



REPUBLIC OF KENYA

COUNTY GOVERNMENT OF KIAMBU

COUNTY FISCAL STRATEGY PAPER (CFSP)

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Foreword

This is the Third Kiambu County Fiscal Strategy Paper (CFSP) under the devolved governance structure. Its purpose is to build direct linkages between policies, plans and budgets. It provides the resource envelope and presents the fiscal framework for the 2016/2017 budget estimates and over the medium term.

This paper is prepared in accordance with the provisions set out in section 117 of PFM Act, 2012. It provides expenditure ceilings for county departments, units and agencies and detailed guidelines that aim at structuring the pattern of County Government expenditure towards priority areas. These priorities are set on the basis of review of expenditures in FY 2014/15, sector proposals, the 2016/17 annual development plan as well as County Integrated Development Plan 2013-2017.

The paper is aligned with the national objectives in the Budget Policy Statement BPS 2016 in pursuit of the aspirations anchored in the Kenya Vision 2030 roadmap to economic development. The BPS is the national policy document that sets out the broad strategic priorities and policy goals that guides the national government and county governments in preparing their budgets.

The proposals contained in this paper have been subjected to public participation and the views arising thereof incorporated in consistence with the County Government's policy of improving transparency and accountability. The fiscal data included is indicative and subject to adjustments during the budget preparation if circumstances change.

In 2016 CFSP, the county government proposes to allocate most of its resources in physical infrastructure improvement with an aim to stimulate general economic performance in addressing the real issues that affects the lives of county residents. To achieve this, the policy aims at shifting more resources from recurrent to capital investment to promote sustainable and inclusive growth. Recurrent expenditure has been structured to decrease over time as capital expenditure increase in relative terms over the medium term period. To finance expenditures set out in this paper, the county will continue to maximize revenue collection by strengthening and reforming the revenue collection system already in place and through structural reforms.

I am grateful to all County Treasury staff, led by John Gicaci, whose hard work and invaluable skill in ensuring teamwork led to the timely delivery of

the policy paper. Special thanks go to Nduta Kahiu, Sophia Kamau and Stephen Mungai for their commitment

I am also grateful to all Chief Officers for the valuable information they provided for their respective fields and for their cooperation during the period of the assignment. Lastly, I take this opportunity to express my profound gratitude and deep regards to the County Executive Committee led by His Excellency the Governor for exemplary guidance, support and constant encouragement throughout the course of our work.

Mary Nguli
County Executive Committee Member, Finance & Economic Planning

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Abbreviations

ADP	Annual Development Plan
BPS	Budget Policy Statement
CBEF	County Budget and Economic Forum
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy paper
CIDP	County Integrated Development Plan
CLIMS	County Land Management Information System
CLMC	County Land Management Committees
ECDE	Early Childhood Development Education
ECDEC	Early Childhood Development Education Centre
FY	Financial Year
ICT	Information, Communication & Technology
IFMIS	Integrated Financial Management Information System
LH&PP	Land, Housing and Physical Planning
MOU	Memorandum of Understanding
MSMEs	Medium and small micro Enterprises
MTEF	Medium Term Expenditure framework
MTP	Medium Term Plan
NaMSIP	Nairobi Metropolitan Services Improvement Services
PDPs	Partial Development Plans
PFMA	Public Finance Management Act
SACCOs	Saving and Credit Cooperative Societies
WB	World Bank

Fiscal Responsibility Principles for the National and County Governments

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

(2) In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles-

- (a) The county government's recurrent expenditure shall not exceed the county government's total revenue;
- (b) Over the medium term, a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;
- (c) The county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;
- (d) Over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
- (e) The county debt shall be maintained at a sustainable level as approved by county assembly;
- (f) The fiscal risks shall be managed prudently; and
- (g) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

(3) For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue

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

Legal Basis for the Publication of the County Fiscal Strategy Paper

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

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

1.0 INTRODUCTION

1.1 Overview

1. This County Fiscal Strategy Paper (CFSP), the third since devolution, continues to implement programmes set out in our Development Plan. It has outlined the broad strategic developmental issues and the fiscal framework, as well as a summary of county government spending plans that forms the basis of 2016/17 FY budget and over the medium-term. This policy paper is informed by the Kiambu County Integrated Development Plan (CIDP), the annual development plan, the Kenya Vision 2030, the governor's manifesto, feedback from members of the public and National Government policies as outlined in the 2016 Budget Policy Statement (BPS).

2. It is worth noting some of the milestones that the County has made so far as we spell out the policies/programmes to be implemented in the FY 2016/17 and the medium term. These include;
 - Internal revenue collection has improved with full automation of the revenue collection system from Kshs 0.91 billion in January 2015 to Kshs. 1.18 billion in January 2016.

 - The county has continued to empower the youth, women and persons with disability by encouraging them to engage in gainful activities. To this end 20,000 persons have been trained on how to access the fund and 32,747 applications have been received;

 - Promotion of sporting activities through organizing various sports programs.

3. The implementation of programs under this CFSP will promote sound public financial and economic management for socio-economic development, industrial and entrepreneurship development in order to attract more investors and create employment opportunities for the residents of Kiambu County. This CFSP, therefore, highlights the government's priority programs and structural reform measures to be implemented in the Medium Term 2016/17-2018/19 with an aim of moving the County to the next level of development.

4. The County has continued to face both internal and external challenges as it implements its set policies and programmes. As a way forward the County government has come up with some measures to address these challenges, strengthen resistance to shock and nurture growth that opens economic opportunities and provides a better future for all the residents of Kiambu. The County government, therefore, is focusing on programs to improve public finance management and governance; entrepreneurship development, promoting/facilitating trade and employment creation; improving agricultural performance; County infrastructure development; and improving social services especially education and ICT.

1.2 Improving public finance management and governance

5. For socio-economic development to be realized institutional renewal and strengthening is critical since it promotes efficiency and productivity gains. Additional measures are required to avoid eroding these gains and to further entrench good governance and good public finance management at all levels within County.

6. In this regard, there are programmes outlined in this CFSP for FY 2016/17 and the medium term to advance this Agenda. They include:

Capacity building

7. Capacity building initiatives have continued to receive much attention in the County in order to support departments in efficient and effective implementation of projects. This will be done through the Finance and Economic Planning Department in collaboration with the National Government. The training will include areas of programme based budgeting, MTEF, monitoring and evaluation among others.
8. Timely financial reporting and publication of relevant documents as required by PFM laws will be prepared by the department to enhance transparency and accountability.

Revenue Reforms:

9. The County has continued to enhance revenue collection capacity with an aim of tapping more and generate more revenues. The County intends to continue with reforms that will ensure that all loopholes that may leak revenues are sealed and that all fees/charges/tax payers are brought on board as required by our laws. The county embarked on automation of revenue collection, ISO certification and tagging of all county assets to ensure efficiency and effective service delivery as well as accountability of County assets for further revenue generation. As a matter of fact, Kiambu was the first county to go live on full automation of revenue collection and automation of processes.
10. Mobilization of additional revenue by strengthening enforcement and completion of administrative reforms including the automation of systems and expansion of the revenue base to net in property rates and consolidation of revenues for ease of

administration and collection has continued to be key focus in the third CFSP. In line with international best practices, the County will focus on land and property tax as the most appropriate and most justifiable to finance its activities and provide services. It is envisaged that the tax base will be very wide with relatively low rates creating a large potential for revenue across functional sectors and sub-counties. A Revenue Enhancement plan will also be developed among other programs in the FY 2016/17.

Expenditure Management:

11. Prudent management of scarce resources for maximum benefit promotes socio-economic development. It entails effective management of expenditure so that programs funded are well implemented and have bigger impact on the intended beneficiaries. This calls for efficiency and effectiveness in public resource utilization and budget execution. In the 2016/17 FY, the county will entrench program budget and enforce execution of the development budget as planned; ensure expenditures are as planned ; ensure Participatory monitoring and evaluation; preparation of Annual procurement plans and adherence to the plans; carry out risk based audit; and rolling out of Institutional risk management framework.

1.3 Entrepreneurship development, trade facilitation and employment creation

12. The young people define what our world look like in today. The County embarks on implementing programs that will in particular benefit the youth, women, and persons with disability as well as promoting growth of Small and Medium Enterprises (SMEs) which are all priority areas of focus for the government.

13. The rapid growth of the Kenyan population has resulted in fewer opportunities for formal employment in the traditional areas such as the civil service and the formal private sector. The Counties are also required to create employment opportunities for their residents/people. Therefore, emphatic efforts must now be placed on achieving broad-based growth embedded in enhanced agricultural production, encouraging small-scale businesses, relevant and high quality education, a flourishing private sector, conducive investment environment and dealing with gender imbalances.

14. The county government initiated and continues to implement measures to achieve Entrepreneurship development and employment creation in the FY 2016/17 and over the medium term. The policy initiatives include; continuing and strengthening the Youth, Women and Persons with disability Fund to gainfully engage the youth; Mapping of empowerment strategies; Developing, upgrading and managing of sports facilities; Identifying and nurturing talent; Operationalization of a Sports Academy to nurture top level skills development of sports men and women among others.

15. As a way of promoting entrepreneurship and trade in the County, the government will be implementing programs to facilitate and improve the operating environment for traders and entrepreneurs to thrive. Some of the specific programmes to be undertaken in the FY 2016/17 include: Construction and renovation of markets to improve business environment; Construction of more Boda Boda Sheds; Offer Advisory services to entrepreneurs or MSMEs; Credit disbursement to MSMEs; Develop Tourist/Heritage and Cultural centres; Marketing of Tourist/Heritage/Cultural centres in the County; and Improve operations of the Jua Kali operators among others.

1.4 Improving agricultural performance

16. Agriculture plays an important role in the County. However, it is faced with challenges including diminishing agricultural land sizes due to increased population pressure and real estate's establishment; inadequate water harvesting and storage; poor infrastructure; high costs and low quality agricultural inputs; inadequate organized marketing structures for agricultural produce; low value addition resulting in low producer prices; erratic and inadequate rainfall; limited use of modern technology; over reliance on rain fed agriculture; vulnerability to crop and livestock disease outbreak due to proximity to transportation routes; pollution of water resources among others.

17. The County government has outlined policies to be implemented in the sector in the FY 2016/17 and the medium term in order to overcome these challenges. They include: improving strategic food reserves; developing farming systems and crop suitability maps; promotion of technologies for sustainable farming systems and crop suitability; establish agribusiness centres; increasing land under irrigation; building of water pans and storage tanks; adoption of aquaculture innovations and technologies; and improving capacity for livestock industry development by training stakeholders in modern breeding technologies. To improve animal health, the sector intends to construct, rehabilitate and modernize diagnostic laboratories/facilities; train farmers on disease control and management; and purchase veterinary vaccines.

1.5 County infrastructure development/improvement

18. Development of Infrastructural facilities is key to development of the other sectors as it eases movement of goods, services and people thus facilitating agriculture, trade and commerce among others. A number of the strategies and measures to be put in place during the Medium term include Maintenance and tarmacking of feeder/access roads, Installation of flood lights, rehabilitation and completion of bus parks and Construction of bridges. The specific programmes to be undertaken in the FY 2016/17 include: grading and gravelling 400 kilometres of roads; rehabilitating/constructing 12 bridges; rehabilitating 45 kilometres of roads; construction of 10 KMs of tarmac roads; constructing 5 bus parks; rehabilitating 10 parking bays; and constructing and equipping 3 fire stations.

1.6 Improving social services

19. Human capital plays a critical role in ensuring sustainable economic growth and enhanced development. The County is therefore required to impart appropriate skills to its residents to enable them participate fully in development of the County and the Country at large.

