

# **COUNTY GOVERNMENT OF KIRINYAGA**



## **DEPARTMENT OF FINANCE & ECONOMIC PLANNING**

### **COUNTY FISCAL STRATEGY PAPER 2024**

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Kirinyaga County Fiscal Strategy Paper 2024

To obtain copies of the document, please contact:

Kirinyaga County Treasury

P. O. Box 260

**KUTUS,**

**KENYA**

Tel: 020-2054354

The document is also available on the County website: [www.kirinyagacounty.go.ke](http://www.kirinyagacounty.go.ke) and the County Information & Documentation Center, Kutus

**County Treasury  
Kirinyaga County  
P.O. Box 260 – 10304  
KUTUS, KENYA**

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## **FOREWORD**

The 2024 CFSP sets out the broad priority strategies and policies to guide the County Government in preparing the budget for 2024/25 financial year and over the medium term.

Section 117 of PFM Act 2012 provides 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.

This document illustrates priority areas and policy interventions that will characterize public expenditure in 2024/25 and over the medium term. Further, it provides financial outlook with respect to county government revenues, expenditures for the coming financial year and over the medium term.

CFSP 2024 will focus on building from strong foundations built over the last few years on implementation of interventions looking to improving livelihoods of people of Kirinyaga. Key pillars that CFSP 2024 focuses on are; Agricultural transformation, agro-processing and value addition, healthcare, environment and climate change, transport and infrastructure, education and training, youth and women empowerment.

The County Fiscal Strategy therefore outlines the fiscal framework to financing the 2025/25 FY budget and the Medium Term taking into consideration the tight fiscal space the county is operating in given the challenges posed by expenditure pressures resulting from high wage bill, slow expansion on revenue bases and minimal growth in sharable revenue for county governments.

**JACQUELINE NJOGU**

**COUNTY EXECUTIVE COMMITTEE MEMBER- FINANCE & ECONOMIC PLANNING**

## **ACKNOWLEDGEMENTS**

Preparation of the 2024 CFSP has been a collective efforts by officers in all county entities who provided valuable inputs. A lot of effort and dedication has gone to ensuring this County Fiscal Strategy Paper (CFSP) is successfully prepared as guided by the PFM Act. Profound gratitude goes to the County Executive led by H.E The Governor and Deputy Governor for visionary leadership and guidance in the County.

Special gratitude goes to the preparation coordinating team that worked tirelessly through data collection and analysis to prepare this document. Special gratitude goes to the CECs, C.Os, Directors and Technical officers for their invaluable coordination and contribution in preparation of this document. Special acknowledgement also goes to County Budget and Economic Forum (CBEF) for their valuable input during preparation of this document.

We also recognise the tireless efforts put in by officers in the Budget and Economic Planning unit to ensure successful completion of the document.

Gratitude also goes to other stakeholders and the general public who participated in development of this document by providing views and recommendations during public participation.

**JOSEPH CARILUS OTIENO**

**CHIEF OFFICER – ECONOMIC PLANNING, BUDGETING AND PROCUREMENT**

**ABBREVIATIONS**

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

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



SBP      Single Business Permit

SHG      Self-Help Group

## 1.0 INTRODUCTION

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### 1.1 Overview & Legal Basis for County Fiscal Strategy Paper

This CFSP will provide basis for preparation of the budget estimates for FY 2024/25 and MTEF budget for 2024/25-2026/27.

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

The Preparation of CFSP seeks the views of Key Individual Government institutions listed as The Commission on Revenue Allocation (CRA), County Departments, Controller of Budget, National Treasury (BPS), forums recognized by legislation (e.g. CBEF), Other stakeholders and most importantly the Public who by law (The Public Finance Management Act 2012 Section 125 (2)) are the main stakeholders during the Budget Making process. Other than aligning the County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement, the CFSP shall specify the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for the coming financial year and over the medium term. Other requirements include but not limited to:

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

Strategy Paper within seven days after it has been submitted to the County Assembly.

## **1.2 Outline of the 2024 Kirinyaga County Fiscal Strategy Paper**

This CFSP is organized as follows;

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

**Chapter 2** outlines the economic context in which the 2024/25 MTEF budget is prepared. It provides an overview of the recent economic developments and the macroeconomic outlook covering the national and county domestic scenes.

**Chapter 3** provides a synopsis of the government priorities for socio-economic transformation expounded on different thematic areas.

**Chapter 4** is about budget framework for 2024/25 and the medium term. It outlines the broad fiscal framework that is supportive of growth over the medium-term, while continuing to provide adequate resources to facilitate execution of policy priorities of the County Government of Kirinyaga. The chapter further gives detailed analysis of the Medium Term Expenditure Framework. It presents the resource envelope and spending priorities for the proposed 2024/25 Budget and the Medium Term. This chapter also outlines compliance to fiscal responsibility principles citing the anticipated Specific Fiscal Risks for the same period.

**Chapter 5** provides concluding notes and the way forward.

## 2.0 RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

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### 2.1 Overview

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

### 2.2 Recent Economic Developments

The Kenyan economy in 2022 demonstrated resilience in the face of severe multiple shocks that included the adverse impact of climate change, lingering effects of COVID-19, global supply chain disruption and the impact of Russia-Ukraine conflict. As such, the economic growth slowed down to 4.8 percent in 2022 from 7.6 percent in 2021.

#### ***Agricultural Sector***

In the first half of 2023, the agriculture sector rebounded strongly following improved weather conditions and the impact of fertilizer and seed subsidies provided to farmers by the Government. The sector grew by 6.0 percent in the first quarter and 7.7 percent in the second quarter. The strong performance was reflected in enhanced production, especially of food crops that led to significant increase in exports of tea, coffee, vegetables and fruits.

#### ***Service and Industry Sectors***

The services sector continued to sustain strong growth momentum in the first half of 2023 growing by 6.0 percent in the first quarter and 5.9 percent in the second quarter. The robust performance was reflected in the notable growth of information and communication (driven by increases in wireless internet and fiber-to-home subscriptions), wholesale and retail trade, accommodation and food services (driven by recovery in tourism), transport and storage, financial and insurance (due to strong private sector credit growth and lending to the government) and real estate (supported by sustained expansion of the construction industry).

In the first half of 2023, the industrial sector recorded lower growths of 2.5 percent in the first quarter and 1.8 percent in the second quarter compared to growths of 4.4 percent and 4.2 percent, respectively in similar quarters in 2022. The slowdown in growth was mainly reflected in manufacturing, and electricity and water supply sub-sectors. Activities in the manufacturing sector, which accounts for nearly half of the industrial sector output, was hampered by a decline in the manufacture of both food (particularly sugar production) and non-food products while electricity sub-sector slowed down due to a notable decrease in electricity generation from all sources, except geothermal.

### ***Inflation***

Inflation had remained above the Government target range of 5±2.5 percent from June 2022 to June 2023. In order to anchor inflation expectations, the Monetary Policy Committee (MPC) gradually raised the policy rate (Central Bank Rate (CBR)) from 7.50 percent in May 2022 to 10.50 percent in June 2023 and further to 12.50 percent in December 2023. The tightening of the monetary policy was to address the pressures on the exchange rate and mitigate second round effects including from global prices. This will ensure that inflationary expectations remain anchored, while setting inflation on a firm downward path towards the 5.0 percent mid-point of the target range.

Consequently, inflation eased gradually to 6.8 percent in November 2023 from a peak of 9.6 percent in October 2022 and has been within the target range for the five months of FY 2023/24.

*Fuel inflation* remained elevated reflecting the impact of the rise in international oil prices. It increased to 15.5 percent in November 2023 from 11.7 percent in November 2022. The increase reflects the impact of higher international oil prices, depreciation in the shilling exchange rate and gradual withdraw of the fuel subsidize from September 2022 and the upward adjustment of electricity tariff from April 2023. In addition, the upward adjustment of VAT on petroleum product in July 2023 from 8.0 percent to 16.0 percent to eliminate tax credits from the sector exacted upward pressures on prices.

