



REPUBLIC OF KENYA  
COUNTY GOVERNMENT OF NYANDARUA  
COUNTY TREASURY



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# **NYANDARUA COUNTY GOVERNMENT**

## **COUNTY BUDGET REVIEW AND OUTLOOK PAPER (CBROP)**

**2018**

*Actualizing Nyandarua County socio-economic Transformative Agenda*

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Oi Kalou,

**KENYA**

## TABLE OF CONTENTS

TABLE OF CONTENTS.....	ii
LEGAL BACKGROUND .....	vii
CHAPTER ONE .....	1
FISCAL PERFORMANCE FOR THE 2017/18 FY .....	1
1.1    1.0 Overview .....	1
1.2    Approved 2017/18 FY Budget Estimates.....	1
1.1.1 Revenue.....	1
1.1.2 Expenditure .....	2
1.1.3 Departmental allocations .....	3
1.3    2017/18 FY Actual Revenue Performance.....	4
1.2.1 Equitable Share .....	4
1.2.2 Conditional Grants from National Government and Donor Funds.....	4
1.2.3 Own Source Revenue (OSR) .....	5
1.2.5 Unspent Balances in FY 2016/17 .....	6
1.3    2017/18 FY Actual Expenditure Performance.....	6
1.3.1 County expenditure .....	6
1.3.2 Departmental Expenditure .....	7
<b>1.4 Fiscal Performance in relation to Fiscal Responsibility Principles</b> .....	17
1.4    Challenges in implementation of the 2017/18 FY Budget.....	19
CHAPTER TWO .....	22
ECONOMIC AND FINANCIAL FORECAST FOR FY 2019/2020 AND THE MEDIUM TERM .....	22
1.5    2.0 Macroeconomic Outlook and Policies .....	22
2.1 National Outlook.....	22
2.2 Global Growth Forecast.....	27
2.3 County Outlook.....	28
1.6    2.3.2 SWOT Analysis on the Economic Outlook .....	29
Swot Analysis on the National Outlook.....	30
Swot Analysis on the County Outlook .....	30
1.7    2.3.3 Measures to Mitigate on the Weaknesses and Threats.....	31
2.4    Financial forecast For 2018/19 FY and the Medium Term.....	31
2.4.1 Revenue Projections.....	31
2.4.2 Expenditure Forecasts .....	32
CHAPTER THREE .....	35
SECTORAL PRIORITIES AND RESOURCE ALLOCATION IN THE MEDIUM TERM	35
1.8    3.0 Overview .....	35
1.9    3.1 Presidential “Big Four Point” Agenda and Sectoral Pillars .....	35
1.10   3.2 Sectoral priorities in the medium term .....	37
3.2.1 Agriculture sector.....	37
3.2.2 Water, Environment, Tourism and Natural Resources .....	38
3.2.3 Finance and Economic Development Sector .....	40
3.2.4 Governance Sector .....	41
3.2.5 Public Administration and ICT.....	41
3.2.6 County Public Service Board.....	42
3.2.7 Transport, Energy and Public Works.....	42
3.2.8 Industrialization, Trade and Cooperatives .....	43
3.2.9 Youth, Sports and Arts.....	43

3.2.10 Health Services .....	44
3.2.11 Education, Culture and Social Services .....	46
3.2.12 Land, Housing and Physical Planning .....	46
1.11 3.3 RESOURCE ALLOCATION CRITERIA .....	47
CHAPTER FOUR.....	49
RISKS TO THE COUNTY ECONOMY .....	49
CHAPTER FIVE .....	51
CONCLUSION AND WAY FORWARD .....	51
ANNEX I: SECTOR CEILINGS FOR FY 2019/20 AND THE MEDIUM TERM (Kshs.)...	53
ANNEX II: FY 2019/20 COUNTY BUDGET CALENDAR.....	55

## FOREWORD

The Annual Nyandarua County Budget Review and Outlook Paper (CBROP) 2018 in line with Section 118 Public Finance Management Act, 2012, has reviewed the actual fiscal performance of the FY 2017/18 and makes comparisons to the Budget appropriations of the same year. Further it captures updated economic and financial forecast with sufficient information that has provided an outlook of the County in the FY 2019/20 and the Medium Term. The preparation of this Paper is the Second under the CIDP 2 (2018-2022).

This Paper has also provided an overview of how the actual performance of the FY 2017/18 affected the financial objectives as detailed in the County Fiscal Strategy Paper (CFSP), 2018. The anticipated performance of the FY 2018/19 Budget will form the basis for projecting the FY 2019/20 Budget based on the recent economic developments. It is anticipated that, the projected revenue and expenditure for 2018/19 will be achieved through strict expenditure controls and enhanced revenue collection mobilization measures. This will be achieved through fiscal discipline to ensure proper management of public resources and delivery of expected outputs. Revenue streams will be interrogated to understand the reasons for under performance in 2017/2018 so that appropriate revenue raising measures are taken during the current Financial Year. We however, mention that FY 2017/2018 total revenues were the highest since Devolution. With the appropriate Revenue enhancement measures, the County is poised to better performance in the coming years.

The 2017/18 FY Budget revenue envelope was expected to be Kshs. 6,105,382,733 from all sources within and without the County. However, there were shortfalls in actual revenue realized in OSR of Kshs. 82,414,401.03, Road maintenance levy fund Kshs. 32, 641,948, while European Union Grant of Kshs. 66,000,000 respectively were not received. Of the targeted expenditure premised on a balanced Budget model, with all revenues planned to be expended, Kshs. 4,705,031,369 was spent representing an absorption of 77.06%. We note that most of the development project funds were committed translating to 89.1 % Budget absorption rate. The incomplete projects were not paid for but form part of the pending bills carried forward FY 2018/2019.

The implementation of the FY 2017/18 Budget was faced with a myriad of challenges. There was delay in passing of the County Allocation of Revenues Act (CARA) 2017. When the CARA was eventually passed, the County Equitable share Allocation was revised downwards by Kshs. 188,088,612 from the revenue projection that was contained in the Budget. A Supplementary Budget therefore had to be prepared to scale down the planned Programmes to fit this new allocation.

Arising from the General Elections held in August 2017, changes occurred in the County Administration both in the Executive and the County Assembly. In line with this, it became necessary to revise the Budget to factor in the Agenda of the New Administration and reorganize the Budget to fit in the new structure in Departments of the County Government. The prolonged electioneering activities nationally as a result of the repeat elections also delayed the implementation of the Budget.

There was also delay in disbursement of funds and challenges in IFMIS connectivity and frequent down times.

Unprecedented weather conditions and the prolonged period of heavy rains from March to June 2018 distorted the implementation timetable of development projects especially in the Department of Roads, Water and Education. This was mitigated by committing the project funds in IFMIS and the same was Carried Forward to be factored as Pending Bills in the First Supplementary Budget for 2018/19 FY.

The CBROP 2018 is based on the Medium Term Development Aspiration of “*Actualizing Nyandarua County Socio-Economic Transformative Agenda*”. It is informed by the Manifesto of H.E. the Governor, CIDP2, President’s “BIG FOUR” Point Agenda, Kenya Vision 2030 and Sustainable Development Goals (SDGs).

In the FY 2019/20 Budget, further efforts will be put in place to further enhance on Own Source Revenue generation through growth of the productive sectors which will create the synergy for the growth of the County economy. The fiscal framework presented in this Paper ensures a sustainable financing while allowing continued spending on priority programs. Achievement of the set objectives calls for greater transparency, effectiveness and efficiency in Public Financial Management in order to ensure fiscal discipline. Focus will also be on enhancing efficiency in Budget implementation by prudence in allocation of resources to ensure that all “claim holders” get value from their County entitlement. The County will leverage on the County and National Governments opportunities to maximize the potential gains of the FY 2019/20 Budget while mitigating on any probable risks.

In line with best practice, Program-Based Budgeting model will continue to be used. This model increases efficiency and effectiveness in service delivery and ensures that “duty bearers” deliver the best possible services to the County Citizenry. Emphasis will be placed on results based Monitoring and Evaluation of County programs and County staff performance contracting and appraisal. This will ensure value for money to the Nyandarua citizenry.

The Sector Ceilings envisaged herein are after rigorous considerations by all the relevant stakeholders with the prime of steering Nyandarua County priority programs and projects in achieving Social Economic Transformative Agenda for the County. Scarcity of resources amid competing priorities continues to be a challenge in allocation of resources. Nevertheless utmost consideration has been given to all sectors during allocation of resources as they are viewed to contribute equitably towards achieving the targets of the County under CIDP2.

In ensuring there is transparency and accountability the Executive will relay the County performance indicators to the public as well as publicizing publications as required by the Constitution 2010 and the Public Finance Management Act, 2012. This will enable stakeholders keep abreast of all Development Programs being carried out in the County. Quarterly Implementation Status Reports will also be availed to the County Assembly, Controller of Budget and National Treasury for oversight and the general public for accountability and transparency.

**HON. MARY MUGWANJA**  
**COUNTY EXECUTIVE COMMITTEE MEMBER**  
**FINANCE & ECONOMIC DEVELOPMENT**

## LEGAL BACKGROUND

The County Budget Review and Outlook Paper (CBROP) is one of the key stages in the preparation of the Annual County Budget. Its preparation is enshrined in the Public Finance Management Act, 2012 where section 118 (1) clearly postulates that a County Treasury shall:

- (a) Prepare a County Budget Review and Outlook Paper in respect of the County for each Financial Year; and
- (b) Submit the Paper to the County Executive Committee by the 30th September of that year.

Section 118 (2) of the same Act further provides that the CBROP should contain:

- (a) The details of the actual fiscal performance in the previous year compared to the Budget Appropriation for that year;
- (b) The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;
- (c) Information on:
  - (i) Any changes in the forecasts compared with the County Fiscal Strategy Paper; or
  - (ii) How actual financial performance for the previous Financial Year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that Financial Year; and
- (d) Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.

After preparation of the Paper by the County Treasury, the County Executive Committee considers the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, and arranges for the same to be laid before the County Assembly, publishes and publicizes the Paper.

Preparation of this Paper is further backed by the County Governments Act, 2012 and the Constitution of Kenya, which compels County Governments to plan for their Counties and requires appropriation of the funds to be within the approved planning frameworks.

The main objectives of a CBROP are to 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;
- The financial outlook with respect to County Government revenues, expenditures and borrowing for the coming Financial Year and over the medium term;
- An assessment of the current Financial Year and the projected state of the economy for the succeeding three years;
- Targets for overall revenues, total aggregate expenditure and domestic and external borrowing for the succeeding Financial Year and the medium term;
- The total resources to be allocated to individual programs within a sector indicating the outputs expected from each such program during that period;
- The criteria used to allocate or apportion the available public resources among the various programs; and
- Forecast financial position for the Financial Year to which the Budget relates and the next two Financial Years.

## **CHAPTER ONE**

### **FISCAL PERFORMANCE FOR THE 2017/18 FY**

#### **1.1 1.0 Overview**

The County Government's mandate as stipulated by the Constitution of Kenya is discharged by Departments through implementation of projects and programs. These projects and programs are allocated funds through County Budgeting process.

In the 2017/18 FY the County had a Budget Resource Envelope of Kshs. 6,105,382,733 of which Kshs. 4,079,942,131 (67%) was allocated for recurrent expenditure and Kshs. 2,025,440,602 (33%) was allocated for development expenditure. The allocation to development was in line with Fiscal Responsibility requirements in the PFM Act 2012 (section 107) requiring that at least 30% of the County Budget be dedicated for development.

The County Budget revenues were made up of transfers from the Equitable Share, National Government Conditional Grants, Donor Funding, Own Source Revenues (OSRs) and Unspent Balances carried forward from the 2016/17 Financial Year.

For the year ended June 2018, the County expended Kshs.4, 705,031,369 out of the Budgeted amount of Kshs.6, 105,382,773 representing an absorption rate of 77.06%. We note that most of the development project funds were committed. Total commitments by the close of the Financial year amounted to Kshs 732,717,453. Total expenditure and commitments therefore amounted to Kshs. 5,437,748,822 translating to 89.1% absorption. The incomplete projects were not paid for but form part of the pending bills carried forward to FY 2018/2019.

#### **1.2 Approved 2017/18 FY Budget Estimates**

##### **1.1.1 Revenue**

In the Financial Year 2017/18, the County had a projected Resource Envelope of Kshs. 6,105,382,773. This comprised of Kshs. 4,771,600,000 from the Equitable Share, Kshs. 647,079,843 as Conditional Grants from National Government. The Own Source Revenue was Kshs 371,000,000 while Kshs. 315,702,890 was Balance Brought Forward as exchequer returns from FY 2016/17, of the anticipated revenues, there was a shortfall in the OSR by Kshs 52,414,402.

### 1.1.2 Expenditure

The County projected expenditure of Kshs 6,105,382,733 comprised of Kshs 4,079,942,131(67%) for recurrent and Kshs 2,025,440,602 (33%) for development.

Table 1 provides the details for the County approved Budget revenues and expenditures for Financial Year 2017/18.

