



**FINANCE & ECONOMIC PLANNING DEPARTMENT**

**COUNTY FISCAL STRATEGY PAPER**

**ECONOMIC EMPOWERMENT OF THE PEOPLE**

**FEBRUARY 2020**

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## FOREWORD

The 2020 County fiscal strategy paper (CFSP) sets out the priority programs and reforms to be implemented by Kiambu County over the next MTEF period (2020/21 – 2022/23). The programs and policies herein reflect the concerns of Kiambu people and are anchored under the second County Integrated Development Plan (CIDP), Governor’s manifesto, the ‘BIG FOUR’ National agenda and the Kenya Vision 2030. The paper is also aligned with the national objectives contained in the Budget Policy Statement (Draft BPS 2020), the National Policy document that sets out the broad strategic priorities and policy goals that guide the National and County Governments in preparing their budgets.

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

The 2020 CFSP comes at the mid stage of the County Integrated Development Plan covering the period 2018-2022. In this regard, the policy goals, priority programs and fiscal framework are aligned to support achievement of the objectives of the Second CIDP and ultimately the Vision 2030. Through this paper, County Government proposes to allocate more resources to agriculture; roads, health and trade with an aim to stimulating general economic performance while addressing the issues that promote welfare of County residents. To achieve this over the medium term period, the policy shifts resources from recurrent to capital investment as a means to promote sustainable and inclusive growth.

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

To finance expenditures set out in this paper, the County will implement revenue enhancement initiatives in order to expand the Revenue base and strengthen Revenue

administration. In addition, the County has already initiated a number of revenue reforms and will continue to invest in technology geared towards automating additional revenue streams. These reforms are expected to make revenue payment more convenient and increase Own Source of Revenue which will help in financing future County Budgets. As we finalize preparation of the budget for the FY 2020/21, we are clearly conscious of our limited fiscal space occasioned by revenue shortfalls and rising expenditure pressures.

I would like to thank H.E. the Governor for the guidance and counsel in the development of this document. My sincere gratitude goes to my fellow CECM, the County Treasury staff as well as other County Government officials, for their valuable contributions. Equally we received useful inputs from stakeholders and Kiambu Residents during the public Participations which were held from 17<sup>th</sup> to 24<sup>th</sup> February 2020 in line with the requirements of the Public Finance Management (PFM) Act, 2012 and the Constitution. We value these inputs and extend our appreciation to all.

**HON.CPA. Francis Kigo Njenga**

**County Executive Committee Member, Finance & Economic Planning**

## ACKNOWLEDGEMENT

The 2020 County Fiscal Strategy Paper is prepared in accordance with the provisions of the Public Finance Management Act; 2012. It outlines the current state of the County and outlook over the medium term, it also gives broad macroeconomic issues and medium term fiscal framework of the National Economy as contained in the 2020 Budget Policy Statement (BPS). The 2020 CFSP specifies the set strategic priorities and policy goals and a summary of Government spending plans, as a basis of the FY 2020/21 budget. The document is expected to improve the public's understanding of public finances and guide public debate on economic and development matters. Much of the information in this document was obtained from the various County Government Departments. We also received valuable inputs from Sector Working Groups and the public during budget consultation process which was held from 17<sup>th</sup> to 24<sup>th</sup> February 2020. I am grateful to all County Treasury staff for their teamwork and support that has contributed immensely to the timely delivery of the policy paper. Special thanks go to Nduta Kahiu, Stephen Mungai, Sophiah Kamau, Eliaph Karanja, and Alice Wanjiku for their commitment and hard work.

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

Finally, Special thanks also go to all the members of the public who attended and actively participated in the public forums held from 17<sup>th</sup> to 24<sup>th</sup> February 2020. We

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

**William Kimani**  
**Chief Officer, Finance & Economic Planning**

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## ABBREVIATIONS

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

## 1.0. INTRODUCTION

### 1.1. Overview

1. The County Fiscal Strategy Paper (CFSP) is a Government policy document that sets out the broad strategic priorities and policy goals to guide the County Governments in preparing their budgets for the subsequent financial year and over the medium term
2. In the document, adherence to the fiscal responsibility principles demonstrates prudent and transparent management of public resources in line with the Constitution and the Public Finance Management (PFM) Act, 2012.
3. Section 117 of the PFM, Act, 2012 provides that The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the County assembly, by the 28<sup>th</sup> February of each year. The County assembly, not later than 14 days after the CFSP is submitted, table and discuss a report containing its recommendations and pass a resolution to adopt it with or without amendments. The CECM for finance shall take into account resolutions passed by County Assembly in finalizing the budget for the FY 2020/21. The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to County government revenues, expenditures and borrowing for the coming financial year and over the medium term.
4. In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of;
  - The Commission on Revenue Allocation;
  - The public
  - Any interested persons or groups; and
  - Any other forum that is established by legislation.