### ***Interest Rates***

Reflecting the tight monetary policy stance and liquidity conditions in the money market, interest rates increased in the year to November 2023. The interbank rate increased to 11.4 percent in November 2023 compared to 4.6 percent in November 2022. Commercial banks average lending and deposit rates increased in the year to September 2023 in tandem with the tightening of the monetary policy stance. The average lending rate increased to 14.0 percent in September 2023 from 12.4 percent in September 2022 while the average deposit rate increased to 8.6 percent from 6.8 percent over the same period. Consequently, the average.

## **2.3 Review and Outlook for the Medium Term**

### **2.3.1 Fiscal Performance review**

#### **Implementation of 2023/24 Budget**

The County Government's total approved budget for 2023-24 FY amounts to Kshs 7,240,547,406 Recurrent allocation of Kshs 4,791,443,225 and Development allocation of Kshs 2,449,104,180. The overall fiscal performance by end of the first half of the Financial Year 2023/2024 is at 23% with salaries to employees being the largest contributor to expenditure performance while hospital collections driving Own Source Revenue.

#### **Own Source Revenue**

The County has a projected own source revenue target of Kshs 550 Million in the FY2023/24 Budget. During the first half of 2023/24 actual Own Source Revenue collected was Kshs. 192,708,685. This indicates a performance of 35% on annual own source revenue targets. This first half performance indicates a 37.5% increase in collection from a similar period in 2022/23.

**Table 2.1: Own Source Revenue First Half 2023/24**

Revenue Source	Annual Target	1st Quarter	2nd Quarter	Total First Half Collection
Single Business Permit	98,000,000	5,394,497	1,889,502	7,283,999
Market Gate Fee	40,000,000	8,523,200	7,228,530	15,751,730
Produce Cess	6,000,000	1,550,890	1,338,810	2,889,700
Weights & Measures	2,500,000	264,200	252,800	517,000
market stalls	2,500,000	190,200	115,300	305,500
Bus Park	20,000,000	4,722,990	4,928,310	9,651,300
Street Parking	9,000,000	2,912,940	1,909,780	4,822,720
Land Administration	8,000,000	1,695,300	1,075,700	2,771,000
Property Rates	40,000,000	3,492,853	2,657,053	6,149,906
Building Plan Approvals	11,000,000	2,530,964	2,683,044	5,214,008
Advertisement	13,000,000	1,377,000	509,360	1,886,360
Sublet Fees	3,000,000	553,000	144,000	697,000
House rents	3,700,000	1,100,900	985,120	2,086,020
Conservancy Fee	11,000,000	886,520	510,360	1,396,880
Quarries cess	3,000,000	1,360,800	557,300	1,918,100
Group Registration	1,000,000	202,700	172,200	374,900
Liquor License	30,000,000	5,526,000	4,212,700	9,738,700
Veterinary Services	6,500,000	1,608,552	2,225,308	3,833,860
Kamweti ATC	5,000,000	438,044	2,677,647	3,115,691
Public Health Services	30,700,000	2,919,000	2,730,000	5,649,000
coffee licences	1,500,000	248,960	13,400	262,360
cooperative audit	600,000	26,150	-	26,150
Commission by payroll	3,000,000	739,709	780,349	1,520,058
Kerugoya Referral Hospital	147,000,000	35,458,383	51,284,059	86,742,442
Kimbimbi Hospital	27,000,000	4,190,194	4,086,686	8,276,880
Kianyaga Hospital	10,000,000	2,296,077	2,384,079	4,680,156
Sagana Hospital	10,000,000	1,979,350	2,240,878	4,220,228
dispensaries	7,000,000	927,037	-	927,037
TOTAL FY 2023/2024)	550,000,000	93,116,410	99,592,275	192,708,685

Source: County Treasury

### **Additional Allocations from County Governments Additional Allocation Act 2023**

Article 202 (2) of the Constitution provides that County Governments may be given additional allocations from the National Governments Share of revenue either conditionally or unconditionally; while Article 190 of the Constitution also provides that Parliament shall by legislation ensure that County Governments have adequate support to enable them to perform their functions.

County Governments Additional Allocations comprise of County Governments' additional allocations financed from either the National Government's Share of

Revenue or proceeds of loans or grants from Development Partners. It is a requirement that additional allocations shall be funds agreed upon by the National Assembly and the Senate and it is on this premise that The County Governments Additional Allocations Bill 2023 was referred for mediation in the Senate. Non-approval of this bill has delayed disbursement of Conditional Allocation funds to finance respective program activities.



### Disbursements from Equitable Share

During the FY 2023/24 Equitable Share is expected to remain as approved in CARA 2023 at Kshs.5,420,217,528. Disbursements from Equitable Share is based on an approved disbursement schedule. Amounts are required to be disbursed on monthly basis by 15<sup>th</sup> of every month. However, equitable share disbursed so far for the FY 2023/24 comprises of 7 out of 8 disbursements. This delayed disbursement has impacted negatively on expenditure performance specifically and the overall fiscal performance.

**Table 2.2 Equitable Share disbursement first half 2023/24**

<b>Date Funds Reflected on CRF</b>	<b>Amount</b>	<b>Month to which the disbursement relates</b>
27th July 2023	460,718,490	Jul-23
30th August 2023	433,617,402	Aug-23
27th September 2023	460,718,490	Sep-23
15th October 2023	433,617,402	Oct-23
27th December 2023	460,718,490	Nov-23
29 <sup>th</sup> January,2024	433,617,403	Dec-23
20 <sup>th</sup> February, 2024	460,718,490	Jan-24
<b>TOTAL</b>	<b>3,143,726,205</b>	

Source: County Treasury

### Expenditure Analysis

#### a) Recurrent Expenditure

Total recurrent expenditure for first half of FY 2023/24 amounted to Kshs. 2,324,344,460 which represents 48.5% of the total recurrent budget estimates. Salaries to employees inclusive of casual employees stood at Kshs 1,502,819,800 as at 31<sup>st</sup> December, 2023.and the balance being spent on Operations & Maintenance (O& M).The major contributor to the first half expenditure is the County Health services sector. Total first half recurrent expenditure for this sector amounts to Kshs. 1,060,249,849. This indicates a 45.6% of the total first half recurrent expenditure in the county. This also represents a 50.1% absorption rate for this sector. Other high contributors to first quarter recurrent expenditure includes; Finance and economic Planning 12%, County Assembly 14.1%.

**First Half Recurrent Expenditure per Department 2023/24 FY****Table 2.3 First Half Recurrent Expenditure per Department 2023/24 FY**

<b>VOTE</b>	<b>ENTITY</b>	<b>Budget 2023/24 FY Recurrent</b>	<b>First half Expenditure 2023/24 FY</b>
3961	County Assembly	673,319,674	327,522,492
3962	County Executive	496,023,805	231,259,872
3963	Finance and Economic Planning	573,091,610	279,377,556
3964	Agriculture, Livestock and Fisheries	217,978,626	100,147,531
3965	Environment, Water and Natural Resources	119,489,239	53,684,456
3966	Education	356,633,405	173,781,205
3967	County Health Services	2,116,489,802	1,060,249,849
3968	Lands, Housing and Urban Development	33,968,028	14,054,450
3969	Transport and Infrastructure	74,733,368	37,203,693
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	47,839,441	20,936,889
3971	Gender and Youth	43,668,210	15,513,163
3972	Sports, Culture and Social Services	38,208,017	10,613,304
	<b>TOTAL</b>	<b>4,791,443,225</b>	<b>2,324,344,460</b>

Source: County Treasury

**b) Development expenditure**

Development expenditure for the first half amounted to Kshs. 494,953,422. This is a 29% increase in expenditure compared to a similar period in 2022/23FY which recorded development expenditure amounting to Kshs 384,287,360.