*Table 1: Approved County Budget estimates for period ending 30<sup>th</sup> June 2018*

<b>REVENUE CLASSIFICATION</b>	<b>REVENUE BUDGET (Kshs)</b>
National Transfers- Equitable Share	4,771,600,000
Local Own Source Revenue	371,000,000
Grant for Free Maternal Health Care	0
Road Maintenance Fuel Levy	183,511,039
Linda Mama	30,000,000
Health User Fees Foregone	12,735,922
Grant for Leasing of Medical Equipment	95,744,681
DANIDA Grant	19,274,912
World Bank Loan for Transforming Health Systems	32,000,000
Grant for Development of Youth Polytechnics	46,590,293
Grant to supplement construction of County Headquarters	121,000,000
World Bank Grant for KDSP	40,222,996
European Union Grant for Potato Tissue Culture Lab	66,000,000
Balance B/F	315,702,890
<b>TOTAL</b>	<b>6,105,382,733</b>
	<b>Expenditure</b>
Compensation to Employees	1,892,500,000
Use of Goods and Services	2,005,411,683
Acquisition of Non-Financial Assets	182,030,448
Development Expenditure	2,025,440,602
<b>Total</b>	<b>6,105,382,733</b>

### 1.1.3 Departmental allocations

In the 2017/18 FY, departmental allocations were as shown in table 2 with details on recurrent and development allocations as well as proportions for each department/ office to the whole County Budget.

Table 2: Approved departmental allocations for period ending 30th June 2018

Department	Approved Recurrent Estimates	Budget	Approved Development Estimates	Budget	Total Budget Estimates	Ratio (%) of County Budget
Gubernatorial Office	153,122,544		10,000,000		163,122,544	2.67
County Secretary	1,912,997,765		0		20,497,765	0.34
CPSB	10,468,000		0		10,468,000	0.17
Public Admin & ICT	35,619,870		7,654,493		43,274,363	0.71
County Attorney	16,333,000		2,500,000		18,833,000	0.31
Finance & Economic Development	551,858,596		0		359,795,256	5.89
Agriculture & Livestock & Fisheries	74,920,665		158,637,000		233,557,665	3.83
Lands, Housing & Physical Planning	29,503,967		149,895,497		179,399,464	2.94
Transport, Energy & Public Works	59,509,721		756,494,509		816,004,230	13.37
Health Services	441,544,498		188,554,602		630,099,100	10.32
Education, Culture & Social Services	87,458,940		131,564,978		219,023,918	3.59
Industrialization, Cooperative and Trade Services	45,641,744		63,555,511		109,197,255	1.79
Youth, Sports & the Arts	34,582,351		67,963,865		102,546,216	1.68
Water, Environment, Tourism and Natural Resources	33,941,930		243,757,687		277,699,617	4.55
County Assembly	592,438,540		244,862,460		837,301,000	13.71
<b>Sub Total</b>	<b>4,079,942,131</b>		<b>2,025,440,602</b>		<b>4,020,819,393</b>	
County Funds		-	0		192,063,340	3.15

Salaries –Executive	-	0	1,892,500,000	31.00
Total			<b>6,105,382,733</b>	<b>100.00</b>

### 1.3 2017/18 FY Actual Revenue Performance

#### 1.2.1 Equitable Share

The County had projected to receive Kshs. 4,771,600,000 as the Equitable Share from the national Government. For the period under review, the County received the entire share. Analysis of quarterly exchequer releases on the Equitable Share are shown in table 3.

Table 3: Exchequer Releases for the period ending 30<sup>th</sup> June 2018

RELEASE	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	TOTAL
<b>Amount</b>	334,012,000	763,456,000	1,312,190,000	2,361,942,000	<b>4,771,600,000</b>
<b>% Release</b>	7	16	27.5	49.5	<b>100</b>

#### 1.2.2 Conditional Grants from National Government and Donor Funds

##### 1.2.2.1 Conditional Grants from National Government

The County had projected to receive a total of Kshs.459, 581,395 as Conditional Grants from the National Government. This comprised of Kshs. 183,511,039 from Fuel Levy Fund, Kshs. 12,735,922 for Hospitals User Fees Foregone, Grant for Development of Youth Polytechnics Kshs 46,590,293, supplement construction of County Headquarters Kshs 121,000,000, Kshs. 66,000,000 from the European Union for Potato Tissue Culture Lab and Kshs. 95,744,681 for Leasing of Medical Equipment. However, the Grant for Fuel Levy had a deficit of Kshs.32, 641,948, the Grants to supplement construction of County Headquarter, European Union were not received and for Leasing of Medical Equipment was also not received and it is assumed to have been paid directly to the Suppliers of the Medical Equipment.

##### 1.2.2.2 Donor Funding

The County had expected to receive Kshs.19, 274,912 for DANIDA Grant, Kshs. 40,222,996 for Capacity Building from the World Bank, and Kshs. 32,000,000 from the World Bank for Transforming Health Systems. In the year under review, the whole amounts were received.

However, the County also expected Kshs. 66,000,000 from the European Union for Potato Tissue Culture Lab which was not received. Additionally Kshs. 282,647,811 from the World Bank as a Grant for KDSP Capital Projects was received in the last quarter.

Table 4: Receipts of Conditional Grants and Donor Funds for the period ending 30<sup>th</sup> June 2018

Grant	Budgeted	Amount received	% Received
Grant for Free Maternal Health Care	0	0	0%
Road Maintenance Fuel Levy	183,511,039	150,869,091	82%
Health User Fees Foregone	12,735,922	12,735,922	100%
Grant for Leasing of Medical Equipment <i>withheld at National Level</i>	95,744,681	0	0%
DANIDA	19,274,912	19,274,912	100%
World Bank loan for Transforming Health Systems	32,000,000	32,000,000	100%
Grant for Development of Youth Polytechnics	46,590,293	46,590,293	100%
Grant to supplement construction of County Headquarters* <i>withheld at National Level</i>	121,000,000	0	0%
World Bank Grant for KDSP	40,222,996	40,222,996	100%
World Bank Grant for KDSP-Capital	282,647,811	282,647,811	100%
European Union Grant for Potato Seed Multiplication Lab	66,000,000	0	0%

Analysis in table 4 indicates that the whole Budgeted amounts for Health User Fees Foregone, World Bank Grant for KDSP, Grant for Development of Youth Polytechnics, World Bank loan for Transforming Health Systems, DANIDA, and 82% of Road Maintenance Fuel Levy received. Additionally, the County received the World Bank Grant for KDSP Capital Projects in the last quarter of the year. The European Union Grant for Potato Tissue Culture and Grant to supplement construction of County Headquarters was not received. The Grant for Leasing of Medical Equipment was presumed to have been paid directly to the Suppliers.

### 1.2.3 Own Source Revenue (OSR)

From its internal revenue sources, the County had projected to generate Kshs. 371,000,000 from various local streams. From all County sources, the County generated

Kshs. 318,585,598.97 (85.87 % of target). The performance for the Financial Year registered significant improvement and was the best since Devolution.

Table below shows locally generated revenue performance:

*Table 5: Locally generated revenue performance for the period ending 30th June 2018*

Source	Budgeted	Realised	Variance	% Realised
Local Revenue streams	371,000,000	318,585,598.97	52,414,401.03	85.87

### 1.2.5 Unspent Balances in FY 2016/17

In the FY 2017/2018, the County had Kshs. 315,702,890 as Balances Brought Forward from FY 2016/17. This was mostly in terms of pending bills for development.

## 1.3 2017/18 FY Actual Expenditure Performance

### 1.3.1 County expenditure

In the period under review, the County spent 91.99 % of its recurrent Budget and 47 % of its development Budget. Overall, actual County spending stood at 77.06 % of the entire Budget as shown in table 6. Commitment of funds was done for projects that were ongoing but could not have been paid by the close of the Financial Year. This increased the utilisation of the Budget to 92.8 % for recurrent expenditure, 81.64% for development expenditure and 89.1% for the County.

These projects are currently being completed and their payment will be factored in the Supplementary Budget for FY 2018/19.

*Table 6: County Expenditure for the Period Ending 30<sup>th</sup> June 2018*

2017/18 FY Budget	Expenditure	% Expenditure	Commitments	Expenditure & Commitments	% utilisation of Budget	
<b>Recurrent</b>	4,079,942,131	3,753,074,571	91.99	33,055,867	3,786,130,438	92.80
<b>Development</b>	2,025,440,602	951,956,798	47	701,561,585	1,653,518,383	81.64

<b>Total</b>	<b>6,105,382,733</b>	<b>4,705,031,369</b>	<b>77.06</b>	<b>734,617,452</b>	<b>5,439,648,821</b>	<b>89.10</b>
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### 1.3.2 Departmental Expenditure

#### Roads, Transport and Public Works

In order to transform the County's economy, the FY 2017/18 Budget aimed at continuous improvement of the Infrastructural facilities. A sum of Kshs 756,494,509 was set aside for;

- Grading, graveling, and upgrading of roads to bitumen standards, drainage works and maintenance of existing roads, opening up of new access roads, and improving road networks to motorable standards, construction of footbridges and drainage works across the County was carried out:
  - \* Over 270 roads across the 25 wards at a total cost of Kshs. 400 million;
  - \* Majority of the roads are nearing completion and others are ongoing; and
  - \* Constructed and finalized Dogino Bridge in Leshau Pondo, Wanjura Bridge in Tumaini, Nyathutha Bridge in Njabini and Churiri Bridge to connect Nyakio and Njabini is on-going. In Githioro, we have opened a new connection after completion of the Mumui Bridge from Turasha that has created a direct connection between Turasha and Mawingu other than using Murungaru town.
- Lighting: Erection of more floodlights and streetlights.
- Increased internal capacity by procurement of 3 20 ton Tippers at a cost of 34 million
- Put an order for fully-fledged firefighting equipment at a cost of Kshs. 53 million. This is the first of its kind in Nyandarua County.

#### Flagship Projects

The construction of County Executive offices was identified as a Flagship Projects Project and it was allocated 151M where National Government was contributing 121M and County Government 30M. This construction is phased in three years with the County Government contributing 30% and the National Government contributing 70%. However, the pace at which the Contractor is moving is too slow. The Department has been in constant discussions with the relevant Ministry and it is anticipated that a lasting solution will be obtained.

#### Health Services



Investing in quality and accessible Health Care Services was a priority in the Budget. The major Development projects included;

- Establishment of 4 new dispensaries: Kanguu, Kihuha, Kangubiri and Matura;
- Establishment of a Twin Theatre and Commodity Store at Ndaragwa Health Centre and purchase of a Back-hoe;
- Various renovations: Kihuho, New Tumaini, Munyaka, Haraka, Olaimutia, Nyairoko, Njabini, Murungaru and Koinange dispensaries;
- Public toilets were also constructed in some health facilities among them Murungaru, Munyaka, Mutarakwa, Munoru, Geta Forest, Gichungo and Olaimutia;
- Medical supplies availed in all health facilities; and
- 150 community health volunteers were inducted on Focused Antenatal Care (FANC) and some other 210 were empowered on Maternal Perinatal Death Surveillance and Response (MPDSR).

This Department had an allocation of Kshs. 630,099,100 out of which Kshs. 188,554,602 was for Development and Kshs. 441,544,498 for recurrent.

### **Flagship Projects**

Upgrading of J.M Kariuki Memorial and Engineer Hospitals were identified as Flagship Projects and they were allocated 27.5M and 7.35M respectively. The implementation of the two projects is ongoing and funding is being done in phases.

### **Lands, Housing & Physical Planning**

To streamline land ownership and promote investment in the County this Department was allocated a sum of Kshs 179,399,464 out of which Kshs. 149,895,497 was for Development and Kshs. 29,503,967 for recurrent. This was to facilitate:

- Development of the County's Spatial Plan which is 60% Complete;
- Construction of Lands offices which is 50% complete;
- Construction of drainage and walkways at Ndaragwa, Njabini, Engineer, Ol'Kalou and Miharati which are complete;
- Survey of various Squatter Villages including Magumu, Kambaa, Rurii, Gthioro, Mbuyu township, Sabugo Kaptein, Kaheho, Miharati, Mukeu, Mirangine and Kiriko; and

- Construction Ol’Kalou Parking Lots to Cabro standards 65% complete.

### **Flagship Projects**

Construction of Parking Lots at Ol Kalou town for revenue enhancement, construction of Land Offices and County Spatial Planning were identified as Flagship Projects at a cost of Kshs.14m, Kshs. 37.4m, and Kshs.47,066,913 respectively.

### **Trade Industrialisation & Cooperative Development**

This Department had an allocation of Kshs109,197,255 with Kshs 63,555,511 for Development and Kshs.45, 641,744 for recurrent. This amount was used for:

- construction of Markets;
- Registration of 15 New Co-operatives Societies;
- Coolers already installed at: Nyamarira Farmers’ Co-operative Society - Charagita , South Kinangop Dairy – Nyakio, Karate Farmers’ Co-operative Society– Githabai, Njambini Farmers’ Co-operative Society – Njambini, Miharati Farmers’ Co-operative Society – Kipipiri, Kirima Ol Bolossat – Shamata, Muki Farmers’ Co-operative Society - Ndunyu Njeru, Milangine Farmers’ Co-operative Society – Milangine, Geta Farmers’ Co-operative Society – Geta, Tulaga Farmers’ Co-operative Society – Gathara; and
- Bodaboda Operators have been provided with Tanks, Car Wash Machines and Umbrellas. Groups that have benefitted include: Charagita, Karangatha, Nyambosa, Milangine, AMC Ndaragwa traders, Aberdare Bodaboda, Aberdares Line Sacco, Gathanji Bodaboda, Mainya Travellers’ Sacco and Kiwanja Line Travellers

Other equipment given out and work done include:

- A Two-Tonne Hoist Crane for the Industrial Training Center at Ndunyu Njeru;
- A Sewing Machine for a blind beneficiary in Geta;
- Honey-packaging material for Honey Harvesting Co-operatives;
- Construction of:-  
Milangine Jua Kali Shed;  
Ndunyu Njeru Market Shed;  
a Five-Door Toilet at Engineer Market  
Market Tops at Ol’Jororok and Wanjohi Markets
- Installation of Flood Light at Soko Mpya Market;
- Levelling at Shamata, Kanjuiri and Miharati Markets;
- Renovation of Karangatha Market.