Education sector

20. Education is one of the five pillars of the County. Under this sector, the county has managed to construct/ refurbish and equipped 40 ECDE centres; County Bursary fund increased in the same period and a total of Kshs 157 million were dispersed to needy secondary school and college students. 31 youth polytechnics were equipped

with training tools and equipment; 14 construction/renovation projects in youth polytechnics were still in progress.

21. The County intends to put strategies and measures in the Medium term in order to achieve the pillar. These include: increase the usage of ICT in educational institutions, integration of ICT in all county operations, ensure gender equity in distribution of resources and opportunities, promote civic education to all, enhance socio-economic empowerment of the people, enhanced prudence in resource utilization, promote preservation and show case cultural heritage in the county as well as enhance stakeholders' participation/involving.

Health sector

22. In FY 2015/16, health sector embarked on construction/rehabilitation/ renovation and equipping of three level 4 and 1 level 5 hospitals, 10 new health centres, 50 existing health centres among many other achievements.

23. The strategies and measures to be pursued in the medium term include: complete construction/rehabilitation/ renovation and equipping of three level 4 and 1 level 5 hospitals, 10 new health centres, 50 existing health centres; purchase of medical and dental equipment; purchase of laboratory equipment; and purchase of generators.

2.0 RECENT NATIONAL AND COUNTY ECONOMIC DEVELOPMENTS

24. This section provides an update of the economic performance and emerging issues likely to affect the outcome of national and county development goal.

25. The County's performance is largely dependent on the formulation and implementation of prudent policies to guide service delivery. Its performance will also depend highly on the country's economic performance as the County large share of revenue is obtained through transfers from the National Government.

2.1. National economic outlook

Performance of the Economy

26. Recent developments in the key macroeconomic variables are positive and encouraging. The economy Gross Domestic Product (GDP) expanded by 5.3 percent in 2014 compared with 5.7 percent in 2013. Growth remained resilient in 2015; the first three quarters of 2015 recorded an average growth of 5.5 percent, compared to a growth of 5.3 percent registered in a similar period in 2014.

27. The main drivers of the growth in the three quarters of 2015 on the demand side included: Government and private consumption; Low oil prices; increase in exports; and, stability of the Kenya Shilling against major currencies, despite slight depreciation against the US dollar. The main drivers on the supply side included improved performance in: mining and quarrying (14.2%); information and communication (13.4%); construction (13.1%); financial and insurance activities (8.3%); real estate (5.6%); transport and storage (5.0%); and, Agriculture, forestry and fishing (3.5%).

28. The manufacturing sector benefited from an improved economic environment during the review period. Some of the factors that positively influenced the industry include: slightly cheaper and stable electricity supply; restrained inflation; and, resilient domestic demand.

Interest Rate

29. In 2015, the CBK had adopted tight monetary policy stance to anchor inflationary pressures and liquidity tightness that led to increased interest rates. The 91 days Treasury bill interest rates rose from 8.6 percent in January 2015 to 21.7 percent in October before dropping to 9.8 percent in December 2015 when the liquidity conditions in the market stabilized.

30. Consequently, the average lending rates increased marginally to 17.4 percent in December 2015, up from 16.0 percent in December 2014, while the deposit rate increased to 7.9 percent from 6.8 percent over the period. This led to a slight rise in the interest rate spread to 9.5 percent in December 2015 from 9.2 percent in December 2014.

Exchange Rate

31. The Kenya Shilling exchange rate weakened against major international currencies, for most of the 2015, then strengthened following foreign exchange inflows into the money market. The currency strengthened to Ksh 102.1 against the US dollar as of 8th February 2016 compared to Ksh 102.8 in October 2015. Against the Sterling Pound, the shilling strengthened to Ksh 147.9 as of 8th February 2016 from Ksh

153.3 in December 2015. However, the exchange rate weakened against the Euro to Ksh 113.5 as of 8th February 2016 from Ksh 111.1 in December 2015.

32. Within the East Africa Community, the Kenya Shilling depreciated against the Tanzanian Shilling and Ugandan Shilling by 1.5 percent and 2.1 percent respectively between December 2015 and 8th February, 2016.

Public Debt

33. Kenya's public and publicly guaranteed debt rose by Ksh.458.9 billion to close at Kshs. 2,829.1 billion (52.8 percent of GDP) in June 2015 from Kshs.2,370.2 billion (44.2 percent of GDP) in June 2014 comprising of 50.05 percent of external debt and 49.95 % of domestic debt. Then public debt increased by Kshs.384.1 billion from June 2014 to June 2015. Total gross domestic debt stock increased by 10.6% from Kshs. 1,284.3 billion as at end-June 2014 to KShs. 1, 420.4 billion by end-June 2015.

34. The total external debt stock, including the International Sovereign Bond, stood at Kshs. 1,423.3 billion at the period ending June 2015. The debt stock comprised of multilateral debt (48.1%), bilateral debt (31.3%), Export Credit debt (1.2%) and 19.5% for Commercial banks' debt-including International Sovereign Bond. Cumulative interest and other charges on domestic debt for the FY2014/15 amounted to Kshs.139.8 billion (or 2.6 % GDP) compared with Kshs.108.8 billion (or 2% GDP) during a similar period of the FY 2013/14. Total external debt service for the FY 2014/15 amounted to Ksh 104.5 billion (or 1.95 percent GDP), comprising Kshs.81.9 billion in principal repayments and Kshs.22.5 billion in interest payments.

35. The successful issuance of the international sovereign bond largely contributed to the increase in total external debt. The issue comprised of US\$ 500 million at an interest rate of 5.875 percent with a five year maturity and US\$1.5 billion at an interest of

6.875 percent with a 7 maturity of 10 years. Most of Kenya's external debt remains on concessional terms, although its commercial component has increased exponentially over the past three years. The increase in bilateral debt stock is because of the disbursements from China and France meant for financing infrastructural projects. Other changes were attributed to debt service and exchange rate revaluation

Inflation

36. The Overall month-on-month inflation declined to 7.8 percent in January 2016 from 8.0 percent in December 2015. This was attributed to the reduction in the pump prices of petrol and diesel that led to the reduction of the Transport index and the declines in the prices of electricity, kerosene and cooking gas. However, during the same period, the prices of food items and non - alcoholic drinks as well as prices of alcoholic beverages, tobacco and narcotics went up. On average, the annual inflation rate was 6.8 percent in January 2016 compared to 6.7 percent in January 2015.

Stock Market

37. The stock Exchange activity remained fairly stable in the year to December 2015. The NSE 20 share index rose to 4,041 points in December 2015, up from 4,016 points in November 2015. However, Compared to 2014, the NSE share index dropped by 21 percent from 5,113 points in December 2014 to 4,041 points in December 2015. Market capitalization, a measure shareholders' wealth, closed at Kshs. 2,031 billion in December 2015 from Kshs. 2,300 billion in December 2014. The drop in market capitalization in the year to December 2015 is as a result of an increase in volume of shares traded, which depressed the overall share prices.

Summary

38. The activity recorded at the county level will have a great impact on country's economic performance going forward. This will also depend on the implementation of devolution at the two tiers of government. Recurrent Vis a Vis development expenditure calls for a delicate balance to ensure that national and county goals are achieved as reflected in the County's Development Plan.
39. Finally, the macroeconomic outlook remains favourable although risks remain. Some of the challenges existing within the economy include: security, weather, export market weakness, capital flow reversal and statistical inconsistency especially the Balance of Payment. Deliberate interventions are being put into place to counteract these challenges. Key among them includes automation of processes, integration and digitization of data, collection of high quality data and resource mapping.

2.2 Update on Fiscal performance and emerging challenges

40. Implementation of the first half of FY 2015/16 budget is on track. However, there were challenges in access to the budget allocation for the first half of the FY which slowed down spending on planned activities and thus the budget absorption in general. This was as a result of national government delay in transfer of the equitable share to the counties as it was experiencing cashflow challenges in the first half of the FY.
41. County revenues have improved significantly and are expected to remain on track as projected in the second half of the financial year. Waiver on property rates given towards the end of first half has impacted positively on revenue collection. Going forward, we expect better performance with access to the full budget allocation for the second half of the year.

42. On the revenue side, as at January 2016, the county received Kshs. 4.56 billion from National Government for the FY 2015/16 against a total allocation of Kshs. 8.07 billion. Assessment of the internal revenue performance indicates that the county has done very well. By end of January, 2015, internal revenue collections amounted to Kshs. 1.18 billion compared to the previous year's collection of Kshs. 0.91 billion reflecting a 29.7 percent increment. Despite being above the previous year's collection, the amount is below this year's target due to delays in passing of the County Finance Bill.
43. Other factors that have led to the lower than expected performance in revenue collection include: unstable county political environment for collection of fees, charges and levies; low productivity due to skills gap amid the available staff, among others.
44. On the expenditure side, as at January 2016, the County spent Kshs. 4.7 billion which equates to 40 percent of the total budget for FY 2015/16. Low absorption rates are as a result of delayed release of funds by the national government and challenges with revenue collections. The delay in release of funds often leads to disruption of the activities of county and compromises service delivery. Furthermore, these delays jeopardise development spending considering that the non-discretionary county expenditures like personnel emoluments which are recurrent in nature take precedence in government planning and spending. (see Table 1 below)

Table 1: Analysis of County Expenditures by January 2016

	DEPARTMENT	BUDGET	TOTAL EXPENDITURE	% BUDGET
4061	County Assembly	872,843,954.00	141,282,173	16
4062	County Executive	389,512,000.00	173,120,887	44
4063	County Public Service Board	62,488,000.00	19,266,381	31
4064	Finance and Economic Planning	1,458,870,375.00	575,266,761	39
4065	Administration and Public Service	694,958,328.00	312,837,811	45
4066	Agriculture, Livestock and Fisheries	637,609,665.00	271,746,162	43
4067	Water, Environment and Natural Resources	482,063,028.00	253,966,391	53
4068	Health Services	3,891,094,000.00	1,575,591,686	40
4069	Education, Culture, ICT and Social Services	901,130,486.00	229,112,265	25
4070	Youth and Sports	516,047,760.00	161,223,641	31
4071	Lands, Physical Planning and Housing	316,354,748.00	151,238,980	48
4072	Trade, Tourism, Industry and Co-Operative	394,493,586.00	125,180,832	32
4073	Roads, Transport and Public Works	1,331,583,017.00	793,854,913	60
	TOTALS	11,949,048,947	4,783,688,883	40

Source: Kiambu County Treasury

3 FISCAL FRAMEWORK FOR THE FY 2016/17

45. The County government is committed to fiscal consolidation while ensuring that resources are availed for development in order to positively impact on productive sector growth and overall economic growth. In this regard, the county government is committed by continually reducing the recurrent expenditures and devotion of more funds to development. Reforms in the expenditure management and revenue administration will continue to be implemented to increase efficiency, reduce wastages and increase revenues collected and hence create fiscal space for spending on development programmes within the budget.

3.1 2016/17 Budget Framework

46. In the FY 2016/17 prioritization of resource allocation will be based on the County Integrated Development Plan (CIDP) and departmental strategies, programmes and broad development policies of the County Government. The FY 2016/17 budget will institute reforms targeted at achieving efficiency and productivity of government spending. The CIDP takes into account the development Agenda of the country by customizing programmes for the County residents with general impact on their welfare and those around them or doing business in the County.

3.1.1 Revenue projections

47. Going by the allocations in the draft County Allocation of Revenue Bill, 2016, the county is projected to get an equitable share of KShs 8.05 billion in the FY 2016/17. In addition, the County government is expected to get an additional conditional allocation of over KShs 700 million for funding the health services including: level-5 hospitals; compensation for user fees foregone; free maternal healthcare and leasing

of medical equipment. The county will also get about KShs 123 million conditional grants from the Road Maintenance Levy Fund for road maintenance purposes only.