**Table 2.4: Development Expenditure First Half 2023/24**

<b>VOTE</b>	<b>ENTITY</b>	<b>Approved Budget 2023/24FY Development</b>	<b>1st Half Expenditure 2023/24 FY</b>
3961	County Assembly	85,229,460	-
3962	County Executive	-	-
3963	Finance and Economic Planning	126,000,000	69,990,000
3964	Agriculture, Livestock and Fisheries	524,997,954	34,754,252
3965	Environment, Water and Natural Resources	293,492,271	1,999,996
3966	Education	50,900,000	28,990,250
3967	County Health Services	605,258,331	153,957,891
3968	Lands, Housing and Urban Development	56,433,333	12,263,107
3969	Transport and Infrastructure	348,422,832	139,035,786
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	285,700,000	53,962,140
3971	Gender and Youth	51,150,000	-
3972	Sports, Culture and Social Services	21,520,000	-
	<b>TOTAL</b>	<b>2,449,104,180</b>	<b>494,953,422</b>

Source: County Treasury

## 2.4 Medium Term Economic Outlook

### National Outlook

The economy is projected to remain strong and resilient in 2023, 2024 and over the medium term supported by the continued robust growth of the services sectors, the rebound in agriculture, and the ongoing implementation of measures to boost economic activity in priority sectors by the Government. As such, the

economy is expected to remain strong and expand by 5.5 percent in both 2023 and 2024.

### **County Outlook**

The County's economic growth shares similarities with the National economic outlook. Recovery in national and global economies will ensure favorable local and International markets for locally produced goods especially the coffee, tea, rice and horticultural sectors holds key to the county's economic growth prospects.

The County economy is expected to be supported by the strong recovery in agriculture sector that drive the industrial sector. The adequate rainfall during the long rain season in the county and the anticipated short rains later in 2023 will continue to support activities in the agriculture.

Local manufacturing is set to be supported through actualization of Sagana Climate Smart Agro-Industrial City which will host an array of development, including an Export Processing Zone (EPZ), the County Aggregation Industrial Parks (CAIPS). This investment will increase agricultural output through value addition, open up job opportunities for youth and women.

The local economy, through agriculture, will further be strengthened from investments by the County Government under Wezesha Program in agriculture value chain development in the Prioritized Value Chains namely; dairy, poultry, avocado and Tomato, rice.

Further, agricultural productivity looks set to benefit from collaboration between County Government and National Government program to access affordable fertilizer and other inputs.

These efforts will also be supported by continued implementation of the National Governments Bottom Up Economic Transformation Agenda(BETA) core pillars; Agricultural Transformation and Inclusive Growth; Micro, Small and Medium Enterprise (MSME); Housing and Settlement; Healthcare; and Digital Superhighway and Creative Industry.

**Risk to the Economic Outlook**

Risks facing the country's economy will also affect the county's economic performance. These factors includes;

Risks relate to unpredictable weather conditions due to the impact of climate change which could adversely affect agricultural production and result to domestic inflationary pressures and food insecurity.

Uncertainties in the global economic outlook stemming from the current geopolitical tension could result in higher commodity prices and slowdown the global economic recovery which could impact on the domestic economy.

High international commodity prices pose a risk to inflation outcomes which could lead to further tightening of financial conditions.

Continued strengthening of US dollar against other global currencies arising from aggressive monetary policy tightening present significant risks to financial flows and puts pressures on the exchange rate with implication to growth and inflation.

Expenditure pressures especially high recurrent expenditures pose fiscal risks. The county is going to maintain a sustainable recurrent expenditure by strictly adherence to austerity measures and free more resources to development expenditure over the medium term.

### **3.0 CONSOLIDATING ECONOMIC TRANSFORMATION FOR INCLUSIVE GROWTH AND PROSPERITY.**

The 2024 CFSP is prepared on the backdrop of economic downturns in the country. The Kenya-Kwanza administration reaffirms the priority policies and strategies outlined in the Bottom-Up Economic Transformation Agenda (BETA) and as prioritized in the Fourth Medium Term Plan of the Vision 2030. Since coming into office in September 2022, the Kenya Kwanza Government has implemented bold policy responses to mitigate the negative global and persistent shocks that have pushed the economy to its lowest vibrant level, and embarked on structural reforms to stabilize Government finances and the economy. These shocks include, global supply chain disruptions due to ongoing conflicts in Eastern Europe and the Israeli-Palestinian war; high interest rates limiting access to credit and exacerbating debt servicing costs; significant losses and damages due to frequent extreme weather events; and elevated commodity prices such on petroleum products on account of increased geopolitical fragmentation and global oil supply cuts.

Despite all the challenges, The National Government continues to implement interventions and policies to reduce the cost of living and improving livelihoods, while at the same time fostering a sustainable inclusive economic transformation through the Bottom-Up Economic Transformation Agenda. This is meant to reverse the economic recession and ignite economic recovery. This Development Agenda recognizes the importance of managing the cost of living through well-functioning markets to enhance productivity, availability and affordability of goods and services for all citizens. The Government noted that market failures in sectors that supported the economy are glaring. The interventions target five core priority areas namely: i) Agricultural Transformation and Inclusive Growth; ii) Micro, Small and Medium Enterprise (MSME) Economy; iii) Housing and Settlement; iv) Healthcare; and v) Digital Superhighway and Creative Industry.

The Government, through these interventions have realized success after interventions rolled in the past one year. The economy in the first half of 2023 remains strong at 5.45 percent a demonstration of resilience. This growth well above estimated global and Sub-Saharan African region average of 2.9 percent and 3.3 percent respectively. The economy is projected to expand by 5.5 percent in 2023 and 2024 from 4.8 percent in 2022.

### **Thematic Areas**

In order to achieve greatest impact to all citizens including ones in the bottom of the economy, the County Government will implement policies that promote investment in the following thematic areas. These are: Agricultural Transformation for inclusive growth; Agro-processing and value addition, Healthcare; Transport and infrastructure; Environment and Climate Change; Youth and women empowerment through creative economy.

### **Agricultural Transformation for inclusive growth**

Agriculture remains a core pillar for the realization of an economic transformation agenda through provision of employment and a means of livelihood to the majority of the people. In order to support agricultural production, the County Government ensured county farmers have access to subsidized fertilizer access through establishment of 8 last mile collection centres. Through this intervention, farmers have been able to access fertilizer with reduced prices from Ksh 6500 to Ksh 2500. To promote livelihood improvement through agriculture, the government has supported Agricultural Community-Based micro-projects implemented in the priority value chain. A total of 146 micro-projects were funded in 2022/23. The Government has also supported farmers to adopt Technology Innovation Management Practices (TIMPs) in agriculture with at-least 10,000 farmers adopting at-least one TIMPs.

Directorate of agriculture embarked on improving post-harvest handling through construction of aggregation centres through NARIGP program. Two aggregation centres constructed at Gathoge and Karumandi. Under Coffee Improvement

program, the department embarked to train Farmers/ VCAs trained in Climate Smart Agriculture Technologies. 250 VCAs benefitted from this program. On Policy, strategy and management of Agriculture, the department spearheaded development of Draft food safety policy in partnership with MESPT. 1556 Value Chain Actors (VCAs) trained on food safety. 45 Food safety Inspector sensitized on food safety policy.

Though directorate of livestock, veterinary and fisheries; 21,000 animals vaccinated against potential or actual disease outbreak, 4 dairy CBOs supported through subsidized AI, 5,000 VCAs trained in Livestock management, 1,000 VCAs trained in Aquaculture management, 90% of slaughtered animals inspected and certified for consumption, 77 groups supported on egg production, 10,800 bags of Poultry feeds produced, 20 CIGs supported in aquaculture development in supply of liners, fingerlings and feed.

Over the medium term, the County Government will continue to invest in agriculture sector towards sustainable value chain development for improved incomes. the strategies under the Agricultural Transformation and Inclusive Growth Pillar will be geared towards: addressing the cost, quality and availability of inputs; reducing the cost of food and cost of living in general; reducing the number of food insecure citizens; raising productivity of key food value chains; increasing access to affordable credit and agricultural extension services; creating direct and indirect jobs, increasing average daily income of farmers.