### **Flagship Projects**

Modernization of Ol Kalou Market Stalls, Construction of Jua Kali Sheds and County Branding were identified as Flagship Projects. 3.5m, 4m, 54m (phased out) respectively.

### **Education, Gender, Culture and Social Services**

For the purposes of promoting Education in the County, Kshs 219,023,918 was allocated to this Department. Kshs 131,564,978 was for Development while Kshs 87,458,940 was allocated for recurrent purposes.

The amounts were meant for;

- Construction and equipping of 51 ECDE classes;
- ECDE Milk Feeding Program;
- Provision of County Education Bursaries for needy;
- Ndemi Rehabilitation Centre construction and equipping with medical and non-medical equipment ongoing;
- Construction of hostels in Youth Polytechnics (Miharati, Mirangine, and North Kinangop) plus equipping ALL the Polytechnics with modern equipment to assist in imparting necessary skills to the trainees;
- In line with the ECDE curriculum, the County Government has procured rest equipment for the young ones;
- Provision of Assistive Devices to People with Disabilities (218 wheelchairs); and
- Equipment procured for Women Empowerment.

### **Flagship Projects**

ECDE Feeding Program was identified as a Flagship Projects Project and it was allocated 39,770,000

### **Water, Environment, Tourism and Natural Resources.**

It is the County Government priority to provide enough and clean water in a clean environment for the people of Nyandarua. For this purpose, this Department was allocated Kshs 277,699,617 out of which Kshs. 243,757,687 was for Development and Kshs. 33,941,940 for recurrent. These were meant for:

- Supplying 57 Water Projects with pipes and fittings. Trenching done and pipes laid to extend water to locals;
- Construction of 11 Masonry Water Tanks which are already complete. Repair of 2 Masonry Tanks completed;
- Supplying 175 Plastic Tanks to Water Projects and various Public Institutions like schools;
- Supply, delivery and installation of solar panel and inverters, solar powered submersible pumps, panel support structure and solar controller was completed in 24 Water Projects;
- One intake for Witeithie Water Project construction complete;
- 7,000 trees seedlings were planted at Nyakarianga water catchment area;
- Irrigation projects complete, namely the Muthuri Irrigation in Central Ward Project and the Ndinda Irrigation project in Wanjohi Ward;
- Construction of the Ol’Kalou Arboretum Town Park perimeter wall ongoing at 50% complete;
- Gazettement of Lake Ol’Bollosat completed in February;
- Supported the National Tree Planting Program. At least five schools per Sub-County benefited from the County Tree Program, which saw 35,000 seedlings planted;
- Rehabilitation and distribution network of Gwakiongo and Nyakanja water projects;
- Design work for Rutara Kirigono and Leshau Karagoine Water Projects completed; and
- County Borehole drilling program - completed boreholes: Manunga, Kaugi, Miti Iri, Mayu, Suguroi, Ndothua, Matindiri, Muhakaini, Maili Kumi, Kihuho, Mutarakwa, Kanyawa, Rwanyambo, Mwenda andu, Shamata Girls, Turasha, Kandutura, Rurii and Hianyu.

### **Flagship Projects**

Construction of perimeter wall for Ol Kalou Arboretum Town Park was identified as Flagship Projects. It was allocated Kshs. 4,550,000.

### **Agriculture, Livestock & Fisheries**

Agriculture is the backbone of Nyandarua’s economy due to the fertile soils and favourable climatic conditions. It is considered the food basket of Kenya because of its high production of potatoes, cabbages, carrots, peas and milk. The Sector has been a key economic driver creating

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over 70% of the available employment opportunities directly & indirectly. The Sector has also been a key contributor towards local revenue generation.

In the 2017/18 FY, the Sector was allocated Kshs.233, 557,665. Out of this allocation, Kshs 74,920,665 (32.1%) was for recurrent while Kshs158, 637,000 (67.9%) was for development expenditure.

The amounts were meant for:

- Supply and delivery of veterinary supplies and materials, supplies for production-acaricides and drugs vaccination equipment – countywide;
- Supply and delivery of rabbit breeding stock and feeds in Ol-Joro-orok;
- Supply and delivery of DAP and 23:23:0 fertilizer – countywide;
- Supply, delivery and installation of soil testing equipment;
- Supply of certified potato seeds for Polseki Group- Njabini ward;
- Supply and delivery of fingerlings and fish feeds - County wide; and
- Rehabilitation and improvement work on Geta Trout Fish Farm - North Kinangop Ward as well as Ndaragwa Trout Fish Farm in Ndaragwa Central Ward.

### **Flagship Projects**

Improvement of ATC Infrastructure, input subsidy and purchase and installation of Soil Testing Equipment were allocated Kshs.30, 000,000, Kshs. 19,602,000 and Kshs 5,800,000 respectively.

### **Public Administration and ICT**

Public Administration and ICT Department is mandated to provide security of County Assets and ensure compliance with County Legislation and relevant National Laws, Coordination of Government functions for efficient Service Delivery and automation of all County services while minimizing the risk exposed to the Systems.

For this purpose, the Department in the 2017/18 FY the Sector was allocated Kshs. 43,274,363. Out of this allocation, Kshs35, 619,870 (82.3%) as recurrent while Kshs7, 654,493 (17.7%) as Development. The funds were used for:

- Ajira Online Jobs Youth Empowerment Program in conjunction with the ICT-Authority. The program will start from October this year and 10,000 youths are

projected to be trained by the end of 2022 through our Youth Polytechnics in every Sub-County; and

- Already, 4 ICT Centres namely Mirangine, Kangui, Miharati and Kinangop have been equipped at Kshs. 7.5m in readiness for the program.

### **Flagship Projects**

Unified Communication Platform, County Inter-connectivity and IT Security were identified as Flagship Projects.

### **Youth, Sports and Arts**

In an effort to empower and develop the Youth the Department was allocated Kshs. 102,546,216 out of which Kshs 67,963,865 was meant for development while Kshs 34,582,351 for recurrent.

- Upgrading of County Stadia and various Ward playgrounds;
- Purchase and distribution of the following equipment to 202 Youth Groups -
  - 14 Green Houses
  - 25 Incubators
  - 50 Car Wash Machines
  - 50 fully fledged Saloon Equipment for ladies
  - 6 Concrete Mixtures
  - Culvert Making Moulds
  - Knitting and Sewing Machines; and
- Transforming 100 Youth Groups to limited companies to help them access Government tenders.

### **Flagship Projects**

Upgrading Ol'Kalou Stadium and Youth Empowerment Programs were identified as Flagship Projects and were allocated 5,000,000 and 23,170,915 respectively.

### **Governance Sector**

#### **(i) Office of the Governor**

In the 2017/18 FY the Office of the Governor total allocation was Kshs 163,122,544 with a recurrent of Kshs 153,122,544 and Development of Kshs 10,000,000.

The amount was meant to facilitate;

- Holding of over 80 Public Fora and site visits in all wards for engagement with citizenry;
- Strengthening relations with other Counties, National and International Community through participating in the Council of Governor’s Forums, Devolution Conference and the Summit; and
- Signing of Partnership Agreements and MOUs for development of the County.

**(ii) County Secretary**

County Secretary was allocated Kshs 1, 912,997,765 which was also the recurrent expenditure as there was no Development. This Department is mandated to facilitate the County Departmental Structures and Functions as directed by the County Executive Committee, facilitate capacity building of senior County Government Officers and arrange business and communicate decisions of the County Executive Committee.

It also engages engagements with the Council of Governors towards the Annual Devolution Conference.

**(iii) County Attorney**

Office of the County Attorney had an allocation of Kshs 18,833,000 whereas the recurrent Budget was Kshs 16,333,000 and a Development of Kshs 2,500,000.

The Directorate is involved in drafting various Regulations and Acts, tabling various Bills and Regulations before forwarding to The County Assembly for debate and approval. Drawing various Commercial and Conveyance transactions, litigation on behalf of the County Government as well as offering general legal services.

**Finance and Economic Development**

In the 2018/19 FY the Department prepared all Planning and Budget documents i.e. Budget Circular, Annual Development Plan, CBROPs, CFSPs, Debt Management Strategy Paper, Program and Itemized Budget, Appropriation Acts, Cash Flow Projection and 2 Supplementary Budgets; Conducted an End Term Review of the 2013-2017 County Integrated Development Plan; Preparation of the County Integrated Development Plan, 2018-2022; Coordinated the

preparation County work plans; Coordinated the preparation of the RRI's; Prepared Projects Implementation Reports, Annual Progress Report for 2017/18 FY; Prepared Annual Financial Reports among others and Mobilized Kshs. 318 Million from Own Source Revenue

In order to improve resource mobilization for sustainable Development this Department was allocated Kshs. 551,858,596 which includes Kshs.192,063,340 County Funds. In its spending, the County Government was guided by the PFM Act, 2012 and other Financial Guidelines and Standards.

*Table 7 summary of expenditure by departments (Kshs.)*

Department	Use of goods & Services	Development expenditure	Total
Governor's Office	149,482,440	1,007,662	150,490,102
The County Secretary	1,908,989,428	0	1,908,989,428
County Public Service Board	9,413,764	0	9,413,764
Public Administration & ICT	14,781,976	6,644,280	21,426,256
County Attorney	15,824,419	1,741,659	17,566,078
Finance & Economic Development	452,577,423	0	452,577,423
Agriculture Livestock & Fisheries	46,950,267	23,682,440	70,632,707
Lands, Housing & Physical Planning	23,130,937	97,528,775	120,659,712
Transport, Energy & Public Works	54,497,216	250,576,473	305,073,689
Health Services	308,465,405	118,948,974	427,414,379
Education, Gender, Youth, Culture and Social Services	84,480,214	69,439,428	153,919,642
Youth, Sports and Arts	32,067,932	58,678,737	90,746,669
Trade Industrialisation & Cooperative Development	42,742,450	37,873,761	80,616,211
Water, Environment, Tourism & Natural resources	28,484,647	131,122,384	159,607,031
<b>Sub Total</b>	<b>3,171,888,518</b>	<b>797,244,573</b>	<b>3,969,133,091</b>
County Assembly	581,186,053	154,712,225	735,898,278
<b>GRAND TOTALS</b>	<b>3,753,074,571</b>	<b>951,956,798</b>	<b>4,705,031,369</b>

Summary of Budgeted Verses the Actual Expenditure are as indicated in the table below.

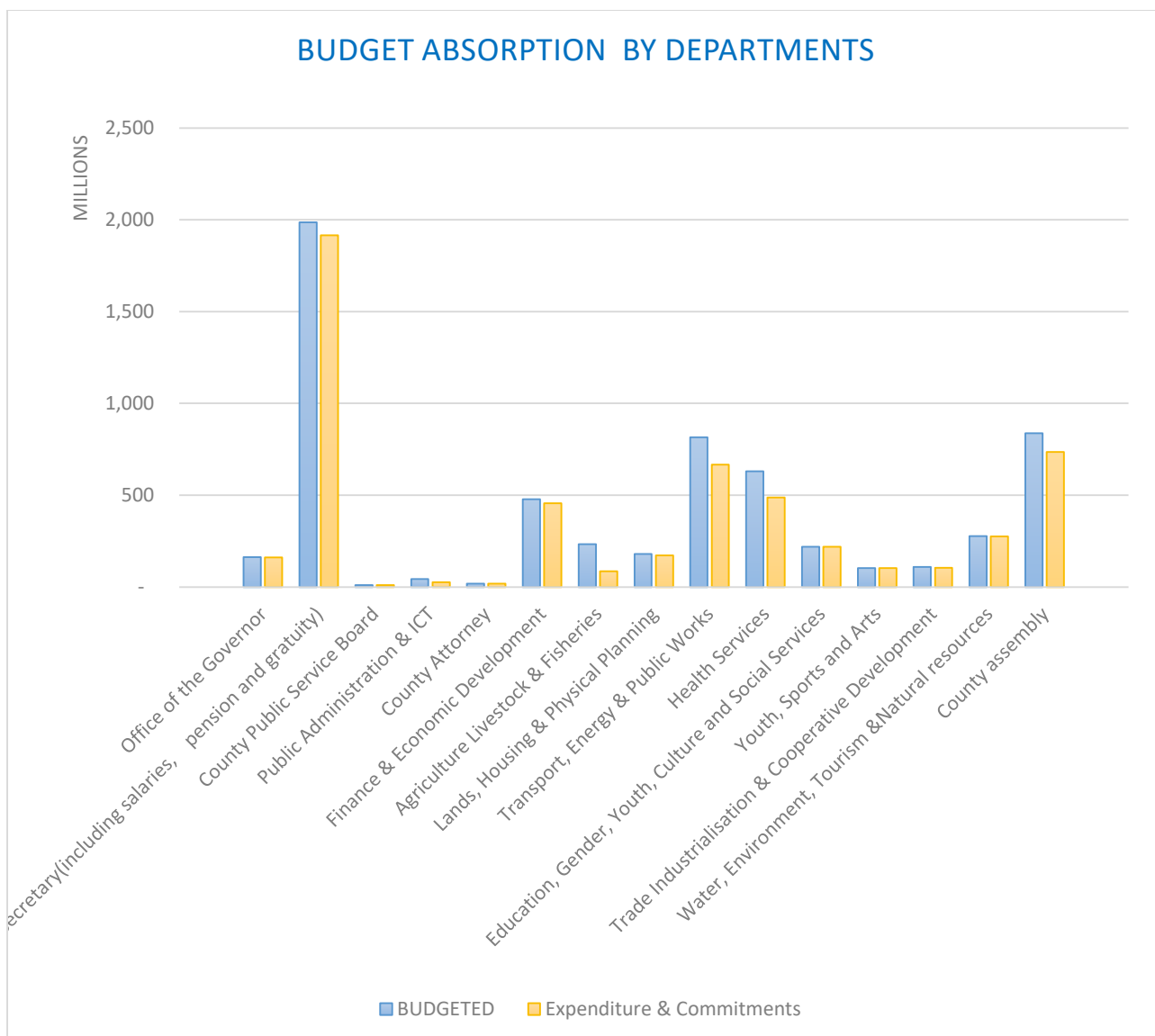
*Table 8 Departmental Summary of Budgeted Verses the Actual Expenditure FY 2017/2018*