48. Consequently, the County government estimates to receive a transfer of about Kshs. 8.9 billion from the National Government for the FY 2016/17 constituting the equitable share and conditional grants. However, the County government will review and adjust the budget appropriately once the allocations to the Counties is firmed up by the passage of the County Allocation of Revenue Bill, 2016.

49. In addition to the transfer from the National Government, the County generates its own revenues. The revenues are raised through property taxes, entertainment taxes and other taxes that the county is authorized to levy by an Act of Parliament as well as user fees and charges authorized by county laws. From the impressive growth of the revenues recorded so far this FY and with the completion of valuation rolls and enactment of relevant laws, we expect revenues to improve further in the FY 2016/17. Therefore, the County projects Kshs. 3 billion revenue from its own sources.

50. The total revenue for the FY 2016/17 is therefore projected at Kshs 11.9 billion comprising Kshs 3 billion county's own revenues and Kshs 8.9 billion transfer from the National Government.

51. The PFM Act, 2012 section 132 (1&2) requires that the County Executive member for finance make pronouncement of the revenue raising measures for the county government with the approval of the County Executive Committee. In this regard, the budget will contain the structural measures to be implemented by the county to boost revenue generation and shall be tabled in the County assembly through the Finance Bill, 2016 for consideration and enactment.

3.12 Expenditure Projections

52. Considering the limited resources in the County and competing programmes for funding, priority for funding in the FY 2016/17 has been given to efficient and productive projects/programmes that seek to improve the general welfare of the Kiambu residents as well as favourable environment for doing business. This is in line with the County's objective as outlined in the CIDP.

53. In this regard, budget submissions by the County departments will be reviewed critically with a view of removing any non-priority expenditures and shift the savings to the priority programmes. The performance of earlier funded projects/programmes will also be reviewed with a view of improving the implementation and absorption capacity of projects. This will also ensure that projects are well planned and their execution scheduled out to avoid allocation of resources to projects that are far from implementation stage yet there are other equally competing projects that would have been considered.

3.2 Recurrent Expenditure Projections

54. Total recurrent expenditures in FY 2016/17 is estimated to be at Kshs. 7.7 billion as compared to Kshs. 7.9 billion in FY 2015/16 printed Budget estimates, representing a reduction of 2.5 percent. The slowdown in recurrent expenditure is necessary to release funds for development programs.

55. Salaries and wages for FY 2016/17 is estimated at Kshs. 4.7 billion which has been maintained at the FY 2015/16 printed budget estimates level.

56. The PFM (County Governments) Regulations, 2015, requires that the County Governments maintain employee compensation levels at no more than 35 percent of their equitable revenue share. In the medium term, the county government is committed to ensuring compliance with this fiscal responsibility principle. It is our hope that once the ongoing exercises by the Ministry of Devolution and Planning under the CARPs and the Salaries and Remuneration Commission's job evaluation are complemented, the recommendation will also support in the County's zeal to manage their wage bill.

57. The Operations and Maintenance expenditures will be lower in the medium term due to removal of one-off expenditures such as office infrastructure and equipment from the recurrent budget coupled with other expenditure rationalization measures that will create fiscal space for development expenditures. The estimated amount for the FY 2016/17 is Kshs.3 billion down from the printed estimate of Kshs 3.2 billion for the FY 2015/16.

3.3 Development Expenditure Projections

58. The overall development expenditure for FY 2016/17 will be Kshs 4.1 billion up from the FY 2015/16 printed estimates of Kshs. 3.9 billion. This reflects a 5.1 percent increment from the previous Financial Year allocation and accounts for 35 percent of the overall budget in line with the fiscal responsibility requirement of allocating at least 30 percent of the overall budget to development expenditure.

3.4 Overall deficit and financing

59. To ensure fiscal discipline, the 2016 BPS encourages the County governments not to have deficit in their budgets for the FY 2016/17 without a clear and realistic plan of how the deficit will be funded. It is in this regard that the County Government has attempted to allocate resources for spending that are commensurate to the revenues expected in the FY 2016/17.

60. During the FY 2016/17 the county budget shall be financed through transfer from the National Government and own revenue collected from local sources such as fees and charges, rates, among others as allowed by the governing Acts.

61. The FY 2016/17 fiscal framework is therefore fully financed.

3.5 Risks to the 2016/17 Budget framework

62. Under performance in revenue collection still remains a major challenge in financing the FY 2016/17 budget. However, the county will continue with structural reforms, seal loopholes and expand the revenue base for enhance revenues and efficient and cost effective methods of collecting the revenues.

63. The high wage bill is also a major challenge in the implementation of the budget. Recruitment of new staff has been frozen and the county is waiting for proposed recommendations from the on-going exercises by the National Government through the Ministry of Devolution and Planning under CARPs programme and the SRC's job evaluation. The lack of clear guidelines for clarity, harmony of operations and delay by the National Government in finalizing the CARPS exercise is a drawback. It is

expected that once the exercise is completed, the National Treasury will allocate enough funds for implementation of the recommendations which may include staff compensation in the event of rationalization.

64. Another risk to the county remains the challenges associated with the timely release of resources from the National Government to the Counties. The observed struggles between the various governments agencies involved in effecting the transfer of funds to the County will definitely affect the performance.

65. Other risks include all the internal risks that the Country is experiencing which may slow down the economic growth and consequently impact on the revenues from the national Government to the County.

66. The County Government is working on modalities to improve coordination amongst County Departments, leadership in the County and National Government to help bolster development initiatives.

3.6 Fiscal Structural Reforms

Revenue mobilization

67. The county intends to have an efficient and effective revenue administration system which will ensure that the County meets its revenue target and will be able to implement its development programmes. The county has moved all payments onto the digital platform with the sole objective of ensuring that all payments in the County are made electronically so as to significantly reduce administrative costs, minimize leakages and expand access to payment points. The County launched the huduma

card which has over 1000 registered users enabling them to easily access county services.

68. Other key strategies to be adopted by the County Government includes; integration and digitization of data, collection of high quality data and mapping of the various revenue sources.

Expenditure Management

69. The County continues the use of Integrated Financial Management System (IFMIS) in all its Departments including at the County Assembly and intends to roll out the same to the Hospitals and at the Sub-County level to have a tight grip in expenditure controls and ensure timely reporting.

70. On implementation of projects the County shall undertake capacity building initiatives to properly support other departments. The County Budget and Economic Forum (CBEF) was established and consultations are in progress on all matters of planning, budgeting, the economy and financial management. Such consultations also ensure that there is participation by stakeholders, transparency and accountability, and adherence to the PFM Act on budget making process.

71. On project identification, the County Government will adopt bottom up approach where projects will be identified by ward level committees in each ward and implemented by the County Executive in compliance with the law. The purpose of this is to better target priority areas for each ward and to promote equitable development in the county. The type of projects will vary from one ward to another depending on the community needs. This will go a long way in complementing the

efforts of the Departments in getting the services closer to County residents and in responding to varied priorities across the wards and further deepening devolution.

72. The County Government intends to continue with civic education programmes to enhance awareness and facilitate proper flow of information. Increased collaboration between the County Government and the County Assembly will expedite enactment of necessary legislation to ensure there is efficient running of County government thereby improving service delivery.

73. To complement the staff rationalization exercise, the County has frozen all new recruitment and adopted an ambitious policy of expenditure rationalization with a view to funding core services, ensuring equity and minimizing costs through the elimination of duplication and inefficiencies. The Government will also ensure continuous sector performance reviews as a strategy to encourage accountability within departments.

74. In order to contain recurrent and non-essential spending, Kiambu County Government will focus on the following areas of intervention.

- Foreign travel to be limited to essential travels
- Consultancy services will be better managed and controlled as in and when required basis. Further, efforts will be made to use existing capacity within the county government
- Circulars for reducing event's costs will be issued and enforced by the county treasury
- The stock of pending bills will be reduced by implementing a strict commitment control system, paying up and closing the identified genuine stocks, terminating or completing stalled projects that are likely to lead to pending bills

4.0 MEDIUM TERM EXPENDITURE FRAMEWORK

4.1 Resource Envelope

75. The principle guidelines on fiscal responsibility used to inform the allocation of available resources amongst the departments is derived from:

- i. Internal revenue generation which finances 25 percent of the County total budget.
- ii. National Government financing -Funds transferred from the National Government finance 75 percent of the county budget. In the FY 2016/17, the county anticipates to receive Kshs 8.9 billion from the National Government.

Table 2 below summarizes the resource allocation;

Details	2014/15 FY (Revised Budget) (in KShs)	Printed Estimates 2015/16 (in KShs)	Projected estimates 2016/17 (in KShs)	% to Total Budget
Recurrent Budget				
Personnel Emoluments	4,022,203,362	4,746,252,535	4,746,252,535	40
Operations and Maintenance	2,921,729,767	3,233,970,850	3,029,522,740	25
Sub-total	6,943,933,129	7,980,223,385	7,775,775,275	65
Development Budget				
Total Development Budget	3,430,117,065	3,968,825,562	4,186,955,917	35
Total Budget	10,374,050,194	11,949,048,947	11,962,731,192	100

Source: Kiambu County Treasury

76. The proposed budget adheres to the fiscal responsibility principle by allocating 35 percent of the county budget to development against an obligatory minimum of 30

percent. The wage bill is at 40% and is expected to decline overtime as county executive has recently issued guidelines in a circular freezing any further recruitment of new employees. Fiscal risks have been managed prudently to ensure a reasonable degree of predictability with respect to the level of tax rates, charges and tax bases.

77. The county does not intend to borrow to finance any of its activities in the Fiscal year 2016/2017. This is informed by the fact that the debt management strategy paper and strategic policy on debt management are in place and awaiting the County Assembly's approval, are meant to guide the county's borrowing. Once guidelines are approved and proper measures have been put in place, the County, may, in the MTEF period borrow to fund capital projects. Any borrowing by the County will adhere to the borrowing framework agreed at the Intergovernmental Budget and Economic Consultation Forums (IBEC) and the fiscal responsibility principles of ensuring the borrowed funds finance development projects only.

4.2 Resource Sharing Guidelines

78. The following guidelines informed allocation of departmental ceilings over the medium term.:

1. Non-discretionary expenditures: This takes first charge and includes payment of Salaries and wages which are projected to use about 40 percent of the expected total revenue receipts.
2. Operations and maintenance: This is allocation of funds to departments for basic operations and maintenance which will account for 25 percent of the projected total Revenue.

3. Development expenditure: 35 percent of the total revenue available will be used to finance development expenditure. These development expenditures have been shared out on the basis of County priorities.

79. In addition to the above mentioned guidelines, attention has been directed to completion of on-going projects particularly on investment projects in priority areas that support social development, economic growth and transformation of the County.

80. The departmental resources ceilings are summarized in the table below.

Table 3: Analysis of Resource Allocation by Sectors

vote	Vote Name	Printed Estimates 2015/16	Estimates 2016/17	Projected 2017/2018	Projected 2018/2019
4061	County Assembly	872,843,954	850,109,562	935,120,518	1,028,632,570
4062	County Executive	389,512,000	376,699,919	414,369,911	455,806,902
4063	County Public Service Board	62,488,000	60,557,421	66,613,163	73,274,479
4064	Finance & Economic Planning	1,458,870,375	1,415,175,197	1,556,692,716	1,712,361,988
4065	Administration & Public Service	694,958,328	692,248,332	761,473,165	837,620,481
4066	Agriculture, Livestock & Fisheries	637,609,665	644,479,932	708,927,925	779,820,718
4067	Water, Environment & Natural Resources	482,063,028	494,023,009	543,425,310	597,767,841
4068	Health Services	3,891,094,000	3,901,009,018	4,291,109,920	4,720,220,912
4069	Education, Culture, ICT & Social Services	901,130,486	903,546,734	993,901,408	1,093,291,549
4070	Youth, Sports & Communications	516,047,760	532,115,644	585,327,209	643,859,929
4071	Lands, Physical Planning & Housing	316,354,748	322,636,057	354,899,663	390,389,629
4072	Trade, Tourism, Industry & Co-Operative	394,493,586	405,036,564	445,540,220	490,094,242
4073	Roads, Transport & Public Works	1,331,583,017	1,365,093,803	1,501,603,183	1,651,763,502
	Total	11,949,048,947	11,962,731,192	13,159,004,311	14,474,904,742

Source: Kiambu County Treasury

5.0 DEPARTMENTAL/ SECTOR REPORTS

5.1 Finance and Economic Planning

81. The objectives of the department are; mobilization of revenue, effective and efficient management of public resources, improved allocation of county allocation of funds and creating conducive environment for the private sector investment. The sector is also the link of all other sectors with the National government in matters of finance and resource mobilization.