### **Agro-processing and value addition**

In Kenya, post-harvest management has been a major challenge in the agricultural sector with estimated loss of 20 percent to 50 percent of harvested crops, fruits, vegetables and fresh horticultural produce, mainly due to poor storage and handling practices. In the view of addressing the post-harvest losses and enhance farmers income, the County Government has begun the construction of County Aggregation and Industrial Park (CAIP). Kirinyaga CAIP will be a special zone located in Sagana Agro-Industrial Park expected to provide



value addition centres for agricultural products as well as storage facilities. The County Government allocated Ksh. 275 million in 2023/2024 budget for the development of Sagana Agro-Industrial Park. Once fully operational, the industrial park will create employment opportunities for 10,000 women and youth.

### **Healthcare**

The Constitution guarantees Kenyans the right to the highest standards of health. For this reason, the Government identified healthcare delivery as one of the core pillars of the Bottom-Up Economic Transformation Agenda. In order to deliver Universal Health Coverage, the county government embarked on various interventions to; upgrade health facilities infrastructure, provide adequate medical drugs, set up health management information system, facilitate medical staff who would deliver Universal Health Coverage, set up a Fund for improving health facilities.

Great progress has been achieved in the delivery of universal health coverage. Notably, Kerugoya Level 5 hospital was equipped and operationalized and has started catering for patients requiring specialized treatment. The National Government has supported the County with deployment of specialized medical personnel with 2 general surgeons deployed. In order to ensure seamless in-patient and out-patient services, a hospital management information system has been installed in the facility and other hospitals. Other major health infrastructure projects are ongoing at Kimbimbi and Kianyaga.

To ensure there is adequate human capital to implement universal health care, the County Governments has recruit and deployed 854 community health promoters (CHP) throughout the county. The work of the promoters includes basic preventive and promotive health, health education, basic first aid for the treatment of minor injuries and ailments at the household level and referral for facility-based healthcare. Each community health promoter is allocated 100 homes within their neighbourhoods. Considering the pivotal role played by

community health in the attainment of UHC, the long-term financial sustainability of community health is contingent on enhanced domestic resources for health. The National Government is working closely with the County Governments to strengthen the delivery of community health services through payment of stipends for CHPs, on a matching basis of 50:50.

To better deliver universal health coverage, the Government has leveraged on the digital health agenda starting from the community level. In this regard, the electronic community health information systems (e-CHIS), which is live and being used by the promoters across the country, is a simple and user-friendly mobile health application that will be used to collect real-time accurate household data, initiate planning for health service delivery and provide linkage to health facilities.

The support funding of county health facilities, the county enacted the County Facilities Improvement Fund (FIF) Act. This fund provides a framework for sustainable funding for the day-to-day operations of our hospitals, leading to improved efficiency and effective service delivery.

To further deliver universal health coverage, the Government has instituted a paradigm shift to preventive and promotive health rather than curative. The shift will further be strengthened by the promotive services provided by community health promoters at the household units, and integration of preventive services at the primary health care levels. These services will include screening for hypertension, diabetes and eye conditions; offer the necessary health education on water and sanitation, nutrition and provide community rehabilitation services, among others. These services will be provided through multidisciplinary teams that will be established at the level of the Primary Care networks.

To strengthen healthcare financing, the National Government has instituted policy measures which includes; enacting four new health laws. These are: i) Social Health Insurance Act, 2023; ii) Primary Health Care Act, 2023; iii) Facility Improvement Financing Act, 2023; and iv) Digital Health Act, 2023. These laws

will usher in and guarantee a new era in the provision of healthcare, covering all essential services from preventive, promotive, curative, palliative and rehabilitative services, guaranteeing every Kenyan access to comprehensive and quality care.

### **Transport and infrastructure**

Development of critical infrastructure is key to economic growth as well as key enabler to the implementation of economic transformation agenda. The County Government has ensured accessibility across the county is improved through access roads improvement program. In 2022/23 roads department facilitated grading of 427 kms of road surfaces, murraming 211Kms to all weather roads. Disaster management response will be enhanced by completion and operationalization of modern firestation.

Over the medium term, County Government will prioritize upgrading and maintaining rural access roads to open up the rural areas to enable farmers to get their produce to markets faster and cheaply. The National Government through KeRRA is also working to improve roads infrastructure by upgrading road to bitumen standards. Notable major road upgrade to bitumen standards projects have been launched and will be implemented over the medium term.

### **Environment and Climate Change**

The County Government remains committed to the provision of a clean, secure and sustainable environment and adequate drinking water and sanitation for all Kenyans. The Government will strengthen actions to halt and reverse biodiversity loss, prevent deforestation, combat desertification and restore degraded landscapes. The County Government will continue to implement tree planting programs as part of National Governments' plan to grow 15 billion trees across the country by 2030 and to promote and support more resilient livelihoods. This will ensure that the country attains the Constitutional mandate of at least 10 percent land area forest cover. The County Government is also implementing Financing Locally-led climate Action (FLLoCA) Program which seeks to reduce community level vulnerability and build resilience to climate

change impacts. Towards this, the county government has developed Community (Ward level) Participatory Climate Risk Assessment and Action Plan, developed and published County Climate Fund (CCF) and Regulations, developed Climate Change investment proposals and mitigation.

To ensure access to clean water, the government has over the years has undertaken funding of over 70 water projects across the county. These includes piping water, borehole drilling, and community water tanks.

Through the national government, major water infrastructure has been developed. This includes bulk water and sewerage project serving Kerugoya Kutus, Kagio and Sagana.

Over the medium term the county will continue to invest in climate resilience programs, ensure accessibility to clean potable water across the county.

### **Education and Training**

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

Early childhood development (ECDE) in the county will continue to get supported through provision of learning and playing equipment, provision of conducive learning environment through construction of classrooms, renovation of old classrooms.

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

## 4.0 BUDGET FOR 2024/25 AND THE MEDIUM TERM

### 4.1 Fiscal Framework for FY 2024/25 and Medium Term Budget

The fiscal framework for the FY 2024/25 Budget is based on the County Government's policy priorities and framework set out in Chapter 3. With expenditure pressures and limited resources coupled with irregular disbursements of resources from the National Treasury, county government entities will need to consider affordability as well as adopting measures of efficiency in utilisation of resources. Prioritising expenditures and stringent measures to enhance revenue mobilisation will be a key driver towards realisation of set priorities.

#### Revenue Projections

##### a) Equitable Share

National Treasury through 2024 budget policy statement is projecting to allocate KES 391.1 Billion from KES 385.4 Billion allocated in 2023/24. Kirinyaga County is expected to receive equitable share allocation of KES 5,502,895,819 being a 1.5% increase from 2023/24 allocation of KES 5,420,217,528.

##### b) Additional Allocations

In the proposed County Governments Additional Allocation Bill 2024, the County will benefit from two categories of additional allocations namely;

- i. Conditional allocations to County Governments from the National Government's Share of Revenue totaling to KES 223.6 Million. These will include; Roads Maintenance Fuel Levy allocation of KES 194.9 Million, Community Health Promoters allocation of KES 28.7 Million.
- ii. Additional Allocation from proceeds of loans or grants from development partners amounting to KES 244.3 Million. These will include; DANIDA grant to finance Universal Healthcare in Devolved System of KES 6.5 Million, Kenya Devolution Support Program (KDSP) II of KES 37.5 Million, Kenya Urban Support Program (KUSP) UIG allocation of KES 35 Million, National Agricultural Value Chain Development Project (NAVCDP)

allocation of KES 151.5 Million, Aquaculture Business Development Program (ABDP) allocation of KES 13.7 Million. Others conditional allocations includes, KfW (German Development Bank) Loan for Co-Financing of FLLoCA – County Climate Resilience Investment (CCRI) Grant and conditional allocations financed by proceeds from an IDA (World Bank) Loan for the FLLoCA -County Climate Resilience Investment (CCRI) Grant. Actual allocations to counties for FLLoCA grant will be determined using the criteria established and will be gazzetted by the Cabinet Secretary.

