while at the same time protect the key growth sectors;
 - x. That, the County Government reviews the compendium of County Projects and considers deferment of new projects by one financial year while ensuring adequate counterpart funding and provision of funds for stalled projects before finalization of the budget estimates for the FY 2022/2023;
 - xi. That, the County Executive should come up with strategies on how to reduce the County wage bill to 35% from 49% as provided for in section 107 of the PFM Act;
 - xii. That, the CECM for Lands, Housing, Physical Planning, Municipal and Urban Development should develop a Land Value Index for the County to help reduce the cost of acquisition of land by June 2023;
 - xiii. That, the County Government should collaborate with the National Treasury to ensure that the County actualizes its revenue potential through working with the Ministry of Lands and Physical Planning to develop a National Rating Legislation to replace the outdated Valuation for Rating Act (Cap. 266) and (Cap.267). Further, the County can collaborate

Signature:



Deputy Clerk of the County Assembly

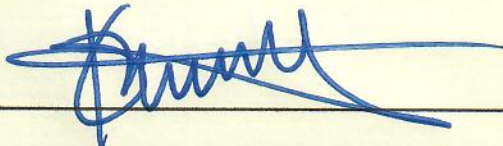
with the Ministry of Industrialization, Trade and Enterprise Development through the development of a Trade Bill which would harmonize business licensing across the County borders;

- xiv. That, during finalization of the budget estimates for the FY 2022/2023, the County Treasury should take into account the pending bills and ensure that these are adequately provided for within the approved expenditure ceilings;
- xv. That, the County Government considers retaining amounts previously allocated as conditional grants to the respective departments such as, 15% share of the roads maintenance levy to help meet the objective of maintaining county roads; grants to level -5 hospitals; allocation of development of youth polytechnic etc.;
- xvi. That, the County Government should come up with legal and administrative reforms aimed at sealing loopholes and enhance revenue, while ensuring there are efficient and cost effective methods of collecting the revenues; and,
- xvii. That, the financial year 2022/2023 budget estimates be submitted to the Assembly in a program based format pursuant to Section 129 (2) (b) of the PFM Act, 2012 read together with regulation 26 (4) of the PFM (County Governments) Regulations, 2015 including a list of projects and their location. This should be reconcilable with the development ceilings.

ii. Financial Recommendations

- 1. Finally, **Mr. Speaker**, the Committee requests that this House adopts this report and further resolves as follows:
 - i. That, the ceilings of each arm of government for the FY 2022/2023 be capped as follows:
 - i. County Assembly – Kshs. 1,586,180,907.00
 - ii. County Executive – Kshs. 14,968,287,949.00
 - ii. That, the Assembly approves the County's own source of revenue for Financial Year 2022/2023 of Kshs. 4,221,303,882;
 - iii. That, the aforementioned overall ceilings totaling to Kshs. 16,554,468,856 comprise of the following:
 - i. Kshs. 11,670,591,743.00 for recurrent expenditure at 70% of the total budget; and

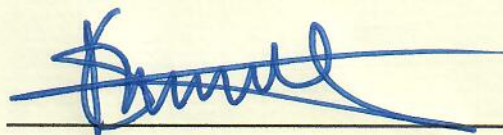
Signature:



Deputy Clerk of the County Assembly

- ii. Kshs. 4,883,877,113.00 for development expenditure at 30 % of the total budget.
- iv. That, once approved by this House, these recommendations together with schedule I attached **SHALL** form the basis of the 2022/2023 budget estimates.

Signature:



Page 4 of 4

Deputy Clerk of the County Assembly