82. The Department is mandated with the preparation of annual estimates of revenues and expenditures that are laid before the County Assembly every year for approval including the preparation of supplementary estimates as the need arises. It is the County's think tank responsible for policy analysis on a wide range of issues including: fiscal issues, trade issues and private sector development issues. It's also mandated to ensure that external resources (grants, loans, donations) are effectively mobilized, disbursed and efficiently utilized and that there is prudent public debt management. It is responsible for the administration and enforcement of revenue laws and for that purpose collecting and accounting for all rates, taxes, fees and charges payable by or under any laws in the County; collection of statistical data needed for planning purposes; County budget implementation, monitoring and evaluation.

83. Some of the key achievements of the Department include elimination of manual payments and full adoption of IFMIS systems and e-procurement system, substantial progress in alignment of prioritized expenditure to available resources ;institution of

strategies that have increased resource absorption among departments ,institution of sound financial reforms and expenditure management strategies, mobilization of substantial amounts of revenue for funding of programmes, uptake of ambitious automation programmes, implementation of county revenue laws including the finance act ,drafting annual budget estimates, successful formulation of annual development plan(ADP),county budget review and outlook paper and other budgeting documents in a timely manner ,the departments consolidated a register of assets and liabilities: the updating of the valuation rolls. The departments embarked on ISO certification as a way of ensuring continuous improvement of processes and procedures; elimination of manual payments and full adoption of IFMIS system and e-procurement system, uptake of ambitious automation programmes,

84. The key challenges facing the Department include a high wage bill, poor flow of information from the national to the County government; lack of reliable baseline information especially statistics at County level, delayed release of revenue by the national government, inadequate levels of revenue to fund county functions, human resource constraints especially for the skilled/trained cadre; poor coordination amongst departments; lack of adequate office space for staffs both at the county and sub county level. Presence of self-interested lobby groups has posed a challenge in the implementation of financial and economic planning policies and the heated political climate prevailing in the county has sometimes led to slower implementation of the development agenda, among others.

85. Funding for the 2016/17 -2018/19 MTEF period will focus on delivery of the Department's priorities and in particular those aimed at creating an efficient and a motivated human resource and a sound financial and economic management for socio-economic development. The Department's priorities also entail ensuring

increased capacity in revenue mobilization through purchase of revenue vehicles, strengthening of planning and budget execution, implementation of projects, monitoring and evaluation.

86. Some of the specific programmes to be undertaken in the FY 2016/17 include; The department will continue mobilizing additional revenue by strengthening enforcement and completion of revenue administrative reforms; Automation of processes to increase revenue compliance; Expansion of the revenue base to net in property rates and Land rates which is the greatest revenue earner for most of developed devolved units in the world. The Department will also enhance its capacity to support Departments in implementation of projects through mounting trainings tailored towards accountability, transparency and enforcement of the financial management regulations; ensure improved management of public resources; and ensure reorientation of budgetary resources towards development projects.

87. The Department will also be keen in ensuring development of proper legal and regulatory framework for revenue collection; Participatory monitoring and evaluation; development and execution of a Revenue Enhancement plan; carrying out risk based audit; Rolling out of Institutional risk management framework; Development and implementation of economic policies; Working towards ISO certification; Rolling out IFMIS and its related systems to all accounting units and sectors; Roll out of E-procurement system; Research into proper management of County Government properties especially land and building to increase revenue from this assets; Training of accounting officers and departmental accounting and finance officers to update them on the current regulatory requirements and proper accounting procedures to seal bureaucracies that may hinder service delivery; Buildings capacity in the

internal audit and procurement departments; Updating the register of assets and liabilities;

88. For the FY 2016/17, Kshs. 1.41 billion has been set aside to fund the programmes of the department up from the FY 2015/16 printed budget of Kshs1.45 billion. This is projected to increase to Kshs. 1.5 billion and Kshs. 1.7 billion in the FY 2017/18 and FY 2018/19 respectively.

5.2 Trade, Industry, Tourism and Cooperatives Department

89. Trade, Tourism, Industry and Cooperative Development Sector comprises of four Sub sectors namely: Trade and Markets; Industry; Tourism; and, Marketing and Cooperatives Development. It integrates both product and service industries.

90. The Department envisions a competitive County for sustainable and equitable social economic development with a mission of promoting, coordinating and implementing integrated social economic policies and programmes for a rapidly industrializing economy. The Department works to advance and support Kiambu County's economic vitality through comprehensive business attraction, retention and support efforts coordinated by the proposed Business Support Centres (BSC). The Department also preserves Kiambu County's heritage and historic record as an attraction to tourists.

91. The strategic goals and objectives for the sector are: Promotion and development of trade, markets; Trade Licensing and Business Regulation; Formation and Profiling of Producer Business Groups (PBGs); Financial support to the Micro, Small and Medium Enterprises (MSMEs); Promotion, Registration, supervision, inspection and auditing of cooperative societies; Capacity building, value addition and

entrepreneurship; Construction of wholesale and retail markets, construction of modern model kiosks; Awareness creation and enforcement of legal metrology Act and other Acts; Promotion of fair trade practices and consumer protection; Advising on taxation, Fraud Risk management and governance in the co-operative sector; Promotion of Micro, Small (Jua Kali) and cottage industries; Promotion of investments and industrial development; Promotion of Industrial parks; Promotion of technological transfer; Resource mapping, profiling and data collection in all the sectors; Profiling and development of tourism products (tourist, cultural and heritage) and services in the county; Marketing and product development in the County within the entire sector; Promotion of value addition through the One Ward One Product initiative; Promotion and facilitation of production of exportable products; Empowering women and youth in entrepreneurship; Encouraging investments in tourism sector in the County; Verification and stamping of weighing and measuring instruments for use for trade in the county; Cooperatives Development.

92. The period under review the department saw the construction of over 40 Boda Boda sheds; construction of 3 markets, and renovation of five (6) markets requiring small works. Under cooperatives, the sector achieved and exceeded its target of reviving dormant cooperatives and registration of new cooperatives that included the bringing together of Boda Boda operators at the established Boda Boda sheds to form Co-operative Societies. A total of 11 Boda Boda SACCOS were registered, 36 other Societies were registered and a total of 17 societies were revived. A total of 140 audits were carried out and total of KES 1.8 Million realized; Renovation/Rehabilitation of fourteen falls

93. Key challenges of the Department include: Security; Climate change; inefficient infrastructure; unreliable and high cost of energy; Inadequate funding for

programmes; Weak implementation of Policies and Regulations; inadequate legal, regulatory and institutional frameworks; limited access to credit for businesses; high cost of production especially energy; influx of sub-standard and contraband goods hence reduced market for good produced within the county; and low technology and innovation. Travel Advisories; ICT Infrastructure;

94. Funding for the 2015/16 -2017/18 MTEF period will focus on delivery of the Department's priorities and in particular those aimed at growth and development of trade and industry; tourism promotion and development; savings and investments mobilization; industrial and entrepreneurship development and employment creation.

95. Some of the specific programmes to be undertaken in the FY 2016/17 include;; Improve business environment in the County; Construction of Boda Boda Sheds which will create a good business environment for Boda Boda operators in the County; support Advisory services offered to entrepreneurs or MSMEs; Ensure Credit disbursed to MSMEs; ensure that Anti-Corruption policy enforced in Co-operatives; Registered audited accounts; conduct Statutory audits; Register New co-operatives; mobilization of Additional savings/deposits through SACCOs; Continue registering new co-operatives; Develop Tourist/Heritage and Cultural centres; Marketing of Tourist/Heritage/Cultural centres in the County; construct shelters for Jua Kali artisans this will ensure that operations of the Jua Kali operators Improves; Capacity building and Human resource development; Monitoring of projects and programmes undertaken In Departmental Strategic Plan , Performance contract, and annual Work Plans.

96. For the FY 2016/17, Kshs.405,036,564 has been set aside to fund the programmes of the department up from the FY 2015/16 a printed budget of Kshs. 394,493,586.

This is projected to increase to Kshs. 445,540,220 and Kshs. 490,094,242 in the FY 2017/18 and FY 2018/19 respectively.

5.3 Agriculture, Fisheries and Livestock Department

97. The Agriculture, Livestock and fisheries department comprises of five sub-divisions namely: Agriculture and irrigation; Livestock and Fisheries; Monitoring Evaluation and reporting; veterinary services; agribusiness and marketing. In addition the Agricultural Training Centre at Waruhiu and Agricultural Mechanization Service are in the department.

98. The goal of the sector is to attain food security, and sustainable agricultural infrastructure development. The key policy goals of the sector include: raising agricultural productivity through value addition, increasing market access and adoption of technologies; exploiting irrigation potential and sustainable management of resources in the sector. The prioritized sector programmes include: Fisheries development, Irrigation Drainage and Mechanization Infrastructure, Livestock Resources Management and Development, General Administration, Planning and Support Services for Agriculture and Crop Development.

99. Some of the key achievements during the period under review include: The department initiated the following legislations (Abattoir, Revolving fund for Waruhiu ATC and AMS Ruiru, tea policy, flower policy, feeds policy & coffee policies); carried out Farm development activities on demonstrations, field days farmer group trainings ; Constructed 80 Green houses; distributed Bio-Fertilizer; capacity building of County extension staff; Reduction of crop losses through post-harvest management training; Promotion of Soya beans , Stevia and Sunflower; Promotion of traditional of high

value crops (THVC); Developed Fisheries policy, strategy and capacity building; Aquaculture development; Assurance of fish safety, value addition and marketing; Construction of 48 Fish ponds in 21 demonstration centres; refurbishment of Abattoirs and 2 Slaughter houses; Rehabilitation of 2 cattle dips; Purchase of vaccines, serums, fertilizers, certified seeds, breeding stock and Live animals; Dissemination of Emerging livestock (Rabbits) technology and marketing infrastructure; Value addition of livestock products (Milk, meat, hides and skins); Promotion of Biogas production and utilization among livestock farmers in Kiambu to address energy scarcity and reduce deforestation;

100. The department also promoted irrigation and Drainage development and management; new irrigation projects initiated at i.e. Kamwamba irrigation project, Gatina irrigation project ,Wamoro irrigation project; designed irrigation projects: Njuno and Chiboni Githongo; Drainage Infrastructure awareness; built Kimunyu water pan; established Cottage rabbit industry; Construction of banana collection centre: 2 marketing cooperatives formed; 4 Exhibitions and shows done to promote access to market for agro processors; 1 soya bean processing centre established; 1,000 farmers trained on marketing, farm business planning, record keeping; Market linkage for bananas, tomatoes and capsicum; 2 educational tours for the farmers; 30 staff trained on entrepreneurial skills; 1 stakeholder forum formed-Public private partnership for market, input, credit access to farmers; 10 enterprise based brochures developed; 15 enterprise booklets develop; 1 Departmental website developed; 1 horticulture group supported with inputs; 2 NCPB fertilizer stores established at Githunguri and Kamwangi

101. Key restrictions in the Department include: Diminishing agricultural land sizes due to increased population pressure and real estate's establishment; Inadequate water harvesting and storage; Poor infrastructure; High costs and low quality agricultural inputs; Low quality seeds/breeds; Inadequate organized marketing structures for

agricultural produce; Low value addition resulting in low producer prices; Erratic and inadequate rainfall; Limited use of modern irrigation technology; Over reliance on rain fed agriculture; Low adoption of modern technology in agricultural sector; Vulnerability to crop and livestock disease outbreak due to proximity to transportation routes; Pollution of water resources; and Low utilization of dam fishery resource.