Actual figures for these allocations will be confirmed with enactment of County Governments Additional Allocations Act 2024 and appropriate budgetary amendments will be effected to that order.

### c) Own Source Revenue

Own Source Revenue (OSR) for 2024/25 is projected at KES 600 Million.

The realization of revenue targets for the medium term will depend on efforts towards revenue collection.

For this to be achieved, it is assumed that;

- i. There will be improved revenue collection due to enhanced revenue mobilization strategies;
- ii. There will be favorable weather conditions for agribusiness which is the back bone of Kirinyaga county' economy.

**Table 4.1: Medium Term Fiscal Projections**

	2023-24 Approved Budget	Projections	
		2024-25 FY	2025-26 FY
<b>Revenue (Total)</b>	<b>7,240,547,406</b>	<b>6,570,836,757</b>	<b>6,102,895,819</b>
Equitable Share	5,420,217,528	5,502,895,819	5,502,895,819
Own Source Revenue	550,000,000	600,000,000	600,000,000
<b>Conditional allocations to County Governments from the National Government's Share of Revenue in the Financial Year 2024/25.</b>			
Roads Maintenance Fuel Levy		194,894,333	
Community Health Promoters		28,719,694	

<b>Additional Allocation from proceeds of loans or grants from development partners</b>			
DANIDA to finance Universal Healthcare in Devolved System	7,738,500	6,532,500	
Kenya Devolution Support Program (KDSP) II		37,500,000	
Kenya Urban Support Program (KUSP) UIG		35,000,000	
Finance Locally-Led Climate Program (FLLoCA)-CCISG	11,000,000		
Financing Locally- Led Climate Action (FLLoCA) Program – County Climate Resilience Investment Grant (CCRIG)	131,648,938		
National Agricultural and Rural Inclusive Growth Project (NARIGP)	144,370,399		
National Agricultural Value Chain Development Project (NAVCDP)	317,307,692	151,515,152	
Aquaculture Business Development Program (ABDP)		13,779,259	
Agriculture Sector Development Support Programme (ASDSP II)	900,970		
Rolled Over Funds	657,363,378		
<b>Expenditure (Total)</b>	<b>7,240,547,406</b>	<b>6,570,836,757</b>	<b>6,102,895,819</b>
<b>Recurrent</b>	<b>4,791,443,225</b>	<b>4,599,585,730</b>	<b>4,272,027,073</b>
Recurrent as percentage of Total budget	66.2%	70%	70%
<b>Development</b>	<b>2,449,104,180</b>	<b>1,971,251,027</b>	<b>1,830,868,746</b>
Development as percentage of Total budget	33.8%	30%	30%

Source: County Treasury

Projected Revenue in this framework is projected at KES 6,570,836,757. This will include recurrent allocation of KES 4,599,585,730 and Development Allocation of KES 1,971,251,027.

### Proposed by Category

In recurrent allocation personnel emoluments is projected to be KES 2,937,951,992.00 which is 44.7% of total revenue, Operations and Maintenance (O&M) at 25.2% of total revenue while development allocation is at 30%.

**Table 4.2 Allocation by Category**

Category	Amount
<b>Recurrent</b>	<b>4,599,585,729.88</b>
<i>Personnel Emoluments</i>	<i>2,937,951,992.00</i>
Operations and Maintenance (O&M)	1,661,633,737.88
<b>Development</b>	<b>1,971,251,027.09</b>
<b>Total Expenditure</b>	<b>6,570,836,756.97</b>

Source: County Treasury

**Notes:**

*\*Total Revenue in this fiscal framework does not include allocation for FLLoCA – County Climate Resilience Investment (CCRI) Grant. The fiscal framework will be updated upon Gazettement by the Cabinet Secretary of actual allocations for Kirinyaga County.*

*\*\*Further, projected allocations for additional Allocations are subject to change and will be updated upon approval of County Governments Allocation of Revenue Act 2024.*

**4.2 Compliance with Fiscal Responsibility Principles****a) Compliance to Development Allocation**

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

**Table 4.3: Development Budget Allocations**

<b>Budget Year</b>	<b>Development Allocation</b>	<b>Percentage to Total Allocation</b>
2017-18	1.71 Billion	30%
2018-19	1.82 Billion	30.8%
2019-20	1.835 Billion	30%
2020-21	2.624 Billion	39%
2021-22	3.17 Billion	41%
2022-23	2.195 Billion	31%
2023/24	2.449 Billion	33.8%

*Source Kirinyaga County Treasury*

**b) Compliance with requirement on Wages expenditure**

Section 25(1) (b) of the PFM (County Governments) Regulations, 2015 requires that County Governments’ wage bill shall not exceed 35 percent of their total revenue. In 2023/24FY, County Government share of wages and benefits to revenues is currently at 41%. The County Government is facing challenges in complying with legal requirements. This has been occasioned by salary reviews by SRC on the basis of market adjustments. SRC through circular Ref no. SRC/TS/29 (81) communicated new salary adjustments of 2% increase in 2023/24 and reaching 4% increase in July 2024 for County Attorney and County



Secretary. Likewise salary for other public officers was adjusted upwards by 3.5% in 2023/24 and reach 7.5% increase beginning July 2024. These adjustments puts pressure on scarce resources.

### **4.3 Statement of Specific Fiscal Risks**

#### **Revenue**

Receipts from the National Government transfers forms the bulk of the county's revenue source. Occasionally, the national Government has delayed disbursement to the county disrupting service delivery. If the National Government delays in disbursements, budget implementation will be at risk.

Own source revenue also comprises of significant revenue source in the county. Uncertainties regarding business environment in the country is posing a risk on capabilities of businesses to continue paying stipulated fees and charges that forms basis for county own source revenue.

#### **Pending Bills**

Kirinyaga County audited pending bills in 30<sup>th</sup> June 2020 audited Pending Bills report by Auditor General and Controller of budget constituted eligible pending bills of KES 983,032,372. Of this 531,737,395 had been settled by end of 2022/23FY.

In 2023/24FY approved expenditure towards settlement of pending bills amounted to Ksh 95,000,000. Total payments made during the first half amounted to Ksh. 40,000,000. To address the challenge, the county will improve efficiency to enhance revenue collection strategies to realise the revenue targets and prioritise to settle the eligible pending bills.

#### **Risks from Natural Disasters**

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

Potential invasion by emerging diseases and migratory pests which can widen the risk on the agricultural economy in the county.

**Technological Disaster**

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

## **4.4 Medium Term Sector Priorities**

### **4.1.1 National Priorities**

This administration's second Budget Policy Statement shows that national priority sectors will be geared to economic recovery agenda to promote inclusive growth. The priority areas are classified under two categories; core pillars and the enablers which aimed at creation of a conducive business environment for socio-economic transformation. Under the core pillars, the Government will continue to increase investments in five core thematic areas envisaged to have the biggest impact on the economy as well as on household welfare. These include Agriculture; Micro, Small and Medium Enterprise (MSME); Housing and Settlement; Healthcare; and Digital Superhighway and Creative Industry. To make these programme feasible, the Government will continue to implement strategic interventions under the following key enablers: Infrastructure; Manufacturing; Blue Economy; the Services Economy, Environment and Climate Change; Education and Training; Women Agenda; Social Protection; Sports, Culture and Arts; and Governance.