Department	Budgeted	Expenditure	Commitments	Total Expenditure & Commitments	Absorption Rate %	Unspent /Noncommitt ed Balance
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						(not adjusted for unrealized revenues)
Governor's Office	163,122,544	150,490,102	10,991,603	161,481,705	99.0	1,640,839
The County Secretary(including salaries, pension and gratuity)	1,986,771,924	1,908,989,428	7,363,428	1,916,352,856	96.5	70,419,068
County Public Service Board	10,468,000	9,413,764	1,054,076	10,467,840	100.0	160
Public Administration & ICT	43,274,363	21,426,256	3,978,880	25,405,136	58.7	17,869,227
County Attorney	18,833,000	17,566,078	1,084,976	18,651,054	99.0	181,946
Finance & Economic Development	478,084,437	452,577,423	3,001,125	455,578,548	95.3	22,505,889
Agriculture Livestock & Fisheries	233,557,665	70,632,707	15,672,767	86,305,474	37.0	147,252,191
Lands, Housing & Physical Planning	179,399,464	120,659,712	51,257,753	171,917,465	95.8	7,481,999
Transport, Energy & Public Works	816,004,230	305,073,689	360,868,687	665,942,376	81.6	150,061,854
Health Services	630,099,100	427,414,379	59,798,606	487,212,985	77.3	142,886,115
Education, Gender, Youth, Culture and Social Services	219,023,918	153,919,642	65,019,743	218,939,385	100.0	84,533
Youth, Sports and Arts	102,546,216	90,746,669	11,799,547	102,546,216	100.0	-
Trade Industrialisation & Cooperative Development	109,197,255	80,616,211	24,332,941	104,949,152	96.1	4,248,103
Water, Environment, Tourism & Natural resources	277,699,617	159,607,031	116,493,321	276,100,352	99.4	1,599,265
County assembly	837,301,000	735,898,278		735,898,278	87.9	101,402,722
<b>Totals</b>	<b>6,105,382,733</b>	<b>4,705,031,369</b>	<b>732,717,453</b>	<b>5,437,748,822</b>	<b>89.1</b>	<b>667,633,911</b>

*Figure 1: summary of departmental allocations verses the actual expenditures by County Executive Departments (Kshs.)*



#### 1.4 Fiscal Performance in relation to Fiscal Responsibility Principles

Section 107 of the PFM Act, 2012 and Regulation 25 of the PFM (County Governments) Regulations, 2015 sets out the fiscal responsibility principles which the County Governments have to observe. These include the following:

- I. 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;
- II. The County public debt shall never exceed twenty percent of the County Governments total revenue at any one time;
- III. The approved expenditures of a County assembly shall not exceed seven per cent of the total revenues of the County Government or twice the personnel emoluments of that County assembly, whichever is lower; and

IV. The County Government actual expenditure on development shall be at least thirty percent.

An analysis of the County's adherence to the fiscal responsibility principles for the period under review is as follows:

*Table 10: analysis of the County's adherence to the fiscal responsibility principles for the period ending 30th June 2018*

Indicator	Budgeted (Kshs.)		Ratio (%) in relation to total Budget	Actual Expenditure KShs.	Ratio (%) in relation to total expenditure	Actual Expenditure & Commitments (Kshs.)	Ratio (%) in relation to total expenditure & Commitments
County expenditure	Recurrent	4,079,942,131	(Kshs.)	3,753,074,571	79.77	3,795,482,925	68.5
	Development	2,025,440,602	33.17	951,956,798	20.23	1,743,668,618	31.5
	<b>Total</b>	<b>6,105,382,733</b>	<b>100</b>	<b>4,705,031,369</b>	<b>100</b>	<b>5,539,151,544</b>	<b>100</b>
Expenditure on wages & benefits		2,074,087,499	33.97	1,998,132,216	42.47	1,998,132,216	36.1
Expenditure by County Assembly	Recurrent	592,438,540	9.7	581,196,053	9.52	592,438,540	10.7
	Development	244,862,460	4.01	154,712,225	2.53	244,862,460	4.4
	<b>Total</b>	<b>837,301,000</b>	<b>13.71</b>	<b>735,908,278</b>	<b>12.05</b>	<b>837,301,000</b>	<b>15.1</b>
County Debt financing		-		-		-	-

### Expenditure on Wages and Benefits

The County's expenditure on wages and benefits accounted for 33.97% of the total Budget and 36.1 % of the County's actual expenditure and commitments in 2017/18 FY. In the medium term, it is expected that the proportion of wages and benefits to the County Budget will continue to decline as revenues increase and additional recruitment of staff is limited only for critical positions.

### Public Debt

The County's Budget was financed by Own Source Revenue, Equitable Share and Conditional Grants. The County Government did not therefore consider Debt Financing through internal or external borrowing to finance the FY 2017/18 Budget.

### Approved expenditures for County Assembly

The County Assembly approved expenditure of Kshs. 837,301,000 accounted for 13.71 % of the County’s total Budget. This was more than the set limit of 7%. The approved ceiling for recurrent expenditure was Kshs.592,438,540 representing 9.70% of the County’s total Budget.. The recurrent ceiling for the County Assembly was set in the County Allocation of Revenue Act 2017 which did not adhere to the requirement that the allocation should be the lower of twice the personnel emoluments or 7% of the Budget.

The County Assembly was also allocated Kshs, 244,862,460 towards the completion of the office Complex which was a non-ceiling Item. This further increased the share of the Budget allocated to the County Assembly.

### **Development expenditure**

The approved Development Expenditures for 2017/18 FY was Kshs. 2,025,440,602 representing 33.17 % of the County total Budget. However, the actual expenditure on development accounted for 20.23% of the County’s total expenditure in FY 2017/18.

Commitment of funds was done for projects that were ongoing but could not have been paid by the close of the Financial Year. This increased the utilisation of the development Budget to 31.5%. These projects have been ongoing and payment for the same will be factored in the upcoming Supplementary Budget.

From the analysis above, the 2017/18 FY Budget complied with the fiscal responsibility principles in all aspects. Over the medium term, the County Government will work towards ensuring that the actual implementation of the Budget also corresponds to the Fiscal Principles by improving the absorption capacities in all Departments. In the subsequent years, the challenges associated with the General Elections are now over and the County expects seamless implementation of projects and programmes thus improving the absorption rate. This will bridge the discrepancies between the Budgeted and the actual performance in relation to the adherence to the Fiscal Responsibility Principles as stipulated in the PFM Act.

## **1.4 Challenges in implementation of the 2017/18 FY Budget**

### **Delay in passing of the County Allocation of Revenues Act (CARA)**

Public Financial Management Act requires Budgets Estimates to be submitted to the County Assembly by 30<sup>th</sup> April of every year. However by this time of the year in 2017, the County Allocation of Revenue Act (CARA) was not ready. The Equitable Share allocations used as a guide in preparation and submission of the Budgets for approval were therefore based on the tentative revenue estimates as contained in the Budget Policy Statement which was available during the finalization of the County Fiscal Strategy Paper, 2017. As a result the estimates had to be revised downwards by Kshs. 188,088,612 to factor in the changes in revenue projections as contained in the CARA 2017. This in turn delayed the implementation of the programs as we awaited the approval of the Supplementary Budget.

### **Changes in the County Administration**

Arising from the General Elections held in August 2017, changes occurred in the County Administration both in the Executive and the County Assembly. In line with this and in view of Section 108 (2) of the PFM Act, it became necessary to revise the Budget to factor in the Agenda of the New Administration and reorganize the Budget to fit in the new structure in Departments of the County Government.

The prolonged electioneering activities nationally as a result of the repeat elections delayed the implementation of the Budget.

### **Delay in Disbursement of Funds**

In the FY2017/2018, the Equitable Share for the County was Kshs. 4,771,600,000. The same was to be released to the County in line with the disbursement schedule approved by the Senate. However this was not the case. There was delay in approving the disbursement schedule owing to the timing of the General Elections. During the first half of the year, the National Treasury

did not credit the County’s Revenue Fund on a monthly basis as expected. The first disbursement of was released in September 2017 and in most of the months, the disbursement was behind schedule and the last tranche for May and June 2018 was released on 30<sup>th</sup> June, 2018. Consequently, some of the programs did not kick off as planned.

**IFMIS Connectivity Challenges & Frequent Down Time**

Frequent down times and connectivity challenges in IFMIS contributed to slow processing of payments, approval of payments and procurement requests. The same also contributed to challenges in generation of IFMIS Financial Reports.

**Adverse Weather Conditions**

Unprecedented weather conditions and the prolonged period of heavy rains from March to June 2018 distorted the implementation timetable of development projects especially in the Department of Roads, Water and Education. This was mitigated by committing the project funds in IFMIS and the same was Carried Forward and shall be factored in the First Supplementary Budget as Pending Bills.

**Reviews in Personnel Emoluments**

The implementation of the report on salary review by the Salaries and Remuneration Commission (SRC) affecting all cadres of staff was effective from July 2017. Further the second phase of the Collective Bargaining Agreements (CBAs) which had been signed with unions of staff in the Health Sector towards the close of the FY 2016/17 was to commence from July 2017. This caused the amount allocated for compensation of Employees to be revised in the Supplementary Budget from Kshs. 1,616,289,330 to Kshs. 1,892,500,000. To achieve this, some of the programs needed to be scaled down to get funds to cover this deficit.

## CHAPTER TWO

### ECONOMIC AND FINANCIAL FORECAST FOR FY 2019/2020 AND THE MEDIUM TERM

#### 1.5 2.0 Macroeconomic Outlook and Policies

#### 2.1 National Outlook

##### 2.1.1 Overview

Kenya's economic growth for 2018 is estimated at 5.48 percent from 4.9 percent in 2017 according to the KNBS Publication. On the positive side, growth in 2018 is supported by the ongoing public infrastructure investments, improved weather, recovery in the Tourism Sector and a stable macroeconomic environment.

The overall month-month inflation declined to 4.28 percent in June 2018 from 9.21 percent in June 2017. The inflation of 4.28 percent in June 2018 was within Government's target range.

The foreign exchange market has remained relatively stable supported by resilient tea and horticultural exports, strong diaspora remittances, and a continued recovery in tourism.

Over the medium term, growth is projected to increase by more than 7.0 percent due to investments in strategic areas under The President's "**Big Four Agenda**" namely: increasing the share of Manufacturing Sector to GDP; ensuring all citizens enjoy Food Security and improved nutrition by 2022; expanding Universal Health Coverage; and delivering at least five hundred thousand (500,000) Affordable Housing units. These efforts will support the business environment, create jobs and ultimately promote broad based inclusive growth.

Kenya is ranked favorably in the ease of doing business and as a top investment destination. In 2017, the World Bank's Doing Business Report, ranked Kenya third in Africa in the ease of doing business after Rwanda and Mauritius. The Country **moved up 12 places to position 80 worldwide in the ease of doing business.**

##### 2.1.2 Recent Economic Developments and Outlook

##### Domestic Economic Development

Growth of the Kenyan economy remained resilient, broad based and registered strong performance in the past 5 years supported by strong Public and Private Sector investments and appropriate Economic and Financial Policies.

Provisional estimates of Gross Domestic Product (GDP) indicate that the economy expanded by 5.7 per cent during the first quarter of 2018 compared to 4.8 per cent in a similar quarter of 2017. The GDP is expected to grow by 6.49 in the Medium Term. The significant acceleration in growth is mainly attributable to improved weather conditions and a boost in business and consumer confidence.

From the supply side, growth was mainly driven by a recovery in activities of Agriculture as well as improved output in Wholesale and Retail Trade, Manufacturing, and Real Estate Sectors. On the other hand, Financial and Insurance; Transportation and Storage; Construction; Electricity Supply; and Mining and Quarrying recorded marked slowdown in the growth. Growth of activities in the Information and Communication was robust while Accommodation and Restaurants slowed significantly but remained relatively strong.