102. Major services/outputs to be provided during the MTEF period 2016/17 – 2018/19 will include; Creating an enabling environment for agriculture, livestock and fisheries development sector through development of appropriate policies, frameworks, strategies, legislations, guidelines, standards and rules & regulations; Construction of more fish ponds and promotion of fish farming; Enhance facilitation for bulk milk coolers and pasteurizers in all sub counties; Diversification and expansion of the strategic animal feed reserves to include hay and commercial feeds; Increased area of land under irrigation; Operationalization of Livestock Enterprise fund; creation of Disease Free Zones; Enhanced animal genetics, embryo transfer and vaccine production; Management and control of strategic pests and diseases; Increase aquaculture productivity through technology development and innovations, selective breeding, capacity building, research on feed, seed, production systems; products development, resource mapping and technology transfers in learning institutions;

103. The department will also seek to support research and technology development; Undertake institutional reforms such modernization of Waruhiu Agriculture Training Centre; Improve market access through provision of market information, development of market infrastructure, establishment of fish quality and veterinary investigation laboratories, certification of fish processing establishments for export market and developing export certification scheme for farmed fish; Reduce post-harvest losses through development and rolling out of cold chain transport system, capacity building on post-harvest losses and promotion of value addition; Capacity

building of training institutions for the development of the agriculture, livestock and fisheries; Monitoring and evaluation of programmes/projects and general administration and support services.

104. For the FY 2016/17, Kshs. 644,479,932 has been set aside to fund the programmes of the Department up from the FY 2015/16 printed budget of Kshs. 637,609,665 million. This is projected to increase to Kshs. 708,927,925 and Kshs. 779,820,718 in the FY 2017/18 and FY 2018/19 respectively.

5.4 Youth, Sports and Communications Department

105. The Sector comprises of three sub sectors namely; Youth affairs, sports and communication. This Department play its tactical role in the County's transformation and economic development through: promotion and development of youth and sports for a vibrant sporting industry and empowered Youth. The Department's vision is to create an enabling environment for the promotion and development of youth and sports with a mission to transform and inspire through youth empowerment and sporting excellence.

106. The Department deals with all matters relating to youth including promotion of their welfare, training and linking them to productive economic ventures. It is involved in organization and mobilization of the youths for voluntary participation in development activities across the county; Co-ordination of youth services in liaison with other Departments; Programs to encourage a sense of adventure, responsibility, confidence and achievement in youths; Research and study on youths and youth development activities; Promoting activities for creating employment opportunities for the unemployed and under employed youths; Promotion and development of games

and sports as well as organization and participation in National and International games and athletics.

107. The period under review saw the Launch of the Biashara Fund with 20 000 residents trained on how to access the fund and 32 747 applications received; the department also held County Champions cup; Skating Tournaments; Football referees and coaches courses; Cricket coaching Courses; County athletics championships; Volleyball referees and coaches courses; Boxing championships; Facilitated teams to participate at the Nationwide, Provincial and county leagues; rehabilitation of 50 sports facilities; Provision of sports equipment to clubs and sports associations i.e. Footballs and Football uniforms; Biashara fund capacity building of 25,000 Youth; Training of 100 Trainers of trainers course; Waste management training; Youth insurance training. Talent Festivals were held to identify, promote and award talent; Music Recording and Video editing studio construction was in progress; Renovation of one playing field in every ward is in progress; Refurbished Thika Stadium and Renovation of Kirigiti Stadium in progress.

108. The key challenges within the sector that require attention include; Inadequate sports ground and infrastructure; inadequate funding; inadequate human resource capacity; inadequate policy framework: encroachment of public fields/stadiums; widespread drug and substance abuse by the youth; high levels of unemployment; and low levels of transition of the youth to institutions of higher learning.

109. In the next MTEF for 2016/17-2018/19 budget period the sector priority areas will be: Policy and General Administrative Services which cuts across all sub-sectors; Development of agendas to implement youth programmes; Mapping of empowerment strategies; Developing networks between County and county

government officers as well as other institutions/organization within and outside the county.; Developing, upgrading and managing of sports facilities; Identifying and nurturing talent; Promotion of leagues and tournaments; Operationalization of a Sports Academy to nurture top level skills development of sports men and women from ward level countywide as well as train sports administrators, instructors and coaches; Designing, implementing and evaluating of athlete development plan; Information, communication, publicity and media relations; Public Relations; Events Management; Digital and social media management; Customer care; Branding

110. The sector has identified the following priority programs for implementation during the MTEF period 2016/17 to 2018/19 namely: Youth talent search, nurturing and development; Capacity building, mentorship and agribusiness programs; Youth Centers with a C.V. Bank and Job placement system; Policy to allocate a 1/3 allocation of county jobs to youth; establishment of Kiambu Youth newspaper; develop a Youth Procurement policy; construction of Kiambu Skating park; hold Champions Cup (Football); enrol Referees and Coaches to Course; hold County volleyball Tournament; set up Volleyball Referee and Coaches Clinics; enrol Martial Art Coaches to Courses; training of Boxing Referee and Judges; hold County Darts Tournament; develop County Cricket program; Rugby Training and Tournament; Rowing and Canoeing Training and Tournament; Swimming Gala; Cycling Training and competition; Athletics training and general competitions; hold In door games; Rehabilitation, Maintenance and construction of Sports facilities; Inter county sports and exchange programmes both local and international; Basketball training and tournament; County sports and Youth Festivals; hold Sports for persons living with disabilities.

111. For the FY 2016/17, Kshs. 532,115,644 has been set aside to fund the programmes of the department up from the FY 2015/16 printed budget of Kshs. 516,047,760. This is projected to increase to Kshs. 585,327,209 and Kshs. 643,859,929 in the FY 2017/18 and FY 2018/19 respectively.

5.5 Roads, Transport, Public Works and Utilities

112. The Roads, Transport & Public Works Department key role is to provide the necessary infrastructure and related services for economic growth. The Department provides infrastructure (roads) to facilitate movements of persons and goods, fire and rescue services and renewable energy for power generation .The Department aspires to be a regional leader in infrastructural development, maintenance and provision of technical services in Kiambu County.

113. During the period under review, the Department implemented a number of programs and Sub-programs in a bid to achieve energy accessibility, expanded the road network, increased mobility of both people and goods so as to spur economic growth. This was achieved through the implementation of the following: Responded approximately 150 fire incidences; Responded over 20 rescue and disaster related incidents; Scrutiny of development plan on fire safety issues; Maintenance of floodlights 20 No.; Construction of 3no 20m high flood lights mast; Identified 1no markets for high mast flood light installation; Constructed over 530KM of rural access roads; Successfully maintained 1,100KM of road network; Construction of 2 no. Foot bridges; Carried out building audits around 100no; Forensic audit of collapsed buildings; Preparation of architectural, structural, electrical and mechanical building services designs.

114. The key challenges facing the Department include: poor terrain that poses a great challenge for road maintenance, Poor storm water drainages, neglected roads, encroachment of roads reserves, and lack of connecting bridges, financial resources constraints and trained human resources constraints; frequent breakdown of heavy equipment particularly graders and fire engines and related high cost of repair and maintenance, only one fully equipped fire station and inadequate number of trained fire men/women leading to slow response to fire emergencies in other parts of the County, Inadequate bus parks leading to congestion in our towns, , encroachment of roads reserves, need for improved connectivity through foot bridges and motorable bridges in the rural areas.

115. In the Medium term strategies and measures to be pursued include construction and maintenance of all feeder/access roads, upgrading key link roads to bitumen standards, construction of urban roads to bitumen standards, Installation of flood lights, construction and rehabilitation of bus parks and Construction of bridges. The Department also plans to construct, equip and man fire stations in every sub county as well as provide technical support to other Departments for construction and rehabilitation of Public works buildings. In relation to County Energy, the Department will undertake energy audit and promote use of renewable energy.

116. Some of the specific programmes to be undertaken in the FY 2016/17 will include: constructed 400Kms of new roads and 12 bridges; rehabilitated 45kms of Roads; construction of 10Kms of new tarmac roads within towns; construct 30No. 20 meters flood masts; Rehabilitation of 5 Bus Park and 10 parking bays; Construction of 3 fire stations; Purchase of 3No. O Pick-ups, 1No. Grader and 1No. Water Bowser; Construction of flood masts; Unblock and constructing storm water drains

117. For the FY 2016/17, Kshs.1.36 billion has been set aside to fund the programmes of the department up from the FY 2015/16 printed budget of Kshs. 1.33 billion. This is projected to increase to Kshs. 1.50 and Kshs 1.65 billion in the FY 2017/18 and FY 2018/19 respectively.

5.6 Lands, Physical Planning & Housing

118. The County Land, Housing and Physical Planning sector is mandated to undertake spatial planning, land management and promote housing development for orderly spatial development. The Sector has four directorates, namely: Spatial Planning; Housing and Community Development; Land Survey and Geo-informatics; and, Land Valuation and Property Management.

119. During the period under review, the Sector implemented programmes as outlined in the County Integrated Development Plan which included; Preparation of Part Development Plans (PDPs); Preparation of draft County Spatial Planning Bill; Preparation of County Spatial Plan; Preparation of Integrated Urban Development plans (4No. towns); Harmonization of development control instruments; Preparation of LIMS (Thika Town); Development control; Survey of land for Sub-County Offices and selected markets; Prepared base map for Jamhuri, OFAFA and Starehe estates; Preparation of draft County Survey Bill; Setting up of GIS laboratories in Thika; Evaluation of planning applications; Boundary re-establishment of public utilities; Preparation of inventory of County Housing estates; Renovation of LHPP offices ;Promotion of urban renewal Urban Renewal – 3 estates; Jamhuri, Ofafa and Starehe in Thika Sub county; Slum Upgrading at Gachagi/Umoja and Kiamburi; Preparation of draft County Valuation and Valuation for Rating Bill; Identification of county assets both fixed and movable; Analysis of the Draft Valuation Roll as presented by the

consultant; Obtain all existing Valuation rolls for the former local authorities within the county.

120. The key challenges facing the sector include; Inadequate capacity and low retention of human resource in highly specialized areas; Transitional challenges regarding transfer of funds to County Governments; Slow pace reviewing policy and legal frameworks to conform to the Constitution; Lack of legal framework to guide operationalization of the six metropolitan regions envisaged in the Kenya Vision 2030; Ignorance and resistance from the public on planning matters and policies; Red taping in accessing up to date data; Lack of Alternative Dispute Resolution (ADR) mechanism leading to delays in resolution of land disputes; Budget rationalizations and late release of exchequer issues, slow implementation of projects; Inadequate markets and market infrastructure leading to poor accessibility; Insecurity and increasing internal conflicts over resources leading to displacements and fatalities negatively impacting on productivity; High cost of equipment resulting to slow service delivery.