### **4.1.2 County Priorities**

Fiscal policy for 2024/25 and the medium term will be supporting priority programs as envisioned in Third Generation County Integrated Development Plan (2023-2027). Major flagship projects that will continue to be implemented under this plan include among others; Sagana Climate Smart Agro-Industrial City which will host an array of development, including an Export Processing Zone (EPZ), the County Aggregation Industrial Park (CAIP), affordable housing units, and a sports complex; provision of state of the art health services through equipping and operationalization of 2 Level 4 hospitals of Kimbimbi and Kianyaga. This will further be supported by infrastructural developments that includes; rehabilitation of rice canals, sports infrastructure upgrades. Completion and operationalization of more dispensaries across the county, to support primary healthcare solutions at the ward level. The County Government

will also continue investment in education. Infrastructural support to county vocational training centers and ECDE centres.

Priority will also be to ensure resources are allocated towards improving household income. This will be to continue implementing Wezesha Kirinyaga program to support value chain productivity and profitability.

Emphasis will also be placed on aggressive revenue mobilization through administrative and policy reforms. There will be continuous efforts in modernizing and simplify revenue collection systems to enhance compliance.

The County Government will continue to sustain efforts in improving efficiency in expenditure. Among the interventions will be eliminating non-priority expenditures, implementing end-to-end procurement system, improving M&E systems to track implementation and guarantee value for money.

The following criteria is used in determining development allocation

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

#### **4.1.3 Details of Sector Priorities**

##### **Overview**

Budgetary allocations for the 2024/25 financial year and the medium term will be focusing on continued investments to key economic areas to consolidate economic empowerment. Investments will continue to be made in empowerment programs aimed at creating employment opportunities especially to the youth and women. Continued investments will also be continued in social sectors of healthcare, education, youth and women empowerment.

The sector allocations will be informed by County Integrated Development Plan (CIDP) 2023-27. Resource allocation will therefore focus on the following core areas; Agricultural Transformation for inclusive growth; Agro-processing and value addition, Healthcare; Transport and infrastructure; Environment and Climate Change; Youth and women empowerment through creative economy.

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

This sector is mandated to provide overall leadership and policy direction to ensure efficient and effective service delivery. The key priorities of this sector are:

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

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

In the last MTEF the department of Executive has made notable milestones towards achieving its set goals and objectives; this include-

- Construction of Governor's residence in Kirinyaga East sub-county and all accompanying infrastructure developments. This is in line with recommendation of Salaries and Remuneration Commission.
- Provision of wide area network- this entails connections of internet in all sub-county hospitals as well as county revenue offices.

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

### ***Agriculture, Livestock, Veterinary and Fisheries Department***

This sector is critical to realizing economic transformation in the county. In order to revitalize the agricultural sector and increase productivity, the county government focuses on executing the following priority areas:

- Supporting value chain aggregation to benefit from streamlined market linkages, financial access, and access to government services support as established through BETA.
- Coordinate access to certified seeds and other farm inputs including AI services
- Coordinate easy accessibility of subsidized fertilizers through last mile collection points
- provide capacity building and technical backstopping to farmer organizations to enhance production and improve quality of produce along agri-value chains in line with objectives of Wezesha programme
- Construction of aggregation centres infrastructure to enhance markets for agricultural produce

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

Directorate of agriculture embarked on improving post-harvest handling through construction of aggregation centres through NARIGP program. Two aggregation centres constructed at Gathoge and Karumandi. Under Coffee Improvement program, the department embarked to train Farmers/ VCAs trained in Climate Smart Agriculture Technologies. 250 VCAs benefitted from this program. On Policy, strategy and management of Agriculture, the department spearheaded development of Draft food safety policy in partnership with MESPT. 1556 Value Chain Actors (VCAs) trained on food safety. 45 Food safety Inspector sensitized on food safety policy.

Under NARIGP program, 20 Ward-Based SACCO were registered and 2478 farmers mobilized and joined the SACCOS. This program has also supported

Agricultural Community-Based micro-projects implementation in the priority value chain. 600 micro-projects have been supported, and 10,123 farmers adopting at least 1 Technology Innovation Management Practices (TIMPs). The program also facilitated digitization of agriculture incubation of Agripreneurs (Kuza Biashara) that incubated 10 agripreneurs.

Through directorate of livestock, veterinary and fisheries; 21,000 animals vaccinated against potential or actual disease outbreak, 4 dairy CBOs supported through subsidized AI, 5,000 VCAs trained in Livestock management, 1,000 VCAs trained in Aquaculture management, 90% of slaughtered animals inspected and certified for consumption, 77 groups supported on egg production, 10,800 bags of Poultry feeds produced, 20 CIGs supported in aquaculture development in supply of liners, fingerlings and feed.

To equip farmers with knowledge on modern farming technologies, the department through Kirinyaga Agricultural Training center has facilitated exhibitions each year on various aspects of agriculture.

On environmental conservation, severely degraded areas of Ngunyumu zone in Ndia Karati Ward reclaimed and conserved by youth from the area. This involved retention ditches excavation with 10,000 meters excavated. Over 300 trees planted.

Under NAVCDP program, 20 Ward-Based Community Agricultural Development Plans were reviewed through PICD Process. The program also conducted Static Farmers and other Value Chain Actors Mapped and profiled with 39,000 value chain actors mapped.

In the next MTEF period, the department will focus on the following;

Through NAVCDP program, support value chain aggregation to benefit from streamlined market linkages, financial access, and access to government services support as established through BETA. SACCOs members will be facilitated to access financial support to improve their agro-businesses. The

program will further support irrigation infrastructure & water harvesting interventions. In addition, the program will also support market support infrastructure investments such as markets, aggregation centers, pack houses, transport, cold chain services.

Directorate of agriculture will continue to coordinate access to certified seeds and other farm inputs including AI services. In addition, the department will also continue to coordinate easy accessibility of subsidized fertilizers through last mile collection points, provide capacity building and technical backstopping to farmer organizations.

Directorate of livestock, veterinary and fisheries will ensure control of livestock vector and diseases, conduct livestock and fish production capacity building programs.

### **Health Sector**

The Health Sector is an important contributor to the national economic growth through ensuring that all Kenyans are productive and live a healthy life. The Constitution underscores the “right to health”.

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

- Maternal and child healthcare;
- Prevention, management and control of communicable and non-communicable diseases;
- Health promotion through provision of community health education and training of community health workers; and
- Promotion of public health interventions on environmental health and safety
- Improvement of hospital infrastructure i.e. Buildings and modern technology improvements



In the last MTEF period, Great progress has been achieved in the delivery of universal health coverage. Notably, Kerugoya Level 5 hospital was equipped and operationalized and has started catering for patients requiring specialized treatment. In order to ensure seamless in-patient and out-patient services, a hospital management information system has been installed in the facility and other hospitals. Other major health infrastructure projects are ongoing at Kimbimbi and Kianyaga.

To ensure there is adequate human capital to implement universal health care, the County Government has recruit and deployed 854 community health promoters (CHP) throughout the county. The work of the promoters includes basic preventive and promotive health, health education, basic first aid for the treatment of minor injuries and ailments at the household level and referral for facility-based healthcare.

In ensuring improved health infrastructure the department oversaw completion of Kiandai, Kiamwathai, Kiaritha, Kiandieri, Kiaumbui, Umoja, Kiamuruga, Muchagara dispensaries and construction of waiting bay Rukanga Dispensary. To provide power stability in medical facilities, the department provided automatic generators in 5 health centres (Uceru, Kang'aru, Kiamutugu, Mutithi and Murinduko Health Centres).

In the next MTEF, the department will continue to offer curative and preventive measures towards achieving the following objectives;

- Strengthen access to essential health services at all levels of care.
- Strengthen universal health coverage through community health systems
- Reducing the maternal mortality
- Prevent deaths of perinatal, neonatal and children under 5 years of age
- Control epidemics of AIDS, tuberculosis, malaria, neglected tropical diseases and other communicable diseases.
- Reduce the high burden of non-communicable disease and fatalities for the affected persons

- Reduce morbidity and mortality of conditions related to environmental health and sanitation
- Strengthen the prevention and treatment of substance use including narcotic drug abuse and harmful use of alcohol
- Ensure access to sexual and reproductive health-care services including family planning, information and education, as well as, integration of reproductive health into national strategies and programmes
- Support research and development of vaccines and medicines for communicable and non-communicable diseases which affect the county as one of the counties in the developing country, Kenya.
- Enhance the recruitment, development, training and the retention of health work force in the county. .
- Ensure financial sustainability of health facilities

### ***Finance and Economic Planning***

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

In the Preceding medium-term the sector in execution of its mandate has achieved the following outcomes and output; coordination of MTEF process and ensure fiscal policies development, Transitioning to the e-procurement module and the publishing of county tenders in the National Government's portal on tenders.