The Financial and Insurance sector grew by 2.6 per cent in the first quarter of 2018 compared to 5.3 per cent in the first quarter 2017. Total domestic credit rose by 7.1 per cent, from Kshs.3134.2 Billion to stand at Kshs 3,356.7 Billion in March 2018. Net Foreign Assets increased to Kshs 104.1 Billion in March 2018 from Kshs 94.8 Billion in March 2017. Broad money supply (M3) expanded to Kshs 3,015.7 Billion in the first quarter 2018 from Kshs 2,846.6 Billion in the first quarter 2017.

### **Inflation Rate**

Inflation increased to above target in the first half of 2017 due to drought that affected food prices. Inflationary pressures started to ease in the second half of 2017 as the weather situation improved and earlier measures taken by the Government to address the food shortages took effect. The inflation rate is at 5.70 percent in September 2018 up from 4.04 percent in August, and will stabilize at 6 percent in the medium term. This will be within the Government's target range.



The enactment of the Finance Act 2018 has proposed some changes which are expected to lead to changes in the cost of goods and services. The changes are in Value Added Tax (VAT), Income Tax, Excise Duty, Customs, Export Levy, Tax Procedures Act and Tax Administration. Under VAT, the following items have been exempted from VAT:

- a) Equipment used in construction of grain storage facilities.
- b) Raw material used in manufacturing of animal feeds.
- c) Parts imported or purchased locally for assembling of computers.

Under Income Tax, the following specific changes have been made:

- a) Turnover tax replaced with Presumptive tax;
- b) Introduction of presumptive tax based on business permit or trading licenses fees;
- c) Introduction of withholding tax on winnings in Betting, Lotteries and Gaming;
- d) Revenue from Betting, Lotteries and Gaming to be used for development of sports, arts and cultural activities;
- e) Payment for demurrage charges made to non-residents persons subjected to withholding tax at the rate of twenty (20) percent;
- f) Capital gains tax introduced on transfer of property by general insurance companies;
- g) Introduction of five (5) percent tax on insurance premium paid to non-residents excluding premium paid for insurance of aircrafts;
- h) To encourage investments in the Country, Government to provide special incentives in the VAT Act (2013), Income Excise duty Act and Miscellaneous Fees and Levies Act and provide Preferential Tax Rate under Income Tax Act; and
- i) For the Manufacturing Sector, deduction of thirty (30) per cent of the total electricity bill from corporate profits in addition to normal deductions subject to the conditions set by the Ministry of Energy.

Under Excise Duty, changes were made as follows:

- a) Excise Duty on engine capacity of private passenger motor vehicles exceeding 2500CC (diesel) and 3000CC (petrol) increased to thirty (30) per cent;
- b) Transfer of Kshs 500,000 or more through Financial Institutions and Banks to attract “Robin Hood” tax at 0.005 %;
- c) Money Transfer Services by cellular phone service providers increased to twelve (12) per cent; and

- d) Illuminating kerosene excise duty increased

Under Customs, there are proposals to introduce duty, increase duty, avail exemptions and allow imports under existing schemes. The following are the changes:

- a) Import Duty on some iron and steel products increased to thirty-five (35) per cent;
- b) Paper and paper board products duty increased to thirty-five (35) per cent;
- c) Introduction of specific duty on textiles and footwear including second hand clothing and footwear to be set out at the rate of USD 5 or thirty five (35) percent whichever is higher;
- d) For timber and furniture, introduction of specific rate of duty at the rate of USD 110/m<sup>3</sup> on particle board, USD 120/MT on medium density fibre board, USD 230/m<sup>3</sup> on plywood and USD 200/MT on block boards or an advalorem duty of thirty five (35) percent whichever is higher;
- e) Introduction of duty on imported vegetable oil at the rate of USD 500/MT or thirty five (35) percent whichever is higher;
- f) Local manufacturers of pesticides and acaricides to be allowed to import raw materials and inputs under EAC Duty Remission Scheme;
- g) Exemption of Import Duty to be extended to sight-seeing buses and overland trucks imported by licensed local tour operators; and
- h) Inputs and raw materials for assembly of clean energy cooking stoves imported by local manufacturers to be imported under Duty Remission Scheme 100 per cent.

Under Export Levy Copper Waste and Scrap Metal Export Levy introduced at twenty (20) per cent.

### **Balance of Payments**

In the first quarter of 2018, the Current Account deficit improved to Kshs 107.9 Billion from Kshs 129.7 Billion in the corresponding quarter of 2017. Merchandise exports grew by 7.1 per cent to Kshs 162.9 Billion in the first quarter of 2018, while merchandise imports valued on free on board basis grew by 6.5 per cent to Kshs 432.1 Billion, in the same quarter.

Merchandise trade balance worsened by 6.1 per cent from a deficit of Kshs 253.7 Billion in the first quarter of 2017 to a deficit of Kshs 269.3 Billion in the quarter under review. During the first quarter of 2018, International Trade in services registered a surplus of Kshs 49.3 Billion from a surplus of Kshs 38.5 Billion in the first quarter of 2017. Receipts from international services increased by 10.8 per cent from Kshs.116.787 Billion to Kshs 129.4 Billion in the quarter under review partly on account of improved tourism earnings. Remittances from the

diaspora increased substantially in the first quarter of 2018 and boosted the secondary income to record a surplus of Kshs 129.3 Billion.

During the first quarter of 2018, financial net inflows increased by 51.8 per cent to a surplus of Kshs 323.8 Billion from Kshs 213.307 Billion mainly as a result of proceeds from the Eurobond. Gross official reserves increased by 9.4 per cent to Kshs 944.1 Billion as at end of March in 2018 from Kshs 863.0 Billion as at end of March 2017. Overall balance of payments improved to a surplus of Kshs 206.9 Billion in the quarter under review.

### **Kenya Shillings Exchange Rate**

The Foreign Exchange Market, which remained relatively steady during the first quarter of 2018, was largely supported by resilient inflows from diaspora remittances and receipts from Tourism, Tea and Horticulture exports. The Kenya Shilling strengthened by 1.47 percent against the US Dollar to exchange at an average of 101.18 during the first quarter compared with 103.35 in the fourth quarter of 2017. The Kenya Shilling weakened against the Japanese Yen, the Euro and the Pound Sterling. In the EAC Region, the Kenya Shilling strengthened against all the currencies during the period under review

### **Economic Outlook**

The Global Economic recovery experienced in 2017 is expected to continue more strongly in 2018. The recovery is likely to be broad based with growth in most developed and emerging market economies projected to accelerate in 2019/2020 and the Medium Term. Similarly, growth of Sub-Saharan Africa is expected to improve significantly over the same period. The expectations are against expected favourable Global Financial conditions, strong World Trade and improved business confidence. However, rising International Oil Prices could hamper economic growth in the non-oil producing Countries in particular to the developing economies. Moreover, there still exist some risks in the Global Financial Systems that could negatively impact on Developed and Emerging Market Economies if they materialize.

In Kenya, the expected political stability and favourable macroeconomic environment are likely to be conducive for acceleration in growth in 2019/2020. The on-going investments in

infrastructure, improved business confidence, and strong private consumption are likely to support growth. Weather forecast points to a possibility of sufficient and well spread long rains in 2019/20 which is likely to be a major boost for activities in agriculture and electricity and water supply sectors. This will in turn be favourable for the manufacturing sector. However, rising oil prices and slow credit uptake by the Private Sector are likely to dampen growth.

The expected strong world trade is likely to increase Kenya’s export and therefore supportive of growth. Other macroeconomic indicators are projected to remain stable and supportive of growth.

The outlook, therefore points to a continued coordination of monetary and fiscal policies for overall macroeconomic stability which will support robust growth, lower fiscal deficits, contain inflation within the target range and a gradual improvement in the current account balance.

Measures being undertaken by the Government under “The President’s Big Four Agenda” are to boost Manufacturing Sector; enhance Food Security and Nutrition; create Affordable Housing; and achieve Universal Health Coverage are expected to boost growth, create jobs and ultimately promote inclusive growth.

## **2.2 Global Growth Forecast**

Global growth is projected to reach 3.9 percent in 2018 and 2019, in line with the forecast of the April 2018 World Economic Outlook (WEO), but the expansion is becoming less even, and risks to the outlook are mounting. The rate of expansion appears to have peaked in some major economies and growth has become less synchronized. In the United States, near-term momentum is strengthening in line with the April WEO forecast, and the US dollar has appreciated by around 5 percent in recent weeks. Growth projections have been revised down for the Euro area, Japan, and the United Kingdom, reflecting negative surprises to activity in early 2018. Among emerging market and developing economies, growth prospects are also becoming more uneven, amid rising oil prices, higher yields in the United States, escalating trade tensions, and market pressures on the currencies of some economies with weaker fundamentals. Growth projections have been revised down for Argentina, Brazil, and India. Rising international oil prices could hamper economic growth in the non-oil producing countries in particular the developing economies.

### 2.3 County Outlook

The major economic activities in the County include farming, quarrying and trade. Agriculture is the backbone of Nyandarua’s economy due to the fertile soils and favourable climate.

Improvement of infrastructure within the County, in conjunction with the National Government will enable other productive sectors to thrive. Investment in energy sector will help in the creation of employment in the informal sector e.g. the last mile project will assist the youth to establish small business such as welding. The construction of major roads cutting across the County will ease movement and transportation of goods and services; this will open up the County for trade and development.

Under the Kenya Devolution Support Program, Nyandarua County will receive a Grant of Kshs 282 M in 2018/19 FY to support implementation of the Second County Integrated Development Plan. Further support is expected to be received in 2019/20 FY.

The fisheries sector is due to receive financial boost from the National Government and this will help in creating business opportunities for the youth. The National Government will establish fisheries in Nyandarua County, as part of Kshs 14 Billion Fund to be invested in aqua culture across 14 pilot Counties.

The Dairy Sector will get a boost as more milk processing factories will be established within the County. This will help towards the creation of a ready market for milk and hence uplift livelihoods of the many farmers who are engaged in dairy farming but lack market for their produce.

The European Union has pledged 1M Euros for Potato Seed Multiplication, while the German Technical Corporation and Danish Development Agency have offered support for dairy production and value addition.

From the Embassy of Turkey, support has been agreed for scholarships, disaster risk management in Ol’Kalou, construction of Cold Storage and Apiculture Project for Women and Youth.

Agreement had been made with Ewaso Ng'iro North Development Authority for partnership that includes the establishment in 2018 of a Multi-Functional Construction Unit in Nyandarua County for drilling of boreholes, dams and road construction. The Unit will be equipped with self-casing drilling machines, earthmoving equipment, and test pumping units, two tractors and brick making machinery.

In Education Sector, a committee of prominent scholars from Nyandarua was commissioned to revive educational standards in the County. Also a team has been unveiled to spearhead efforts to ensure that the first intake for the proposed University of Nyandarua is done at its Founding Campus in the Agricultural Training Centre, Ol'Jororok Sub County. Kshs.30m was set aside for refurbishing the ATC and the works will be carried out in 2018/2019 FY. The University of Nairobi and the County Government have agreed collaborate to set up the University, whose Main Campus will be in Captain, Ol'Kalou Sub County.

Tourism prospects are expected to grow especially due to the increased investment in tourism promotion by the County Government. The County Government intends to continue providing a favourable environment for the Tourism Sector to prosper. The re-possession and refurbishment of colonial houses along the Aberdare Ranges will boost tourism as many visitors will be coming to see the former Happy Valley sceneries.

On Health Sector the County Government intends to revamp all the health facilities in terms of infrastructure, provision of equipment and trained personnel. Commitments have been made towards upgrading of JM Kariuki to level 6 and its development into a referral hospital; four Sub County hospitals to level 5; and Magumu hospital to level 5 as well as its development into a Trauma Treatment Centre is all in course.

On Security Sector, the State Department of Interior and Coordination of National Government has offered to deploy administration police officers to areas identified by the County Government as suitable for establishing camps to secure people and property.

### **1.6 2.3.2 SWOT Analysis on the Economic Outlook**

### Swot Analysis on the National Outlook

Strength	National wide public infrastructure investments, improved weather, a stable macroeconomic environment, political stability, well-articulated National Agenda- The President’s Big Four Agenda.
Weakness	Unstable foreign exchange markets, escalating Inflation and unfavourable balance of payments.
Opportunity	Good will from the international community, conducive and favourable business environment, improved ease of doing business, the Country is an emerging marketing for international investors, resilient horticultural exports and Diaspora remittances
Threat	Drought, rising international oil prices, global financial risk, revenue target shortfalls, credit squeeze – capping of interest rates affecting access to credit, rising national debt and high taxation.