121. During the 2016/17-2018/19 MTEF period, focus will be directed to the following priority areas: Creating an enabling environment for Land housing and spatial planning sector through development of appropriate policies, frameworks, strategies, legislations, guidelines, standards and rules & regulations; Support research and technology development; Undertake institutional reforms; Capacity building of training institutions for the sustainable utilization of land resource; Enhance and speed up the process of development applications and approval; Fast tracking the Land information management systems; Modernization of land records and digitization of land records which includes developing, training and implementation of a County Land Management Information System (CLIMS); Development of

geospatial data and finalization of County Spatial Plan; Preparation of County and integrated Urban Development Plans; Provision of capacity building and technical support in physical planning; Updating County base map, developing and maintaining land records; Monitoring and evaluation of programmes/projects and general administration and support services; Alterations, renovations and partitioning of County offices; Rehabilitation of LH&PP non-residential buildings; Improve access to physical and social infrastructure in urban areas through acquiring land for solid Waste management sites, storm water drainage, access roads, firefighting stations, bus/lorry parks, stadia, social halls, markets (market hubs and wholesale); Profiling and classification of Urban areas; Addressing of current land complaints; Operationalizing the County Land Management Committees (CLMC);

122. For the FY 2016/17, Kshs. 322,636,057 has was set aside to fund the programmes of the department up from the FY 2015/16 printed budget of Kshs.316,354,748. This is projected to increase to Kshs. 354,899,663 and Kshs. 390,389,629 in the FY 2017/18 and FY 2018/19 respectively.

5.7 Education, Culture and Social services

123. The Education, ICT, Culture and Social Services Department mandate is to provide, promote and coordinate training and research for sustainable development; to protect and promote the County's National heritage; and, effectively and efficiently promote gender equality and freedom from discrimination of all persons. The Fourth schedule of the Constitution allocates pre-primary education, village polytechnics, home craft centres and childcare facilities to the County Governments.

124. During the period under review the Key achievements of the Department included: The department has undergone significant legal, policy and institutional

reforms which have resulted to the formulation of ECDE and YP bills; 1,569 YP trainees received the subsidized Youth Polytechnic tuition funds; 31 YPs were equipped with training tools and equipment; 16 renovation and refurbishment projects in YPs while two YPs: Kinoo and Uthiru were initiated were executed; Youth Polytechnics Quality Assurance and Standards Guidelines were implemented; 500 officers were sensitized on Quality Assurance and Standards; and 980 YPs were assessed for quality; Ball games and drama competition for Youth Polytechnic trainees were held at the Sub-county and County level; Heads of Youth Polytechnics and their instructors were trained for two days at Kiambu Institute of Science And Technology (KIST); Sub-county offices have been connected; Establishment of a Data Centre; Operationalization of e-Cabinet system: Operational business intelligence and analytics and automated revenue collection

125. The key challenges facing the department include: limited funding, shortage of teachers and instructors ECDE and YPS, poor and inadequate infrastructure, slow pace of ICT integration as well as inadequacies of legal, policy and institutional frameworks.; lack of enough awareness among parents on need/value for education need; poor remuneration of the teaching staff thus low morale; inadequate nutrition and health support services; poor supervision ECDE institutions; insufficient learning and play equipment at ECDE level;; inadequately equipped Youth Polytechnics; and, Non-diversification of the courses offered by the Youth Polytechnics.

126. The strategies and measures to be pursued in the Medium term include: Increase Enrolment in pre-primary and Youth Polytechnics education; enhancement of e-government ICT infrastructure development and Community social service.

127. Some of the specific programmes to be undertaken in the FY 2016/17 include; refurbishment of ECDEC and polytechnics, equipping of county libraries and

constructing new ones in those sub counties which do not have libraries, conducting Civic Education in all the 12 sub Counties, refurbishment of community/social halls, setting up a cultural centre in the County.

128. For the FY 2016/17, Kshs. 0.903 billion has been set aside to fund the programmes of the department up from the FY 2015/16 budget of Kshs. 0.901 billion. This is projected to increase to Kshs. 0.99 and Kshs. 1.09 in the FY 2017/18 and FY 2018/19 respectively.

5.8 Water, Environment and Natural Resources

129. The overall goal of the sector is to improve access to adequate and safe water, management and protection of environment and natural resources for sustainable development in a clean and secure environment. The specific objectives include: increase accessibility to reliable, safe and adequate water to all, to improve environmental protection and management of natural resources; develop, implement and review sectorial strategies, policies and legislative frameworks in line with the Constitution; enhance sustainable management of environment and natural resources; ensure access to natural resources benefits for socio-economic development; enhance capacity building for environment and natural resources management; promote and implement integrated regional development programmes; enhance research on environment and natural resources for

130. During the review period, the achievements under each programme are as highlighted as: Restructuring and operationalization of the department of Water, Environment and Natural resources; Refurbishment of current office premises to house the Department; Clearing of garbage heaps within all town centres; Awareness creation through action days and clean up exercises; Rehabilitation of

garbage trucks; Engagement of Youth & private companies on Waste collection in residential areas; Issuance of licenses for noise and waste collection; Purchased one double cab pickup for supervision of works; Have streamlined the management of public sanitation blocks in Thika, Ruiru and Kiambu Sub-Counties and these facilities are now generating good revenue for the County. Have earmarked to construct 4No. sanitation blocks in this financial year;

131. During the period under review, a draft County Environment Bill was prepared; 7,000 giant bamboo tree seedlings and 20,000 indigenous/water friendly tree seedlings were planted in river Riparian, Wetlands, springs and other catchments; 5No. Garbage Trucks were flagged off at Kiambu and Limuru Sub-Counties respectively; Intensified garbage collection in all sub-counties; water coverage increased from 37% to 41% in rural and 42% to 46% in urban respectively. The overall coverage of population with access to safe water is 40.2%.The increase in coverage has been achieved through the construction of water schemes in the respective Sub-Counties; the construction and expansion of water supplies to the medium sized towns which are now at various stages of completion averaging 20%. Rural access has been boosted through rehabilitation and extension of water schemes.

132. Other achievements include; development of draft County Water and Sanitation Bill which has been presented at various stages and is now at the County Assembly level; the first draft of the Strategic Plan of the Department was developed; entering into Performance contracts with the 8No. Water Service Providers in the County; Merging of Gatundu South and Karimenu Water Companies; Held an Corporate Governance Workshop at AICAD for all the Directors and Senior Management of Water Companies; Several Water Projects as earmarked above are on-going and will be completed in the course of this financial year

133. Some key Challenges facing the Department include: Inadequate Legal and policy framework; High Poverty Level; Effects of climate change and associated extreme weather events threaten sustainable development and impacts negatively on the sector; Population pressure leading to ecosystem degradation; Limited Value addition and product diversification; inadequate funding to the sector; High incidence of HIV/AIDS, malaria and other infectious diseases; Low Youth participation; Challenges of Constitutional implementation and interpretation; Scarcity of Information on the status of Natural Resources; knowledge on optimal harnessing of ICT in the sector for effective and efficient service delivery.
134. During MTEF period the Water, Environment and Natural Resources subsector will; finalization of the County Environment Policy, Climate Change Policy, Wetlands Management Policy. The subsector will also finalize the County Water and Sanitation Bill 2015, and County Natural Resources Bill 2015; ensuring a clean and healthy environment for the people of Kiambu County by enforcement of environmental laws and regulations; monitor and enforce implementation of the waste management strategy; map and monitor waste generation and management in towns in all Sub-counties and map and monitor pollution in regulated facilities;
135. The department will also seek to develop County wetland Policy Implementation Plan (PIP), secures and rehabilitates wetland boundaries and riparian areas (Manguo and Ondiri wetlands); intensify efforts of conservation and sustainable management of strategic forest resources for environmental protection and economic growth towards the constitutional requirement of the 10% tree cover for poverty alleviation and environmental sustainability of the county; To increase the tree cover of the county from 6.99% to 7.30% during the plan period, key activities includes

rehabilitation of the degraded areas and recovery of illegally acquired land in the water towers; promote commercial growing & utilization of bamboo by facilitating the raising of 15,000 bamboo seedlings and planting of 100,000 indigenous tree seedlings species under the green schools programme and other riparian areas.

136. The County Government will increase the proportion of population with access to safe water from 44.3% to 48% and that with access to sanitation from 7% to 12% during the plan period. This will be through expansion of water supply and sewerage infrastructure in major urban and rural areas of Kiambu County.

137. For the FY 2015/16, Kshs. 494,023,009 has been set aside to fund the programmes of the department up from the FY 2014/15 printed budget of Kshs. 482,063,028. This is projected to increase to Kshs. 543,425,310 and Kshs. 597,767,841 in the FY 2016/17 and FY 2017/18 respectively.

5.9 Administration and Public Service

138. The Administration and Public Service Department is in charge of County public service management. The Department comprises of two Sub-Sections, Administration and Public Service. The Department visualizes an excellent Public Service Management, Leadership and Governance with a mission to create harmonious, conducive and functioning structures that ensures quality service delivery. The mandate of the Department is to provide strategic leadership and direction in the administration of the county.

139. The Strategic objectives of the Administration and Public Service Department are;
To provide policy, strategic leadership and direction for social, economic

development; To facilitate creation of County Government structures and institutional frameworks for optimal public service delivery and response to Kiambu county needs; To ensure continuous development and retention of human resources and application of best practices in the management of the Public Service for improved performance and staff productivity; To promote good governance, transparency and accountability in the Public Service; To mainstream and coordinate implementation of devolution and Kenya vision 2030 programmes.

140. Key achievements of the Department under the period under review include; Completion of renovation and operationalization of county head offices at Kiambu; Operationalization of Alcoholic Drinks Regulation Committees in the 12 sub counties and the gazettelement of four residents for each sub county Alcoholic Drinks Regulation Committee; procured a vehicle to enable smooth operations; successfully moved to Kiambu headquarter offices; embarked on development and finalization of Strategic Plan. Establishment and operationalization of county head office and Sub county offices; Establishment of various offices; Staff deployment; training; Human Resource Management and Development; facilitation of Human Resource Audit done by Transition Authority and VAS Consultants; Biometric data capture for county staff, workload analysis and institutional analysis; Appointment, deployment and induction of health workers, works officers, engineers and staff attached to Governor's office; inducted all the Sub county Administrators at the Kenya School of Government; preparation of a draft bill on public participation; preparation of a draft bill on enforcement; developed a training policy; developed a draft code of regulations.

141. Some of the Key challenges the Department is facing include; Inadequate resources; Staff rationalization; anxiety among the members of staff from defunct Local Authorities and devolved functions; The issues of communication channels

which had not been clearly defined; Lack of reliable and sustainable transport (vehicles) for field services; Lack of adequate office space; Enormous expectation from the members of the public; General teething problems of new dispensation; Increased number of litigation's against the county government.

142. Specific programme to be undertaken in the FY 2016/2017 Include: Promote Motivated and skilled workforce; Staff Rationalization; Improve safety & promote healthy working environment; formulate Efficient HRM Policies, Practices, Norms and Standards; develop Performance management system; formulate Efficient employee relations / compensation policies and practices; develop Alcohol Regulation and control Framework; Develop alcohol prevention program; Conduct enforcement and testing of alcoholic drinks; Enable Service Delivery Quality and Access; ensure Effective systems & structures and processes; promote Effective communication systems and public engagement; develop and display Service Delivery Charters in service delivery sites; Draft Bill on Betting & Gaming; Develop policy and Appropriate governance structures and decision making; ensure Citizen engagement and public participation; promote Effective Corruption prevention; ensure Smooth and efficient service delivery; Management and Coordination of County Government business. ; Construction of Sub Counties and Wards offices; and Equipping and furnishing sub counties and wards offices.

143. For the FY 2016/17, Kshs. 692,248,332 has been set aside to fund the programmes of the department from the FY 2015/16 printed budget of Kshs. 694,958,328. This is projected to increase to Kshs. 761,473,165 and Kshs. 837,620,481 in the FY 2017/18 and FY 2018/19 respectively.