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

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

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

### ***Co-operative Development, Tourism, Trade and Industrialization Sector***

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

- Promotion, coordination, and facilitation of industrialization, manufacturing, and investments within the county, with a strategic focus on operationalizing the Sagana Industrial Park.
- Policy Development
- Financial inclusivity
- Value Addition
- Capacity building
- Construction of markets

Under Kirinyaga Investment Development Authority, the department is spearheading realization of Sagana Agro-Industrial City. Great progress has been achieved towards this goal; completed Strategic Environmental and Social Impact Assessments for Sagana Industrial City; Strategic Environmental and Social Impact Assessments for County Aggregation and Industrial Park (CAIP). Pre-feasibility studies for various value chains and marketing and branding for Sagana Industrial City has been done. Further, Expression of interest (EOI) for investors to establish businesses in Sagana Industrial City has been done. The Authority also ensured Gazettement of Sagana Special Economic Zone (SEZ) and

Gazettement of Sagana Export Processing Zone (EPZ). The authority has also coordinated sub division of various parcels of land under Sagana Industrial City. In the next MTEF, the department will ensure launch and operational SEZ and EPZ of Sagana Agro-Industrial City to create employment opportunities.

### ***Roads, Transport, Public Works, Housing and Infrastructure Development***

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

Priorities for this sector include:

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

In the last MTEF, the department realized key achievements; Grading of more than 3,500 kms of roads, Gravelling or Murraming of more than 1,050kms of our roads, Cabro paving of about 25,000sq.m in Sagana, Kagumo and Wang'uru towns. Construction of bridges, footbridges and culverts across major and minor rivers in the county, Installation of 20M high floodlights, ongoing construction of a modern fire station at Kutus Town.

In affordable housing program, the county in collaboration with national government has embarked development of affordable housing units in major urban areas.

In the next MTEF period, the department will focus to achieve the following objectives;

- Cabro paving in various towns and shopping centres across the county.
- Grading and gravelling on our access roads
- Improved Maintenance of street and security lighting infrastructure across the county.

- Improved County fire and emergency response – Completion, operationalization of the modern fire station at Kutus Town
- Affordable Housing Program
- Development and implementation of County Housing Policy
- Establishment of Appropriate Building technology (ABT) centers
- Integration of the main sewer system with the County Estates.

### ***Education and Public Service Sector***

Under ECDE directorate, the department is mandated to coordinate pre-primary education programmes; overseeing the regulation of day care centres.

In the last MTEF, the ECDE directorate constructed 7 new ECDE classrooms and renovated 18 more classrooms. The directorate also facilitated smooth learning by acquiring and distributing teaching and learning materials to all ECDE centers.

In the next MTEF, the ECDE department will offer the following services; Construction of new ECDE classrooms; renovation of existing ECDE classrooms; Construction of sanitary facilities; Procurement and distribution of teaching/learning materials; Procurement of child friendly furniture; Installation of child-play equipment; Capacity building of ECDE teachers on Competence Based Curriculum (CBC); Implementation of digital learning in ECDE centres; Rolling out feeding programme in ECDE centres.

Under vocational education training, directorate of vocational education training realized key achievements in the last MTEF, most notably; Construction of 12 VTC classrooms; Renovation of 5 workshops; Construction of fence in 10 centers; construction of 7 ablution blocks; construction of gates in 2 centers; construction of 7 dormitories; Construction of 3 office blocks; Procurement and distribution of teaching and learning materials. In the next MTEF, the directorate will focus on; Construction of new DVET classrooms; Construct Kitchen Blocks; Renovation of existing DVET classrooms and workshops; Upgrade water system; Procure water storage tanks; Upgrade MVM shades; Construct masonry Shade; Construction of sanitary facilities; Procurement and distribution of

teaching/learning materials; Conduct School Inspection, Monitoring and Evaluation; Initiate Guidance and Counselling Departments; Initiate Quality assurance department; Initiate School Academic Policies.

Under Kirinyaga County Bursary Fund (KCBF), the department has supported needy students through bursary disbursements. In the last MTEF period, the Fund has achieved the following; Disbursement of Kshs. 54,539,610 to 13,142 students in universities; Disbursement of Kshs. 42,908,346 to 12,994 students in tertiary colleges; Disbursement of Kshs. 212,182,139 to 92,922 students in secondary schools. The government will continue supporting the needy students to acquire education through this fund.

### **Gender and Youth Sector**

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

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

In the last MTEF period, Under ‘Wezesha Mama’ programme, the county established Kaitheri Apparel Factory in Kerugoya to engage women in making school uniforms and hospital linen. The program recruited fifty (50) tailors who were deployed in Kaitheri Apparel to assist in production of ECDE uniforms

The department has also ensured implementation of youth and women empowerment programs with over 60 youth and women groups trained in various aspects including financial savings.

In order to support school going children to have a dignified life, free sanitary pads distribution programme to help reduce our girls’ absenteeism from school

To support the PWDs, the county embarked on enhancing mobility and functionality by providing various equipment which has reached 90

beneficiaries, improving access to information for visually impaired by provision of braille materials.

In the next MTEF period, the department will focus on the following programs; Sanitary towels drive; department of gender and youth intends to procure and distribute 3 months' supply of sanitary towels to over 50,000 needy girls from across our county. Access to sanitary towels remains a critical challenge for many girls across the county and the department of Gender and Youth in collaboration with Ministry of Education remains determined to ensure that no school going girl is left out of class due to lack of funds.

Completion of Gender Based Violence Centre; GBVC's purpose is to bring back meaning to the lives of survivors and their families through the provision of comprehensive free medical treatment and psychosocial support to survivors who have suffered any form of violence such as sexual, physical, psychological or emotional abuse.

Implementation of revolving fund policy that will offer holistic financial solutions targeting people at the bottom of pyramid; this loan product will also be available to SMEs within Kirinyaga county seeking to upscale their businesses.

Youth empowerment programme; these include but not limited to offering short courses at no cost.

### ***Sports, Culture and Social Services Sector***

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

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

In the last MTEF period, the department facilitated distribution of sports kits to over three hundred (300) clubs across the county. In order to support sports facilities, the county embarked on rehabilitating stadia such as Kerugoya, which is 80% complete and Kianyaga playing grounds. The National Government rehabilitated Wang'uru Stadium to International level, the county also embarked to develop talent in sports for our youth through supporting sports championships in various disciplines e.g football, volleyball, and athletics and cross country. The department also facilitated talent development through youth participation in sports tournaments hosted by the county. The department further facilitated construction of social halls, provision of feeding programme and renovation to Kianyaga children's home.