### Swot Analysis on the County Outlook

Strength	Well defined and established County Institutional Structure, strong political goodwill and support from National leadership. Relatively well trained and skilled staff, supportive legal framework for coordination, planning and financing of County functions; favourable weather conditions and good arable land to support agriculture, suitable location – proximity to Nairobi and gateway to semi-arid counties, inter county connectivity and rich natural resources.
Weakness	Inadequate human capacity, inadequate physical facilities and equipment especially at the devolved units; weak revenue base and underdeveloped revenue collection Systems, fluctuating demand for agricultural produce, low agricultural mechanization, access to quality farm inputs, run down research institutions and poor and unsustainable extension outreach services, low market information and linkages, no value addition to the produce, dwindling education standards and low transition rates.
Opportunity	Value addition prospects for available produce, horticulture and floriculture, hospitality industries, food basket, availability of labour, harnessing and exploiting the natural resources, high water table, suitable land for commercial farming, ability to attract different categories of investors, intra and inter Counties trading, being a Marginal County, the current Administration can leverage on the President’s Big Four Agenda to socially and economically transform the County.
Threat	Inadequate resource allocation, Over dependence on the National transfers, high rate of poverty and youth unemployment, poor infrastructure, political interference and bickering, delayed exchequer disbursements, human capital disloyalty and low productivity. Budget cuts and Revenue target shortfalls, concurrent functions by the National and County Governments likely to present conflict in terms of interpretation of mandates, economic underperformance in the country, region and the world, rampant corruption And lack of proper land utilization management policy

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### 1.7 2.3.3 Measures to Mitigate on the Weaknesses and Threats

- a) Enhancing Own Source Revenue collection to reduce over reliance on National Government Funding and Disbursements;
- b) Timely initiating the procurement process for development projects;
- c) Civic education- building the capacities for communities to understand the roles played by both the National and County Government to avoid scenarios where the residents demands the County Government starts planning and financing of functions under the National Government or vice versa;
- d) Proper Coordination with the National Government Departments in execution of concurrent functions;
- e) Improving the ease of doing business in the County and Creating conducive business environment in the County to attract private investments;
- f) Investment in staff capacity development, retention and productivity;
- g) Developing of supportive systems and frameworks. e.g. M&E, Revenue Collection, and Investment Promotion;
- h) Preach peace to all political leaders and champion unity of purpose;
- i) Focus on developing the County Infrastructure mainly the roads, energy, public works and physical planning;
- j) Mainstreaming of crosscutting issues especially on youth, women and persons with disability on development matters;
- k) Value addition for agricultural produce, horticulture and floriculture;
- l) Improved marketing channels for agricultural produce;
- m) Strengthening the Agricultural Mechanization Station to offer mechanization services;
- n) Increase subsidies for agricultural inputs especially certified seeds and fertilizer;
- o) Development of a comprehensive County land use policy
- p) Lobbying with the National Treasury for timely and adequate release of funds; and
- q) Motivation of staff to increase their productivity.

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## 2.4 Financial Forecast for 2018/19 FY and the Medium Term

### 2.4.1 Revenue Projections

The 2019/2020-2021/22 Medium Term Expenditure Framework is founded on a stable national macroeconomic environment and improving fiscal forecast of the County Government. Total



Projected revenues for the County in the FY 2019/2020 are estimated to be Kshs. **6,818,254,486** from Kshs. **7,611,226,338** in FY 2018/19. The reduction in projected revenue is due to inclusion of Balance Brought Forward in 2018/19 FY.

The 2019/20 projected County revenues have significant variations in the following streams:  
**Own Source Revenue (OSR):** The Own Source Revenue for the County will increase from Kshs 410 million in 2018/19 FY to Kshs 451 million FY 2019/20 from the General revenue streams. This represents an increase of Kshs.41M representing a 10% growth in local collection.

**National Transfers:** the Equitable Share is expected to increase with a margin of about 5 % to Kshs. 5,176,290,000.

The County is also projected to benefit from allocation of Conditional Grants from the National Government Departments and Donor Agencies. Such Grants include:

- Compensation for Health User Fees Foregone - Kshs 12,735,922;
  - Fuel Levy Maintenance Fund- Kshs 129,797,341;
  - Grant for development of Vocational Training Centres VTCs- Kshs 39,700,000;
  - Leasing of Medical Equipment- Kshs 200,000,000;
  - World Bank Grant for Climate Smart Agriculture Program (KCSAP)-Kshs. 122,850,000;
  - World Bank Grant under KDSP level II-Kshs. 296,780,202;
  - World Bank Grant for Kenya Urban Support Program (KUSP) Level II 142,320,570;
- and
- EU Grant 32,000,000 for the construction of Potato Seed Multiplication Lab.

The County Government will pursue Public Private Partnerships especially for the Flagship Projects. This will be in addition to creating a conducive business environment for direct investments by the private sector.

#### **2.4.2 Expenditure Forecasts**

The forecast on expenditure has taken cognizance of the County Government goal in reducing poverty levels and stimulating employment by re-orienting expenditure to the high impact areas

and reducing on non-priority spending. It is therefore projected that the Government will continue to implement high-impact and sustainable projects/programs that will ensure stable and sustainable economic growth, prudent financial appropriation, enhanced revenue collection and Budget control mechanism. Some of the measures that has been put in place and will be continued in FY 2019/20 to ensure that the recurrent expenditures do not blow up include: reduction of non-essential expenditure, strengthening of audit function to ensure value for money, restructuring of departments to avoid duplications and overlap and establishment of the Supplies Branch for acquisition of common user goods and services.

Compensation to employees comprising of salaries and wages, pension, gratuity and medical cover for both County Executive and County Assembly is at 37% in the 2018/19 FY. In the Medium Term the County Government will strive to bring it down in line with the PFM Regulations within the 35 percent Ceiling of the total Budget by increasing he productivity and multi skilling of the existing staff, matching skills with existing jobs and coming up with an early retirement package for non- productive staff

The Overall development expenditure is projected to be Kshs 2,341,481,241 in FY 2019/20 which will be 35 percent of the projected total revenue

Monitoring and evaluation of the expenditures will be strengthened by the County Treasury to ensure that fiscal responsibilities will be enhanced in the Medium Term. Provision of quality and timely financial reports will be done regularly to entrench value for money to the County residents and ultimately adhere to the fiscal responsibilities as provided in the Public Finance management Act, 2012.

*Table 11: Financial forecast for FY 2019/20 and the medium term (Kshs)*

<b>REVENUE</b>					
	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
Equitable Share	4,929,800,000	5,176,290,000	5,435,104,500	5,706,859,725	5,992,202,711
Local Collections	410,000,000	451,000,000	496,100,000	545,710,000	600,281,000
Linda mama	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
<b>CONDITIONAL GRANTS</b>					
Grant for Free Maternal Health Care	-	-	-	-	-
World Bank Grant for KDSP level 1	43,069,316	-	-	-	-
World Bank Grant for KDSP level 2	282,647,811	282,647,811	282,647,811	282,647,811	

E U Grant for Potato Tissue Culture lab	78,776,776	21,223,224	10,000,000		-
World Bank loan for Transforming Health Systems	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Donor fund(DANIDA)	15,997,500	15,997,500	15,997,500	15,997,500	15,997,500
Road Maintenance Levy Fund	129,797,341	129,797,341	129,797,341	129,797,341	129,797,341
User Fees Foregone	12,735,922	12,735,922	12,735,922	12,735,922	12,735,922
Rehabilitation of village polytechnics	39,700,000	39,700,000	39,700,000	39,700,000	39,700,000
supplement for construction of county headquarters	121,000,000	121,000,000	121,000,000	121,000,000	
Leasing of medical equipment	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
World Bank Grant for Kenya Urban Support Program (KUSP) Level 1	40,000,000	20,000,000			
World Bank Grant for Kenya Urban Support Program (KUSP) Level 2	135,543,400	135,543,400	135,543,400	135,543,400	135,543,400
World Bank Grant for Climate Smart Agriculture Program (KCSAP)	117,000,000	117,000,000	117,000,000	117,000,000	117,000,000
ASDP II	15,319,288	15,319,288	15,319,288	15,319,288	15,319,288
Balance B/F	959,838,984	0	-	-	-
<b>TOTAL</b>	<b>7,611,226,338</b>	<b>6,818,254,486</b>	<b>7,090,945,762</b>	<b>7,402,310,987</b>	<b>7,338,577,162</b>
<b>EXPENDITURE</b>					
Recurrent (65%)	4,947,297,120	4,431,865,416	4,609,114,745	4,811,502,142	4,770,075,155
Development (35%)	2,663,929,218	2,386,389,070	2,481,831,017	2,590,808,845	2,568,502,007
<b>TOTAL</b>	<b>7,611,226,338</b>	<b>6,818,254,486</b>	<b>7,090,945,762</b>	<b>7,402,310,987</b>	<b>7,338,577,162</b>

Source: Nyandarua County treasury

In the medium term the County aims at maintaining a Balanced Budget where the anticipated revenues will match expenditures. This is in spite of the many development needs required to uplift the living standards of the County Citizens. The County will embark on other avenues of increasing resource envelop in the Medium Term.

## **CHAPTER THREE**

### **SECTORAL PRIORITIES AND RESOURCE ALLOCATION IN THE MEDIUM TERM**

#### **1.8 3.0 Overview**

The County Government shall focus on employment creation and livelihood improvement as a guide to resource allocation in the medium term. Consequently, the FY 2019/20 MTEF Budget will focus on interventions to guide transformation of the County, with the Constitutional and other legal provisions providing the support. The County planning framework will endeavor to allocate resources to all the sectors equitably. The County Executive in conjunction with the County Assembly will formulate a County Sharing Bill to take care of the Ward disparities and unique requirements,

In strengthening the linkage between planning, Budgeting and implementation, the Medium-Term Budget framework for the period 2019/20-2021/22 will sustain allocation of resources to core programs and sub programs identified in the Second County Integrated Development Plan (2018- 2022).

Considerations will be made to ensure that the adopted fiscal strategies are prioritised in funding to ensure inclusive social economic growth and development of the County.

#### **1.9 3.1 Presidential “Big Four Point” Agenda and Sectoral Pillars**

Through the County Annual Development Plan (ADP) 2018/19 FY, all the County sectors have clearly identified the priority areas with their estimated resource requirements. The sectoral priorities are in line with Constitution of Kenya (devolved functions), Vision 2030, Third National Medium-Term Plan (MTP III) 2018-2022, Nyandarua CIDP2 2018-2022, SDGs, Jubilee manifestos and the Presidential Big Four-Point Agenda. The “Big Four Point Agenda” include:

- i) Supporting value addition and raising the share of Manufacturing Sector to GDP to 15% by 2022;
- ii) Enhancing Food and Nutrition Security to all Kenyans by 2022;
- iii) Providing Universal Health Coverage to guarantee quality and affordable health care to all Kenyans; and
- iv) Provision of Affordable and Decent Housing for all Kenyans.

The development priorities will be anchored on the CIDP2 and the Governors Six Pillars Manifesto. These include:

**Pillar One: Good Governance**

- i) Transformative Strategies;
- ii) Development of a Policy Framework;
- iii) Creation of synergy on allocated funds to the County;
- iv) Creation of a Leadership Caucuses; and
- v) Capacity Building.

**Pillar Two: Social Sector Development**

- i) Globally competitive education and learning;
- ii) Accessible health service that is preventive, curative, responsive, efficient, and affordable;
- iii) A vibrant cultural identity associated with hard work, optimism, productivity, and functional families; and
- iv) Provide a safe and secure environment for people, property and natural resources.

**Pillar Three: Infrastructure Development**

- i) To implement the Integrated Water Resource Management Plan;
- ii) To ensure an efficient transportation system including road, railways and air;
- iii) To ensure access to affordable, reliable and quality energy for both domestic and industrial use;
- iv) To achieve fast, reliable, efficient, affordable and 100% availability of ICT network;
- v) To place Nyandarua County on the World Sporting map by active participation in the global sporting community;
- vi) To open up Nyandarua County as the preferred tourist destination in Kenya; and
- vii) To achieve a sustainable development that espouses management and conservation of natural resources.

**Pillar Four: Financial and Trade Services**

- i) To attain stable personal and County incomes;
- ii) Financial literacy and entrepreneurship development programs;

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- iii) Establish Talent Academy and Centres of Excellence;
- iv) Mapping of Banks and Financial Service Providers;
- v) Establish a new County Men's and Youth Enterprise Funds; and
- vi) Leverage on Youth, Women, Disabled, and Uwezo Funds.

**Pillar Five: Agricultural Development**

- i) Re-establish agriculture as the dominant component of the Nyandarua County Economy;
- ii) Establish benchmarked quality control, weights and measures to standardize packaging of local agricultural products;
- iii) Use contracted farming with guaranteed markets;
- iv) Invest in value addition and agro industries;
- v) Enhance access to farm inputs and subsidized services; and
- vi) Establish irrigation systems in the high productive dry lowlands to reduce dependence on rain-fed agriculture.

**Pillar Six: Industrialization**

- i) Achieve industrialization for wealth and job creation;
- ii) Encourage Agro-processing and value addition;
- iii) Establish cottage industries;
- iv) Establish a Special Economic Zone ( SEZ) and Industrial Parks;
- v) Providing Innovation and Incubation services to SME's; and
- vi) Development of “Jua-Kali” Associations in the Sub-counties.

The County Flagship Projects and the “high impact” projects with the potential to spur the County Economy will be given first consideration.

**1.10 3.2 Sectoral priorities in the medium term**

**3.2.1 Agriculture sector**

This sector comprises of four sub-sectors namely:

- ❖ Agriculture
- ❖ Livestock Development
- ❖ Veterinary services
- ❖ Fisheries development

Agriculture is the backbone of Nyandarua’s economy due to the fertile soils and favourable climate. It is considered the food basket of Kenya because of its high production of potatoes, cabbages, carrots, peas and milk. The sector has been a key economic driver creating over 70% of the available employment opportunities directly & indirectly. The sector has also been a key contributor towards local revenue generation.