5.10 Health Services

144. The Health Sector is made up of three (3) directorate which include; Directorate of Health Planning and Administration; Directorate of Health prevention and promotion; Directorate of Clinical and Rehabilitative Services. The mandate for the Sector is to build a progressive, responsive and sustainable technologically-driven, evidence-based and client-cantered health system for accelerated attainment of the highest standard of health to all residents of Kiambu.
145. The key challenges facing the Department include; Inadequate health personnel; Erratic supply of health products; Poor health infrastructure; Inadequate public health facilities; Inadequate resources; constructions delay due to the long process of acquiring Bills Quantities; slow procurement process; Lack of enough knowledge to the citizens on activities being carried out by the department; Expensive media services when the Department wants to inform of activities being carried out in the sector; Delayed maternity fee reimbursements therefore leading to hospital debts.
146. Some of the key achievement during the period under review include; Operationalization of 17 facilities, 13 facilities done i.e. Gitithia , Gituamba, Kiriri, Nachu, Gikambura, Escarpment, Kahuho, Ndenderu, Tinganga, Mutonya, Muthaara, Makwa, Miirini dispensaries; Purchase of 5 new ALSA (Advanced Life Support) Ambulances – 2 to Thika Level 5, 1 Gatundu D.H, Kiambu D.H. and Tigoni D.H and the 4 that was withdrawn from those facilities were distributed to Kigumo, Ndieya, Lusigetti and Kihara facilities; Purchase of commodities non pharms and medical drugs; Purchase of Thika Level 5 mortuary Equipment's.

147. In the MTEF period 2016/2017-2018/2019 the Sector has prioritized programmes and sub-programmes intended to prevent and promote Health by ensuring Immunization; Child Health; Screening for communicable conditions; Antenatal Care; Prevention of Mother to Child HIV Transmission ;Integrated Vector Management; Good hygiene practices; HIV and STI prevention Control and prevention neglected tropical diseases Health Promotion &Education for NCD'; Institutional Screening for NCD's Rehabilitation Workplace Health & Safety Maternity New-born services, Nutrition services. Upgrading of health centres to hospitals; Construction of Laboratory; Improve Outpatient services; installation of Stand by generators; sinking of Boreholes in health facilities; Facility facelift of health facilities; Purchase assorted furniture for health facilities. Improve access to medical services; Improve supply of medicines and vaccines; Improve maternal health; improve reproductive health care services; Management of Reduced HIV and Aids; Improve access to emergency services; and Improve public health and sanitation within the county.

148. The strategies and measures to be pursued in the Medium term include: Rehabilitation/ Construction/Refurbishment of Lari Level 4; Wangige Level 4; Kiambu Level 4; Thika Level 5; 10 new Health centres (CLCs); Renovations and rehabilitation of 50 health centres and dispensaries; Expansion for 20 facilities; Purchase of Medical and Dental Equipment; Purchase of Laboratory Equipment; Purchase of Generators and Operationalizing County Research Development Unit.

149. For the FY 2016/17, Kshs. 3.9 billion has been set aside to fund the programmes of the department up from the FY 2015/16 printed budget of Kshs. 3.89 billion. This is projected to increase to Kshs. 4.2 and Kshs. 4.7 billion in the FY 2017/18 and FY 2018/19 respectively.

5.11 County Public Service Board

150. The County Public Service Board Sector provides overall policy and leadership direction to Kiambu County human resource function in the county public service. The core mandate of the County Public Service Board (CPSB) is to provide leadership in public service management, to ensure efficiency and effectiveness in service delivery, management and development of human resources in the public service, comprehensive restructuring to ensure the county public service function effectively and optimally utilises available human resources.
151. The strategic objectives of the Administration and Public Service Sector are; To provide policy strategic leadership and direction to the county government structures and institutional frameworks for optimal public service delivery and response to the Kiambu county needs; To ensure continuous development, retention of productive human resources and application of best practices in the management of public service for improved performance; To promote good governance, transparency and accountability in the public service.
152. During the period under review, the department key achievements included; Establishment of various offices in the County as per the constitution of Kenya, 2012; Recruitment of Chief Officers for all the departments in the County; Recruitment of both senior and junior officers in different departments in the County; Establishment of the County Public Service Board Secretariat and recruitment of various staff for the secretariat; Developing various policies to be used by the county; Conducting visits to various sub counties to establish various challenges faced by staff within these sub counties; Addressing various industrial disputes lodged against the County by former employees of the Local Authorities within the County.

153. Key challenges in the Department include: Lack of adequate office space ;Inadequate resources; Staff rationalization; anxiety among the members of staff from defunct Local Authorities and devolved functions; Lack of reliable and sustainable transport (vehicles) for field services; No scheme of service for County employees; Enormous expectation from the members of the public; General teething problems of new dispensation.

154. The strategies and measures to be pursued in the Medium term include: Promoting leadership and Integrity through conducting awareness campaigns; Establishing and abolishing offices in the County public service through continuous recruitment and appraisal of staff to deliver a lean and efficient workforce; Disciplinary control through enforcement of discipline to staff members; Developing human resource management through regular advice to the county government; Advising the County government on implementation and monitoring of national performance management systems through conducting regular meetings with the county departments; Recommending to the Salaries and Remuneration Commission on behalf of the County government on remuneration, pensions and gratuities for county staff through development of working policies and Preparing regular reports to the County Assembly on the functions of the Board.

155. Some specific programmes to be undertaken include; filling of vacant positions; ensuring the county has a highly motivated and skilled workforce; Staff Rationalization; Improved safe & healthy working environment; developing Efficient HRM Policies, Practices, Norms and Standards; formulation of Performance management system; Development of efficient employee relations / compensation policies and practices.

156. For the FY 2016/17, Kshs. 60,557,421 has been set aside to fund the programmes of the department from the FY 2015/16 printed budget of Kshs. 62,488,000. This is projected to increase to Kshs. 66,613,163 and Kshs. 73,274,479 in the FY 2017/18 and FY 2018/19 respectively.

5.12 County Executive

157. The executive provides overall policy and leadership direction in the management of public affairs, coordinates policy formulation, implementation, monitoring and evaluation. In addition, it facilitates enactment of county legislation and oversees all departments and offers direction on all county matters.

158. The County Executive is responsible for implementation of county legislation; implementing national legislation within the county; managing and coordinating the functions of the county administration and its departments. The Committee also proposes legislation for consideration by the County Assembly; provides information to the County Assembly on matters relating to the County; is generally responsible for maintaining good governance in the performance of the county functions and offering strategic direction of the county.

159. The Sector utilised its budgetary resources to implement various projects and activities. Some of the key outputs which were realised include: provided policy direction through hosting Cabinet meetings and County; Creating and operationalization of the various departments; developing various County Government policies and Cabinet papers; Scrutinising bills before submission to the assembly; Operationalization of administrative structures & others support offices; Automation such as e-Cabinet, Revenue, Performance Management System; Digital

communication /platform and feedback mechanism; County integrated development plan; Promotion of public participation in the development of policies and plan; Appointment of chief officers for each of the ten department, among others

160. Some of the programmes the sectors will implement during the 2016/17 – 2018/19 MTEF budget period include; Plan and organize County functions; Automate ICT services; Construct social infrastructure facilities; Develop and disseminate County Development Plan; Development of County Government Policies; Produce and disseminate Statistical publications; Engagement of Public on legislative and policy issues; Monitoring of Compliance to Strategic Executive Orders and Policy Directives; Training of Women and youth entrepreneurship; Automation of Cabinet business; Undertake Assessment of Capacity Rationalization; Development of Skills inventory data bank ; Development of HR manual, procurement of Office equipment, and create office space;

161. For the FY 2016/17, Kshs. 376,699,919 has been set aside to fund the programmes of the Department from the FY 2015/16 budget of Kshs. 389,512,000. This is projected to slowdown to Kshs. 414,369,911 and Kshs. 455,806,902 in the FY 2017/18 and FY 2018/19 respectively.

5.13 County Assembly

162. Kiambu County Assembly (KCA) is a legislative arm of the Kiambu County Government created by the Constitution of Kenya, 2010 and comprises of 87 members 60 of whom are elected and 27 nominated to represent various interests and constitutional provisions on gender equity. The assembly functions through 17 house committees, a speaker's panel and the administrative issues are handled by

the County Assembly Service Board. The functions of the CA are representation of citizens, law-making and oversight.

163. The key Strategic goals and objectives include; Review KCA Standing Orders; Carry out continuous mandate workshops for house committees; Periodic training of members to inculcate a parliamentary culture in the conduct of their mandate; Establish a research centre, curriculum development centre and well equipped library; Employ more clerks to serve the committees; Document the committee proceedings in the Hansard; Purchase safe storage facilities for the files e.g. microfilming, fireproof cabinets; Continuous staff capacity development through training; Enrol MCAs in universities for various courses and pursue degree courses as a value addition and standard for future leadership in the KCA.

164. Some key achievements during the period under review include; Legislation, oversight and representation of the County Government programmes; Complete perimeter fence; construction of a parking bay; Refurbishment of Assembly Chambers; conducting capacity building forums, report writing and passing of bills.

165. Under the plan period 2016/17 FY, the assembly intends to extend the assembly debating chamber, renovate former education offices for their own utilization, complete the perimeter wall, construct members and staff canteen, construction and equipping of computer labs, purchase of 2no courtesy bus and 2no vehicles, acquisition of land for speakers residence as well as conducting capacity building forums, report writing and passing of crucial bills.

166. For the FY 2016/17, Kshs. 850,109,562 has been set aside to fund the programmes of the Department from the FY 2015/16 printed budget of Kshs.

872,843,954. This is projected to increase to Kshs. 935,120,518 and Kshs. 1.02billion in the FY 2017/18 and FY 2018/19 respectively.

Appendices

Annex 1: Total Expenditure Ceilings for the MTEF Period 2016/17-2018/19

vote	Vote Name		Printed Estimates 2015/16	2016/17	Projected 2017/18	Projected 2018/19
	RECURRENT		7,980,223,385	7,775,775,275	8,553,352,802	9,408,688,083
4061	County Assembly		828,000,000	802,800,943	883,081,037	971,389,141
		O&M	398,600,000	373,400,943	410,741,037	451,815,141
		PE	429,400,000	429,400,000	472,340,000	519,574,000
4062	County Executive		382,337,000	369,130,574	406,043,632	446,647,995
		O&M	208,899,928	195,693,502	215,262,853	236,789,138
		PE	173,437,072	173,437,072	190,780,779	209,858,857
4063	County Public Service Board		62,488,000	60,557,421	66,613,163	73,274,479
		O&M	30,538,000	28,607,421	31,468,163	34,614,979
		PE	31,950,000	31,950,000	35,145,000	38,659,500
4064	Finance & Economic Planning		1,373,520,375	1,325,134,281	1,457,647,709	1,603,412,480
		O&M	765,373,752	716,987,658	788,686,424	867,555,066
		PE	608,146,623	608,146,623	668,961,285	735,857,414
4065	Administration & Public Service		486,364,912	472,190,427	519,409,470	571,350,417
		O&M	224,212,743	210,038,258	231,042,084	254,146,292
		PE	262,152,169	262,152,169	288,367,386	317,204,124
4066	Agriculture, Livestock & Fisheries		375,061,917	367,502,315	404,252,546	444,677,801
		O&M	119,578,183	112,018,581	123,220,439	135,542,483
		PE	255,483,734	255,483,734	281,032,107	309,135,318
4067	Water, Environment & Natural Resources		200,563,028	197,051,507	216,756,657	238,432,323
		O&M	55,545,428	52,033,907	57,237,297	62,961,027
		PE	145,017,600	145,017,600	159,519,360	175,471,296
4068	Health Services		2,864,050,000	2,817,517,722	3,099,269,494	3,409,196,443
		O&M	736,050,000	689,517,722	758,469,494	834,316,443
		PE	2,128,000,000	2,128,000,000	2,340,800,000	2,574,880,000
4069	Education, Culture, ICT & Social Services		525,503,501	507,274,940	558,002,434	613,802,677
		O&M	288,340,327	270,111,766	297,122,943	326,835,237
		PE	237,163,174	237,163,174	260,879,491	286,967,441
4070	Youth, Sports & Communications		146,047,760	141,780,099	155,958,109	171,553,920
		O&M	67,506,084	63,238,423	69,562,265	76,518,492
		PE	78,541,676	78,541,676	86,395,844	95,035,428
4071	Lands, Physical Planning & Housing		136,015,248	132,384,930	145,623,423	160,185,765
		O&M	57,424,564	53,794,246	59,173,670	65,091,037
		PE	78,590,684	78,590,684	86,449,752	95,094,728
4072	Trade, Tourism, Industry & Co-Operative		166,966,644	165,004,529	181,504,982	199,655,480
		O&M	31,036,841	29,074,726	31,982,198	35,180,418
		PE	135,929,803	135,929,803	149,522,783	164,475,062
4073	Roads, Transport & Public Works		433,305,000	417,445,588	459,190,147	505,109,162
		O&M	250,865,000	235,005,588	258,506,147	284,356,762
		PE	182,440,000	182,440,000	200,684,000	220,752,400
	Development		3,968,825,562	4,186,955,917	4,605,651,509	5,066,216,660
4061	County Assembly		44,843,954	47,308,620	52,039,481	57,243,430