In the next MTEF period, this department will focus on delivering the following;

- To construct Kianyaga stadium
- To rehabilitate Kerugoya stadium i.e. rehabilitate the athletics track, football/rugby court, volleyball court(s),basketball court and netball court
- To furnish sports men and women with sports equipment and uniforms
- To organize and coordinate Governor Anne Waiguru-Minji Minji tourment
- Organize Trainings for sportsmen and women in different sports disciplines
- Safeguard the cultural heritage of the people of Kirinyaga through identification and gazettement of cultural sites and documentaries on traditional marriage ceremonies, traditional foods preparations eg mukimo, ucuru and muratina
- Promotion and preservation of cultural heritage such as artifacts and Kirinyaga people lingerie for tourism attraction and economic development through establishment of a museum



- Promotion of cultural activities through organizing cultural educational festivals eg Kirinyaga night/Cultural Exhibition week
- Installation of solar hot water system to Kianyaga children's home
- Renovation of dormitories to Kianyaga children's home
- Construction of perimeter wall to Kianyaga children's home
- Completion of managers house at Kianyaga children's home
- Training on alcohol, drug and other substances abuse
- Campaign and advocacy against alcohol, drug and substances
- Rehabilitating addicts
- Inspection of alcohol outlets
- Review of Kirinyaga County Alcoholic Drinks Control 2014

***Environment, Water, Irrigation, Natural resources, energy and Climate Change***

This sector will play a major role in ensuring:

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

In the last MTEF the department made the following achievements; Acquisition of acquisition and distribution of 15 skips and 1 skip loader, Acquisition of 1 garbage collection truck, Construction of 10 public eco toilets in major towns, Reclamation of Kagio dumpsite, Construction of decentralized treatment facility (DTF) in Wang'uru town.

To provide households with clean and reliable water supply, the department through water services program funded over 60 water projects across the county. This increased the number of connected households to piped water.

Under environment and climate change, the County Government is implementing Financing Locally-led climate Action (FLLoCA) Program which seeks to reduce community level vulnerability and build resilience to climate

change impacts. Towards this, the county government has developed Community (Ward level) Participatory Climate Risk Assessment and Action Plan(PCRAAP), developed and published County Climate Fund (CCF) and Regulations, developed Climate Change investment proposals and mitigation.

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

Implementing locally led climate actions program to combat effects of climate change.

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

On environment and climate change, the department will implement climate risks action plan as identified in PCRA.

### ***Lands, Physical Planning and Urban Development***

This sector is mandated with the following functions;

- Security of Land Tenure
- Land Administration and management
- County Spatial planning
- Land Survey
- Re-planning of colonial villages
- Land Use Zoning and Development Control
- Urban Development Planning
- Disaster management
- Capacity Building

During the last MTEF period the Department made the following major achievements;

- Urban regeneration and improvement of Kerugoya/Kutus Municipality Infrastructure
- Development of Kerugoya/Kutus Municipal Urban Economic Plan
- Kaitheri Apparel Factory
- Rehabilitation of Kerugoya fresh produce Market

- Construction of Kerugoya town parking spaces, road works, drainage, walkways and associated works
- Completion of the County Spatial plan
- Preparation of Physical Development plan
- Preparation of Municipal Spatial Plan
- Planning of Sagana Agro-Industrial City
- Construction of a modern fire station
- Acquisition of Land for the new Kangaita Market
- Acquisition of land for various roads

Kerugoya Kutus Municipality is mandated to provide efficient and accountable management of the affairs of the Municipality through provision of Governance mechanism that will enable the inhabitants to enjoy sustainable Socio-Economic Development. Major achievements in the last MTEF period includes; construction of Kerugoya town parking spaces, non-motorized walkways and drainage. This has improved the image and beauty, increased the value of the property, conducive business environment and improved the safety and security for the inhabitants of Kerugoya town. Another achievement in the construction of the Ultra-modern fire station in Kutus town which is still ongoing.

Going forward, the department will seek to implement the following activities;

- Leasing of land to investors within Sagana Agro-Industrial City
- Identification and acquisition of suitable land a Central Sewerage Treatment Plant for Sagana Town.
- Acquisition of land for Governors' official functions and events.
- Processing land ownership documents for county public land.
- Planning of Informal Settlements
- Conferment of municipality status to Wang'uru and Sagana/Kagio towns.
- Planning and surveying of nine towns
- Regularization of land tenure within the urban areas.
- Establishment of a GIS Lab and related equipment
- Acquisition of land for various public uses
- Digitization of land records and data
- GIS mapping of town plots for integration with KiriPay Revenue System

#### 4.1.4 Departmental Ceilings

Table 4.4 County Indicative Ceilings for 2024-25

VOTE	ENTITY	Approved Estimates 2023-24		Projected Estimates 2024-25 (%)		Projected Estimates 2024-25		
		REC	DEV	REC	DEV	REC	DEV	TOTAL
3961	County Assembly	14.0%	3.5%	14.0%	3.50%	643,942,002*	68,993,785	712,935,788
3962	County Executive	10.4%	0.0%	10.40%	0.00%	478,356,915**	-	478,356,915
3963	Finance and Economic Planning	12.0%	5.1%	12.00%	5.10%	551,950,287	100,533,802	652,484,089
3964	Agriculture, Livestock and Fisheries	4.5%	21.4%	4.50%	21.40%	206,981,357	421,847,719	628,829,077
3965	Environment, Water, Irrigation, Natural Resources, Energy and Climate Change	2.5%	12.0%	2.50%	12.00%	114,989,643	236,550,123	351,539,766
3966	Education	7.4%	2.1%	7.40%	2.10%	340,369,344	41,396,271	381,765,615
3967	County Health Services	44.2%	24.7%	44.20%	24.70%	2,033,016,892	486,899,003	2,519,915,896
3968	Lands, Physical Planning and Urban Development	0.7%	2.3%	0.70%	2.30%	32,197,100	45,338,773	77,535,873
3969	Roads, Transport, Public Works, Housing and Infrastructure Development	1.6%	14.2%	1.60%	14.20%	73,593,371	279,917,645	353,511,017
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	1.0%	11.7%	1.00%	11.70%	45,995,857	230,636,370	276,632,227
3971	Gender and Youth	0.9%	2.1%	0.90%	2.10%	41,396,271	41,396,271	82,792,543
3972	Sports, Culture, Children and Social Services	0.8%	0.9%	0.80%	0.90%	36,796,685	17,741,259	54,537,945
	<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>4,599,585,729</b>	<b>1,971,251,027</b>	<b>6,570,836,756</b>

Source: County Treasury

**Notes:**\*-County Assembly Recurrent Ceilings will be updated upon approval of County Allocation of Revenue Act 2024

\*\* -County Executive Recurrent Ceilings will be updated upon approval of County Allocation of Revenue Act 2024

## 5.0 CONCLUSION

Kenya's economy is projected to remain strong and resilient in 2023, 2024 and over the medium term supported by the continued robust growth of the services sectors, the rebound in agriculture, and the ongoing implementation of measures to boost economic activity in priority sectors by the Government. As such, the economy is expected to remain strong and expand by 5.5 percent in both 2023 and 2024 (5.5 percent in FY 2023/24 and 5.4 percent in FY 2024/25).

In the county, economy is expected to be supported by the strong recovery in agriculture sector that drive the industrial sector. Anticipated long rains later in 2024 will continue to support activities in the agriculture.

Agro-processing and manufacturing is set to be supported through launching of Sagana Climate Smart Agro-Industrial City which hosts an array of development, including an Export Processing Zone (EPZ), the County Aggregation Industrial Park (CAIP). This investment will increase agricultural output through value addition, open up job opportunities for youth and women. It is expected that this investment will create approximately 10,000 job opportunities.

Implementation of FY 2023/24 is ongoing despite challenges in disrupted release of funds by National treasury. Own Source Revenue collections are on course to realizing the set targets. More effort will be put towards revenue mobilization through administrative and policy reforms. There will be continuous efforts in modernizing and simplify revenue collection systems to enhance compliance.

The County Government will continue to sustain efforts in improving efficiency in expenditure through elimination of non-priority expenditures.

In the FY 2024/25 budget, all county entities are expected to lay emphasis on the priority programmes under CIDP 2023-27, County Annual Development Plans. These includes county transformative programs with aim of increasing household income as well as programs contributing to achievement of Bottom-Up Economic Transformation Agenda (BETA).

Given the limited resources, county entities will therefore need to critically

review, evaluate and prioritize all budget allocations to strictly achieve the County Government's priorities.

The departmental provided in this document will be the basis for preparation of the 2024-25 FY budget estimates.