In the 2018/19 FY the sector has been allocated Kshs. 327,784,253 comprising of Kshs. 45 M as European Union Grant for constructing Tissue Culture Laboratory for Potato Seed Multiplication and 117M Grant for Kenya Climate Smart Agriculture Project. Out of this allocation, Kshs. 91,001,950 (27.8%) is recurrent while Kshs. 236,782,303 (72.2%) is development expenditure.

**The priorities for this Sector in 2019/20 will be:**

- i. Strengthening institutional, policy and legal framework to support production, marketing and value addition;
- ii. Strengthening extension services through integrated extension approaches;
- iii. Enhancing access to quality and affordable agricultural inputs;
- iv. Promotion of post-harvest handling for reduction of produce losses;
- v. Promote Food Security through Monitoring of Crop Situation and Food Balances;
- vi. Promote Market Access and value addition;
- vii. Enhance quality and safety of food products both animal and crops;
- viii. Promote sustainable land use and environmental conservation;
- ix. Promotion of mechanization in agricultural production;
- x. Animal and crop pest surveillance and control; and
- xi. Development of the fisheries subsector.

**3.2.2 Water, Environment, Tourism and Natural Resources**

The sector comprises of the following subsectors;

- ❖ Water Resource Development;
- ❖ Environment Management and Conservation;
- ❖ Tourism Development and Marketing;
- ❖ Natural Resources Management; and

- ❖ Irrigation and Drainage.

**The priorities for this Sector will be:**

**Water resources Development**

To provide adequate, accessible and sustainable water supply for domestic, livestock, sanitation and for industrial purposes by constructing water harvesting storage facilities, rehabilitation of existing water supply infrastructure and developing new water supply infrastructure to cover unserved areas. This will be achieved by strengthening the management capacity of community water projects to ensure that they are professionally and sustainably managed. Also mobilizing resources and sensitizing the beneficiaries to own, operate and maintain the water supply infrastructure.

In addition, the department will develop affordable, operational and maintenance cost recovery water tariffs.

**Environment Management**

To promote integration of environmental requirements in policies, plan, programs and projects in all sectors. The priority will be to advice on, and monitor implementation of environment impact assessments on new projects and audit on ongoing projects and Engaging all stakeholder to manage and conserve the environment, this will be done through integrated service provision, capacity building for key stakeholders, operationalization of County environment committee and collaboration with lead agencies.

The department will Promote, conserve and protect the environment and provide sustainable development.

**Tourism and Natural resources**

Priority will be to map, develop, market and promote Nyandarua as a preferred tourist destination as well as to promote conservation, sustainable access and use of natural resources.

**Natural Resources**

Priority will be to identify, map and utilize Natural resources and development of ecosystems. This will promote the conservation, sustainable access and exploitation of natural resources.

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## **Irrigation**

Priority will be to increase area of acreage under irrigation to ensure productions.

In this Financial Year 2018/19 the sector has been allocated a Budget Kshs. 269,392,210 which comprises of Kshs. 58, 772, 210 (21.82%) recurrent, Kshs. 210, 620, 000 (78.18%) development.

### **3.2.3 Finance and Economic Development Sector**

The sector comprises of the following subsectors:

- ❖ Economic Development;
- ❖ Local Revenue and Business Development;
- ❖ Supply Chain Management;
- ❖ Internal Audit; and
- ❖ Public Finance Management.

The mandate of the sector is to monitor, evaluate and oversee the management of public finances and economic affairs of the County Government.

#### **The priorities for the Sector will be:**

- i. Strengthening all County Institutions concerned with financial matters;
- ii. Enhancing resource mobilization both local and external;
- iii. Strengthening County economic development;
- iv. Budgeting process;
- v. Procurement process;
- vi. Revenue collections;
- vii. Tracking of results and risk management through mapping risks and proactive mitigating strategies; and
- viii. Regular audits of County systems.

In the 2018/19 FY the sector has been allocated Kshs 475,955,101 which comprises of Kshs 475,955,101 (100%) recurrent.

### 3.2.4 Governance Sector

This Sector comprises of the Office of the Governor, Office of the Deputy Governor, Office of the County Secretary, the Service Delivery Unit, Office of County Attorney and the Directorate of the Governor Press service.

The priorities for the sector will be:

- i. Performing such State functions within the County as the President may from time to time assign on the basis of mutual consultations;
- ii. Representing the County in national and international fora and events;
- iii. Submitting the County Plans and Policies to the County Assembly for approval;
- iv. Considering, approving and assenting to Bills passed by the County Assembly;
- v. Submitting to the County Assembly an Annual Report on the implementation status of the County Policies and Plans;
- vi. Delivering Annual State of the County Address;
- vii. Promoting investments;
- viii. Promoting inter-Governmental relations; and
- ix. Coordinating Civic Education and Public Participation on County matters.

In the 2018/19 FY the Sector has been allocated Kshs. 2, 041, 893,735 which comprises 1,000,000 (0.05%) development and 2,040,893,735 recurrent (99.95%) development.

### 3.2.5 Public Administration and ICT

The Sector comprises of ICT, Enforcement and Compliance and Public Administration.

The priorities of this sector will be:

- i. To provide security of County assets and ensure compliance with County Legislation and relevant National Laws;
- ii. Coordination of Government functions for efficient service delivery;
- iii. To automate all County services while minimizing the risk exposed to the Systems; and
- iv. Provide ICT technical support services to internal clients.

In the 2018/19 FY the sector has been allocated Kshs 37,732,700 which comprises of 100 % recurrent

### 3.2.6 County Public Service Board

This is a sub-sector under the Office of the County Secretary.

**The priorities of the sector will be:**

- i. Establishment and abolition of offices;
- ii. Appoint persons to hold or act in public offices of the County public service and to confirm appointments;
- iii. Disciplinary control;
- iv. Monitoring and reporting;
- v. Promotion of values and principles; and
- vi. Human resource Planning, Management and Development.

In the 2018/19 FY the sub-sector has been allocated Kshs10, 233,500 which is 100% recurrent.

### 3.2.7 Transport, Energy and Public Works

This department is in charge of provision of road infrastructural facilities for sustainable economic growth and development through maintenance of existing road networks and opening up rural areas.

**Sub sectors**

- ❖ Transport;
- ❖ Public works; and
- ❖ Energy

The Sector Priorities will include:

- i. Providing Road Connectivity and Accessibility: This will include providing road connectivity to counties, Grading, gravelling, upgrading to bitumen, drainage works and maintenance of existing roads. Also it includes opening up of new access roads, maintenance and improving road networks to motorable standards and drainage works across the County;
- ii. Infrastructure: Design, documentation, construction and supervision of structures including County headquarters;
- iii. Lighting: Erection of more floodlights and streetlights; and
- iv. Development of energy.

During the Financial Year 2018/19, the department has been allocated Kshs. 839,839,707 to finance its operations, development being allocated Kshs.777, 853,121 (92.62%) and recurrent Kshs. 61,986,586 (7.38%).

### 3.2.8 Industrialization, Trade and Cooperatives

The Department comprises of four sections:

- i. Industrialization;
- ii. Trade;
- iii. Cooperative; and
- iv. Weights and Measures.

The department aims to promote, coordinate and implement integrated socio economic Policies and Programs for a rapidly industrializing economy through promotion and creation of enabling environment to facilitate growth in trade, commerce, enterprise development and Industrialization and to promote good governance and effective management of Cooperative Societies within the County.

#### **The priorities of the Sector will be:**

- i. Promotion of trade;
- ii. Promotion of Cooperative movement;
- iii. Promote cottage industries and enterprises;
- iv. Enhance value addition to reduce post-harvest losses and stabilize market prices;
- v. Facilitate access to affordable credit; and
- vi. Ensure fair trade practices through verification of in weight and measures.

The Sector has been allocated a total of Kshs. 170,290,051 consisting of Kshs. 147,074,000 (86.37%) and Kshs.23, 216,051 (13.63%) for **development and recurrent expenditure respectively for the FY 2018/19.**

### 3.2.9 Youth, Sports and Arts

The department's aspiration is to create a cohesive, secure, socially, culturally and economically empowered youth through enhanced access to information, skills and adoption

of modern technologies by increasing awareness in existing opportunities on job creation for improved livelihoods while promoting sports and talent development within the County.

It aims is to maximize the full potential of Nyandarua youth through participatory engagements that will safeguard the rights and welfare of all.

This department comprises of:

- i. Youth affairs;
- ii. Sports; and
- iii. Arts/Theater directorates.

The Sector Priorities will be:

- i. Strengthen institutional policy and legal framework for development of sports ,Arts and youth empowerment;
- ii. Establishment and operationalization of the County Youth Master plan;
- iii. Enhance access to information on Youth empowerment especially concerning 30% tender opportunities;
- iv. Promotion of sports activities through formation of a County league and introduction of other sports activities;
- v. Establishment of high altitude training centres; and
- vi. Establishment of sports academies, production studio and theatre.

The Sector has been allocated a total of Kshs. 94,659,095 consisting of Kshs. 40,159,095 (42.42%) and Kshs.54,500,000 (57.58%) for recurrent and development expenditure respectively for the FY 2018/19.

### **3.2.10 Health Services**

This Sector has three programs:

- i. Curative;
- ii. Preventive Health Care; and
- iii. Solid Waste Management and Cemeteries.

These programs play a key role in the prevention of disease, provision of curative and rehabilitative services as a key pillar in the health transformative agenda. The ultimate goal of

the County Government being investing in quality, affordable and accessible (curative, preventive and solid waste management and cemeteries) healthcare services through infrastructural development by upgrading and equipping of County health facilities as well as ensuring continuous supply of drugs and other non-pharmaceuticals.

**The Sector Priorities will be:**

- i. To improve health infrastructure as a key pillar in the health transformative agenda. Some critical services are still missing or being provided sub-optimally. The County will endeavour to bring critical services closer to the citizenry by expanding the scope of services being offered at the sub-County level. This will be achieved by upgrade of several health facilities to a sub-County level hospital. These facilities are Ndaragwa, Bamboo, Manunga, Mirangine and Ngano health facilities. Critical staff gaps will continue being filled so that quality services can be offered. Other supportive pillars will continue being improved so that the health transformative agenda can be realised;
- ii. To improve the quality and scope of services being provided in its health facilities. This will be achieved through capacity building of health personnel as well as improving infrastructures used in service provision. Adequate health products will be procured for sustenance of health service provision. The department has planned to operationalize some 4 health facilities in this Financial Year Community mobilization will be a key input in the year under consideration where the County will even be paying premiums to some members of the society who are needy to be able to accelerate the County towards universal health care; and
- iii. Health management and governance shall be revamped so that management can be result oriented. Data shall be collected and collated appropriately for use in decision making. Financing of health facilities shall be goal oriented whereas operational research shall be conducted to inform the operations of the health facilities.

During the Financial Year 2018/19 the department was allocated Kshs. 725,459,617 of which 128,450,000 (17.71%) is development while 597,009,617 (82.29%) is recurrent.

### 3.2.11 Education, Culture and Social Services

This department comprises of:

- i. Early Childhood Development Education (ECDE); and
- ii. Gender, Culture and Social Development.

**The subsector Priorities will be;**

❖ **Education Sub-Sector:**

The institutions need more qualified teachers, suitable classrooms, sanitation facilities, play equipment, teaching/ learning materials, feeding program. The subsector also requires a robust curriculum supervision and co-curricular activities program. The youth polytechnics needs include; engagement of qualified instructors.

❖ **Gender, Culture and Social Development:**

Existing cultural assets will be harnessed; libraries established; issues affecting special interest groups in the County such as PWDs, PLWAs, widows/widowers, and drug abusers will be addressed to empower everyone to participate in social economic development. For instance, the County will create job opportunities, and provide special consideration for business licensing and access to credit to PWDs. Alcohol licensing; regulating, controlling and rehabilitating of the addicts will be enhanced. The religious community will be involved in running the County affairs.

This department was allocated Kshs 182, 088, 314 in 2018/19 in which 107,499,164 (59.04%) is development while 74,589,150 (40.96%) is recurrent for the FY 2018/19

### 3.2.12 Land, Housing and Physical Planning

Land being the foundation upon which all economic activities are based its effective Management is paramount for social, economic and political development.

The objectives of the department are to promote, coordinate and implement integrated socio-economic policies and programs in the management of Lands, Housing and Physical Planning within Nyandarua County.

**Sector priorities will be:**

- i. **Survey and mapping;** to implement approved plans and enhancement Development control and regulations;
- ii. **Physical planning;** to update and enhance availability of geospatial data in a framework for coordinated development as well as enhancing decision making;
- iii. **Land Administration and Management;** to avail land for social amenities, investment and to enhance road connectivity; and
- iv. **Housing and Urban Development;** to bring services strategically closer to the people. Provide all land related services under one roof.

**The Sub-Sectors aim at:**

- i) **Land use Administration and Management;**
  - a) County wide land acquisition for both Road access and Social amenities
- ii) **Land Surveying and Mapping;**
  - a) Survey of squatter villages
  - b) Re-establishment of public roads boundaries done on request
- iii) **Physical Planning Services; and**
  - a) Planning and revision of plans for squatter villages
  - b) Development Control
- iv) **Housing and Urban Development and Management**
  - a) Provision of Housing units at Olkalou
  - b) Upgrade of urban drainage system and provision of parking lots in towns.