4062	County Executive		7,175,000	7,569,345	8,326,279	9,158,907
4064	Finance & Economic Planning		85,350,000	90,040,916	99,045,007	108,949,508
4065	Administration & Public Service		208,593,416	220,057,905	242,063,695	266,270,065
4066	Agriculture, Livestock & Fisheries		262,547,748	276,977,617	304,675,379	335,142,917
4067	Water, Environment & Natural Resources		281,500,000	296,971,503	326,668,653	359,335,518
4068	Health Services		1,027,044,000	1,083,491,296	1,191,840,426	1,311,024,469
4069	Education, Culture, ICT & Social Services		375,626,985	396,271,794	435,898,974	479,488,871
4070	Youth, Sports & Communications		370,000,000	390,335,545	429,369,100	472,306,010
4071	L&s, Physical Planning & Housing		180,339,500	190,251,127	209,276,240	230,203,864
4072	Trade, Tourism, Industry & Co-Operative		227,526,942	240,032,035	264,035,238	290,438,762
4073	Roads, Transport & Public Works		898,278,017	947,648,215	1,042,413,036	1,146,654,340
	TOTAL		11,949,048,947	11,962,731,192	13,159,004,311	14,474,904,742

Annex 2: Total Revenue Ceilings for MTEF Period FY 2016/2017-2017/2018

Item Code	Details	Approved Estimates 2015/2016	Projected Estimates 2016/2017	Projected Estimates 2017/2018	Projected Estimates 2018/2019
	(Receiver of Revenue - Chief Officer for Finance)				
		Kshs.	Kshs.	Kshs.	Kshs.
1130101	Stand Premium	3,620,915	2,988,341	3,167,641	3,357,700
1130102	Plot Rents Poll Rates	75,636,025	62,422,412	66,167,756	70,137,822
1130104	Land Rates	566,930,681	467,887,891	495,961,165	525,718,835
	Total Taxes on Property	646,187,621	533,298,644	565,296,562	599,214,356
1110104	Cess Receipts	245,449,036	202,569,090	214,723,235	227,606,629
	Of Which:				-
	Quarry Cess	120,000,000	99,036,000	104,978,160	111,276,850
	Other Cesses	20,000,000	16,506,000	17,496,360	18,546,142
1420345	Agriculture Cess		-		-
	Tea Cess	60,990,000	50,335,047	53,355,150	56,556,459
	Coffee Cess	31,246,164	25,787,459	27,334,707	28,974,789
	Fruits and Vegetables/Produce Cess	13,212,872	10,904,584	11,558,859	12,252,390
	Total Cess Receipts	245,449,036	202,569,090	214,723,235	227,606,629
	1140500 Receipts from Permission to Use Goods or to Perform Services and Activities				-
1140501	Liquor Licence	60,000,000	49,518,000	52,489,080	55,638,425
	Total Receipts from Permission to Use Goods or to Perform Services and Activities	60,000,000	49,518,000	52,489,080	55,638,425
	1140800 Other Taxes on Goods and Services				-
1140801	Entertainment Tax	342,000	282,253	299,188	317,139
	Of which:				-
	Video Cinema	342,000	282,253	299,188	317,139
	Total Receipts from Entertainment Tax	342,000	282,253	299,188	317,139
	1140401 Taxes on Specific Services				-
1140401	Betting and Control	1,000,000	825,300	874,818	927,307
	Total Taxes on Specific Services	1,000,000	825,300	874,818	

					927,307
	1300000 Grants				-
1330203	Grants from other levels of Governments	8,265,966,316	8,923,097,756	9,458,483,621	10,025,992,639
	Of Which:				-
	Unconditional Grants	7,463,541,789	8,053,256,819	8,536,452,228	9,048,639,362
	Conditional Grant-	802,424,527	869,840,937	922,031,393	977,353,277
	Thika Level 5	330,044,000	393,063,584	416,647,399	441,646,243
	Free maternal health care Allocation	224,785,400	221,521,352	234,812,633	248,901,391
	Leasing of medical medical equipments	95,744,681	95,744,681	101,489,362	107,578,724
	Road maintenance fuel levy fund	94,811,800	123,738,238	131,162,532	139,032,284
	Compensation of User Fees Forgone	37,838,646	35,773,082	37,919,467	40,194,635
	DANIDA	19,200,000	-	-	-
	Total Grants	8,265,966,316	8,923,097,756	9,458,483,621	10,025,992,639
					-
	1410000 Property Income				-
1410402	Lease / Rental of Councils Infrastructure Assets	24,000,000	19,807,200	20,995,632	22,255,370
1410404	Housing Estates monthly Rent	45,000,000	37,138,500	39,366,810	41,728,819
	Total Property Income	69,000,000	56,945,700	60,362,442	63,984,189
	1420000 Sales of Goods and Services				-
1420102	Other Revenues(Various Fees)	50,000,000	41,265,000	43,740,900	46,365,354
1420203	Registration of Private Schools/Self Help Groups	6,000,000	4,951,800	5,248,908	5,563,842
1420328	Single Business Licences	412,000,000	340,023,600	360,425,016	382,050,517
	of Which:				-
	Business Permits	400,000,000	330,120,000	349,927,200	370,922,832
	Business Subletting/Transfer fee	12,000,000	9,903,600	10,497,816	11,127,685
1420335	Document Search Fee	2,821,329	2,328,443	2,468,149	2,616,238
1420404	Parking Fees	440,000,000	363,132,000	384,919,920	408,015,115
	Of which:				-
	Vehicle Parking Fee	240,000,000	198,072,000	209,956,320	222,553,699
	Matatu Parking fees	200,000,000	165,060,000	174,963,600	185,461,416

1420405	Market /Trade Centre Fee	180,000,000	148,554,000	157,467,240	166,915,274
1420601	Tender Documents Sale	8,000,000	6,602,400	6,998,544	7,418,457
	Total Sales of Goods and Services	1,098,821,329	906,857,243	961,268,677	1,018,944,798
	1430000 Fines, Penalties and Forfeitures				-
1430101	Impounding Charges	40,250,000	33,218,325	35,211,425	37,324,110
	Total Fines, Penalties and Forfeitures	40,250,000	33,218,325	35,211,425	37,324,110
	1450000 Other Receipts Not Elsewhere Classified				-
1450105	Other County Government Revenue	1,522,032,644	1,256,118,882	1,331,486,015	1,411,375,176
	Of which:				-
	Plot Almgamation Fee	960,000	792,288	839,825	890,215
	Rates Clearance	13,452,000	11,101,936	11,768,052	12,474,135
	Concent to Charge	6,000,000	4,951,800	5,248,908	5,563,842
	Site Visit Fee	6,000,000	4,951,800	5,248,908	5,563,842
	Debt Clearance Certificate	5,000,000	4,126,500	4,374,090	4,636,535
	Application fee	60,000,000	49,518,000	52,489,080	55,638,425
	Isolation Fee	18,000,000	14,855,400	15,746,724	16,691,527
	Plot Subdivision	35,958,218	29,676,317	31,456,897	33,344,310
	Change Of Trade	75,600	62,393	66,136	70,104
	Addition of Trade	71,820	59,273	62,829	66,599
	Tenant Fee	96,957	80,019	84,820	89,909
	Ground rent fee	20,000,000	16,506,000	17,496,360	18,546,142
	Market Stall Rent	20,000,000	16,506,000	17,496,360	18,546,142
	Public Auction	478,800	395,154	418,863	443,995
	Change Of User	180,000,000	148,554,000	157,467,240	166,915,274
	Cheque Clearance Fee	2,530,458	2,088,387	2,213,690	2,346,512
	Change of Ownership	5,000,000	4,126,500	4,374,090	4,636,535
	Slaughtering fee	30,000,000	24,759,000	26,244,540	27,819,212
	Hides and skins fee	10,591,455	8,741,128	9,265,595	9,821,531
	Sign Board & Advertisement	70,000,000			

			57,771,000	61,237,260	64,911,496
	Building Plan / Inspection fee	240,000,000	198,072,000	209,956,320	222,553,699
	Other property charges	40,000,000	33,012,000	34,992,720	37,092,283
	Beacon certificate fee	4,366,656	3,603,801	3,820,029	4,049,231
	Provisional Rates	385,340	318,021	337,102	357,328
	Extension of Lease	120,000	99,036	104,978	111,277
	Sale of Council Assets	7,445,340	6,144,639	6,513,317	6,904,116
	Sub County Premises & Assets Renting /Hiring	6,000,000	4,951,800	5,248,908	5,563,842
	Survey Fee	12,000,000	9,903,600	10,497,816	11,127,685
	Nursery School Fees	10,000,000	8,253,000	8,748,180	9,273,071
	Fire Fighting	10,000,000	8,253,000	8,748,180	9,273,071
	Public Health facilities Operations	100,000,000	82,530,000	87,481,800	92,730,708
	Burial fee	500,000	412,650	437,409	463,654
	Medical Services Charges(FIF)	330,000,000	272,349,000	288,689,940	306,011,336
	Ministry of Agriculture	10,000,000	8,253,000	8,748,180	9,273,071
	Weight & Measures	5,000,000	4,126,500	4,374,090	4,636,535
	Co-operative services fees	15,000,000	12,379,500	13,122,270	13,909,606
	Miscellaneous	85,000,000	70,150,500	74,359,530	78,821,102
	Car Loan & Mortgage Repayments	65,000,000	53,644,500	56,863,170	60,274,960
1420327	Game & Nature Park Fee	7,000,000	5,777,100	6,123,726	6,491,150
1450202	Environment & Conservancy Administration	90,000,000	74,262,341	78,718,081	83,441,166
	Total Other Receipts Not Elsewhere Classified	1,522,032,644	1,256,118,882	1,331,486,015	1,411,375,176
	Total Revenue	3,683,082,631	3,039,633,436	3,222,011,442	3,415,332,129
	Total Grants	8,265,966,316	8,923,097,756	9,458,483,621	10,025,992,639
	Unspent Revenue	0	0	0	-
	Net Domestic Borrowing	0	0	0	-
	GRAND TOTAL	11,949,048,947	11,962,731,192	12,680,495,064	13,441,324,768