In the FY 2018/19, the department was allocated Kshs. 314,840,900 out of which Kshs. 62,251,500 (19.77%) was allocated to finance recurrent operations and Kshs. 252,589,400 (80.23%) was allocated for development activities.

**1.11 3.3 RESOURCE ALLOCATION CRITERIA**

The allocation of resources to projects has been based on;

- (i) **Ongoing projects:** An active monitoring and update will be given to the completion of all on-going projects in the County that includes infrastructure, building and constructions etc. this will enable job creation, equity and poverty reduction;
- (ii) **Mainstreaming the Governor’s 6 pillars Manifesto** aimed at jump-starting major change efforts and enhancing implementation capacity. A reform program Rapid

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Results Initiatives has been introduced to enable and build blocks toward achievement of long- term goals and responsibilities given through the Constitution of Kenya. Whereas the Results Based Management include a number of elements such as training, new policies and procedures, mission and vision of the Government and even a communication strategy to ensure involvement of all stakeholders, which promise to get the public service enhance performance;

- (iii)**The CIDP2 identified Flagship Projects and Programs:** The County Government will ensure equitable distribution of Flagship Projects across all corners of the County;
- (iv)**Mainstreaming the Presidential Big Four Agenda.** The President has sought the support of the Counties to have Governors align their Development Plans with National Big Four Agenda. The County has aligned its CIDP2 to the Big Four Agenda and the implementation of the same will be pursued in the FY 2019/20;
- (v) **Job Creation:** Specific consideration to job creation based on sound initiatives identified in the CIDP2 will be considered. There is an urgent need to provide avenues for job creation particularly for the youth, women and people living with disability. They include agro processing, building industrial parks, affordable finance and promotion of small and medium businesses for youth and women. The County has huge untapped potential which constitutes a vibrant young labour force, fertile agriculture land and an ideal location for tourism; and
- (vi)**Strategic Policy Interventions:** Strategic policy intervention will make all involved stakeholders understand and use effective policies for the County programs. This will cover the entire County, social equity and environmental conservation. Priority will be to engage the key sectors like agriculture, industrialization, infrastructure and youth which are the drivers of the economy and have the potential to unlock it and help for bigger and longer-term change.

## CHAPTER FOUR

### RISKS TO THE COUNTY ECONOMY

In its plans to improving the livelihoods of its residents, the County Government agrees that there are various risks that may hinder fulfilment of its fiscal objectives.

The potential risks associated with implementation of County Fiscal Policies include:

- ❖ Climate shocks has brought in the risks impact on potatoes farming the County’s economic earner due to floods and cold seasons contributed by the continuous rainfall. Excess moisture has caused potato bright disease contributing to low yield of the product due to frost. The KIPPRA is undertaking a study, “Building Resilience to mitigate the impact of drought and floods in Kenya”;
- ❖ The Nyandarua County Adolescents and Youth Survey NAY gave findings that most of the young people are engaged in a range of economic activities in the County, mainly in crop, livestock farming, small business/trade, commuter transport etc. To address these challenges, the farmers should be empowered in farming education, and total emphasis be done to ensure certified seeds and the curable herbicides, insecticides are applied;
- ❖ Low National Economic performance due to Uncertainties associated with Global and National influences such as price of crude oil that affect cost of production and exchange rate fluctuations will eventually have an impact on the performance of the County’s economy. This has contributed risks and spending pressure that should/must be managed prudently;
- ❖ Risks from the Global Economies relate to uncertainties in the global financial markets particularly with regard to the U.S. economic and trade policies, normalization of monetary policy in the advanced economies and the Brexit outcome. The recent geopolitical tensions building around production and use of nuclear weapons are likely to weigh down global growth with negative impact on trade and financial flows;
- ❖ The gender and development gaps between men and women is likely to limit effectiveness of development programs. This a key issue through a gender lens since

development decisions and practices after both men and women works differently (socially, politically and economically);

- ❖ Domestically, the economy is exposed to risks including any occurrence of adverse weather conditions and public expenditure pressures especially recurrent expenditures;
- ❖ The capping of bank interest rates has failed to achieve its intended objective of increasing credit access to small and medium enterprises. A study on the impact of interest rate caps on the Kenyan Economy published by the Central Bank reveals that interest caps have instead led to a reduction of the number of loans going to SMEs thus affecting the both National and County economies;
- ❖ Project priorities and more so on Flagship Projects whereby political leaders may end up having conflicts on agreeing where the projects will be allocated. In addition, in a new report, Global Consultancy Control Risks indicates that while there are signs of recovery after a tough political season, the County still faces persistent risks that could affect decision making by investors coming to invest; and
- ❖ Infrastructure challenges due to predicted prolonged rainfall, which eventually makes road impassable especially rural roads linkage to markets for agricultural products.

## **CHAPTER FIVE**

### **CONCLUSION AND WAY FORWARD**

County Budget Review and Outlook Paper reflect the dynamic circumstances and are broadly in line with the Fiscal Responsibility Principles outlined in the PFM Act, 2012. They are also consistent with the County Strategic Objectives being pursued as a basis of allocation of public resources.

These Strategic Objectives are provided in the policy documents that have been developed by the County whose objectives are to successfully implement the Second County Integrated Development Plan (CIDP2) which is aligned to the National Development Blue Print, and the Vision 2030. Additionally, the Policies and Sector Ceilings will guide County Departments and Budgeting entities in preparation of the 2019/20 plans.

As such, the strategy in this CBROP will focus on enhancing maximization of revenue collection, reallocating resources to productive sectors of the economy and leveraging on the national and international development frameworks in areas such as the Presidential Four Point Agenda.

National Government Transfers which continue to be the main source of revenue for the County but the Executive will endeavour to firm up revenue collection to supplement the National Transfers. Automated systems are being enhanced to replace the manual system currently being used and all the County Revenue Streams are being automated. Strict enforcement will follow to ensure the County reap optimally from its potential sources.

The strategy further targets to maintain fiscal discipline in all County Government Departments and Agencies for maximum return from public resources in line with the Fiscal Responsibility Principles outlined in the PFM Act, 2012. The Government's enabling laws already in place will be followed to ensure conformity with all laid down procedures which will safeguard public resources and ensure they are used prudently.

The capacity for monitoring and evaluation by the spending entities will be enhanced for effective implementation of the Budget. There will also be need to involve all relevant

stakeholders in Budget process which is key in enhancing overall Budget implementation and ensure the public contribute to the Final Budget Allocations for the 2019/20FY.

Political conflicts have in the past hampered service delivery as far as projects identification and implementation are concerned posing great risk to the economy. This will be countered through holding dialogues and sensitising the political class to achieve a common stand before projects and programs are rolled out.

Going forward, the set of policies outlined in this CBROP reflect the changed circumstance and are broadly in line with the Fiscal Responsibility Principle outlined in the PFM Act, 2012. This ensures continuity in resource allocation based on prioritized programs that have been earmarked by the County Government to provide essential services, accelerate growth, create employment and reduce poverty.

The Sector Ceilings and earmarked Flagship Projects annexed herewith will guide the Departments and Agencies in preparation of the FY 2019/20 Budget

**ANNEX I: SECTOR CEILINGS FOR FY 2019/20 AND THE MEDIUM TERM (Kshs.)**

Sector	FY 2018/19 ACTUAL APPROVED ESTIMATES	FY 2019/20 PROJECTED ESTIMATES	PROJECTED ESTIMATES 2020/21	PROJECTED ESTIMATES 2021/22
<b>Emergency Fund</b>	20,000,000	30,000,000	40,000,000	50,000,000
<b>Mortgage Fund</b>	60,000,000	90,000,000	94,500,000	97,280,000
<b>Nyandarua Micro Finance Fund</b>	0	30,000,000	40,000,000	50,000,000
<b>County Pension Fund</b>	34,050,100	34,050,100	35,752,605	37,182,709
<b>County Gratuity Fund</b>	41,000,000	41,000,000	43,050,000	44,772,000
<b>Medical Insurance</b>	43,000,000	45,000,000	47,000,000	49,000,000
<b>General Insurance</b>	31,500,000	32,000,000	43,000,000	43,500,000
<b>KDSP Level 1</b>	43,069,316		0	0
<b>KDSP Level 2</b>	282,647,811	282,647,811		
<b>Salaries (Executive)</b>	1,900,000,000	1,995,000,000	2,094,750,000	2,178,540,000
		-	0	0
<b>Sector</b>		-	0	0
<b>CPSB</b>	10,233,500	20,467,000	21,490,350	22,564,868
<b>Gubernatorial Office</b>	111,590,000	175,309,447	206,124,919	214,746,768
<b>Service Delivery And Investment Promotion</b>		-	0	0
<b>County Attorney</b>	9,980,000	22,000,000	24,249,739	25,462,226
<b>County Secretary</b>	20,323,735	23,000,000	28,250,000	29,662,500
<b>Finance &amp; Economic Development</b>	99,035,685	178,071,370	195,878,507	205,672,432
<b>Public Administration &amp; ICT</b>	37,732,700	62,497,796	79,622,686	83,603,820
<b>Lands, Physical Planning &amp; Housing</b>	314,840,900	300,582,945	336,612,092	353,442,697
<b>Transport Energy &amp; Public Works</b>	839,839,707	831,831,692	892,423,277	937,044,441

<b>Education, Culture &amp; Social Services (Including Bursary)</b>	286,388,314	294,564,791	335,493,116	352,267,772
<b>Health Services</b>	725,459,617	721,732,598	789,319,228	828,785,189
<b>Agriculture, Livestock &amp; Fisheries</b>	327,784,253	340,173,466	374,190,813	392,900,353
<b>Industrialization, Trade &amp; Cooperatives</b>	170,290,051	172,804,554	196,544,781	206,372,020
<b>Youth, Sports &amp; Arts</b>	94,659,095	124,659,095	137,188,737	144,048,174
<b>Water, Environment, Tourism &amp; Natural Resources</b>	269,392,210	270,861,821	300,504,912	315,530,158
<b>County Assembly</b>	829,474,296	700,000,000	735,000,000	739,932,860
<b>Balance B/F</b>	959,848,994			
<b>ASDSP II Programmes</b>	15,319,288			
<b>EU GRANT Additional</b>	33,766,766			
<b>Total</b>	<b>7,611,226,338</b>	<b>6,818,254,486</b>	<b>7,090,945,762</b>	<b>7,402,310,987</b>

## ANNEX II: FY 2019/20 COUNTY BUDGET CALENDAR

Activity	Responsibility	FY 2019/2020 Deadline
Issue of FY 2019/20 Budget guidelines circular	C.E.C.M Finance & Economic Planning	15 <sup>th</sup> Aug. 2018
Preparation of Annual Development Plan (ADP)	All Departments- County Treasury to co-ordinate	17 <sup>th</sup> Aug. 2018
Submission of Memoranda on ADP by stakeholders	Stakeholders- County Treasury to co-ordinate	22 <sup>nd</sup> Aug. 2018
Submission and consideration of Annual Development Plan (ADP) by C.E.C	County Treasury/C.E.C	24 <sup>th</sup> Aug. 2018
Submission of Annual Development Plan (ADP) to County Assembly	County Treasury	28 <sup>th</sup> Aug. 2018
Preparation of FY 2019/20 Finance bill	County Treasury	30 <sup>th</sup> Aug.2018
Consideration of the finance bill by C.E.C	C.E.C	7 <sup>th</sup> Sept. 2018
Submission of Finance Bill to County Assembly	County Treasury	30 <sup>th</sup> Sept. 2018
Preparation of County Budget Review & Outlook Paper (CBROP) & Submission to the CEC	All Departments- County Treasury to co-ordinate	30 <sup>th</sup> Sept. 2018
Review & Approval of the County Budget Review & Outlook Paper (CBROP) by the CEC	CEC	15 <sup>th</sup> Oct. 2018
Submission of the CBROP to County Assembly	County Treasury	21 <sup>st</sup> Oct. 2018
Sector hearings	All Departments- County Treasury to co-ordinate	12 <sup>th</sup> Nov.2018
Development of County Fiscal Strategy Paper (CFSP)	County Treasury	10 <sup>th</sup> Jan. 2019
Public participation on CFSP	County Treasury	25 <sup>th</sup> Jan.2019
Consideration of the CFSP by C.E.C	C.E.C	1 <sup>st</sup> Feb. 2019
Submission of CFSP to County Assembly	County Treasury	15 <sup>th</sup> Feb. 2019
Approval of CFSP by County Assembly	County Assembly	1 <sup>st</sup> Mar.2019
Submission of Budget estimates to County Treasury by the departments	All departments	15 <sup>th</sup> Mar. 2019
Consolidation of Budget estimates by the County treasury	County Treasury	22 <sup>nd</sup> Mar. 2019
Consideration of Budget estimates by C.E.C	C.E.C	29 <sup>th</sup> Mar. 2019
Submission of Final Program Based Budgets (PBB) and itemized estimates to County Assembly for approval	County Treasury	15 <sup>th</sup> Apr. 2019
Cash flow projections	County Treasury	14 <sup>th</sup> June 2019
Approval of PBB and itemized Budget estimates	County Assembly	14 <sup>th</sup> June 2019
Approval of County Appropriation Bill	County Assembly	28 <sup>th</sup> June 2019