## **2.0. RECENT ECONOMIC DEVELOPMENT AND MEDIUM TERM OUTLOOK**

### **2.1. Global and Regional Economic Developments**

5. The overall global growth is projected to remain steady. It is projected to rise by 0.4 percent from 3.0 percent in 2019 to 3.4 percent in 2020 as a result of account recoveries in stressed emerging markets and macroeconomic policy support in major economies.
6. The growth in advanced economies is expected to remain constant at 1.7 percent in 2020. This is mainly due to trade tensions between USA and China, uncertainties surrounding the Brexit outcome, rising global oil prices due to tensions between USA and Iran and the pace of normalization of monetary policy in the advanced economies. On the other hand, the growth in emerging and developing countries is expected to rise to 4.6 percent in 2020 from 3.9 percent in 2019 reflecting recoveries in stressed economies such as Turkey, and Argentina and improvement in growth for Brazil, Mexico and India, among others.
7. Growth prospects for Sub-Saharan Africa continue to strengthen. Growth is estimated to improve by 0.4 percent from 3.2 percent in 2019 to 3.6 percent in 2020 supported by higher commodity prices, improved capital market access and contained fiscal imbalances in many countries.

### **2.2. Domestic Economic Development**

8. Kenya's economic growth has remained strong and resilient even under emerging global challenges, supported by strong public and private sector investment and appropriate economic and financial policies. The broad-based economic growth has averaged 5.6 percent for the last five years, outperforming the average growth rate of 4.7 percent in the period 2008 to 2012 and 4.6 percent in the period 2002 to 2007. Growth is estimated at 5.6 percent in 2019 and projected to recover to 6.1 percent in 2020.
9. Per capita income rose from Ksh 113,539 in 2013 to an estimated Ksh 202,859 in 2019, a 79 percent increase. This enabled generation of around 831,000 new jobs per year in the period 2013 - 2018 up from 656,500 new jobs per year in the period 2008 -2012.

10. In the third quarter of 2019, the economy grew by 5.1 percent compared to a growth of 6.4 percent in a similar quarter in 2018, mainly supported by strong performance in the services sub-sector. The agriculture sector recorded a decreased growth of 3.2 percent in the third quarter of 2019 compared to a growth of 6.9 percent in a similar quarter of 2018 due to delayed long rains. Consequently, the sector's contribution to GDP growth declined to 0.6 percent in the third quarter of 2019 compared to 1.3 percent in the same period in 2018. Additionally, the non-agricultural sector (service and industry) remained vibrant and grew by 5.7 percent in the third quarter of 2019 as compared to the growth of 6.5 percent in 2018. The sector contributed the largest percentage to real GDP growth at 4.0 percent in the third quarter of 2019 mainly supported by the service sector.
11. Kenya continues to be ranked favorably in the ease of doing business and as a top investment destination. In the 2020 World Bank's Doing Business Report, Kenya was ranked position 120 out of 190 economies. The Country made dealings with constructions more transparent by reducing fees and making building permit requirements publicly available online, improved electricity supply by modernizing existing infrastructure and strengthened access to credit among others.
12. Over the medium term, economic growth is expected to rise gradually to 6.0 percent per annum due to investments in strategic areas under the "Big Four" Plan that aim to increase job creation through the manufacturing sector, ensure food security and improved nutrition, achieve universal health coverage and provide affordable houses to Kenyans. These efforts will support the business environment, create jobs and ultimately promote broad based inclusive growth.

### **Inflation Rate**

13. The overall inflation remained low, stable and within the target range of 5 +/- 2.5 percent in the period 2013 to 2019. The overall inflation was 5.8 percent in December 2019 up from 5.7 percent in December 2018 reflecting higher food prices occasioned by the delay in onset of rains. The contribution of core inflation

to overall inflation has been low and stable as a result of prudent monetary policies. The major driver of overall inflation from December 2018 to March 2019 was fuel inflation but later changed to food inflation from March 2019.

14. The rate of inflation in Kenya has been favorably compared with the rest of sub-Saharan African countries and especially its peers such as Nigeria and Ghana whose inflation rates were 11.9 percent and 8.2 percent respectively in November 2019.

### **Exchange Rate**

15. The Kenya Shilling exchange rate remained relatively stable due to narrowing of the current account deficit and adequate foreign reserve buffer. The shilling appreciated against US dollar, exchanging at an average of 101.4 Ksh in December 2019 from Ksh. 102.3 in December 2018. It also strengthened against the Euro at an average of Kshs 112.7 in December 2019 from Ksh 116.4 in December 2018.
16. The Kenya Shilling exchange rate has been relatively less volatile as compared to most sub - Saharan Currencies This stability reflects strong inflows from tea and horticulture exports, resilient diaspora remittances and improved receipts from services particularly tourism.

### **Interest Rates**

17. Interest rates have been low and stable for the period 2008 to 2011 due to sufficient liquidity in the money market. However, tight monetary policy stance aimed at easing inflationary pressures lead to increased interest rates in 2012. Interest rates remained stable and low in the period 2013-October 2019 except June – December 2015 when world currencies were under pressure. During the period, the policy rate (Central Bank Rate) was adjusted appropriately to anchor inflation expectations. The Central Bank Rate was reduced to 8.5 percent on 25<sup>th</sup> November 2019 from 9.0 percent in August 2018 as there was room for easing monetary policy stance to support economic activity.

18. The interbank rate declined by 2.3 percent from 8.2 percent in December 2018 to 5.9 percent in December 2019 due to enhanced liquidity in the money market. The implementation of government domestic borrowing program supported market stability hence the interest rates for government securities have been declining. The 91-day Treasury Bills rate declined from 7.3 percent in December 2018 to 7.2 percent in December 2019.

### **Money and Credit**

19. Growth in broad money supply (M3) slowed down to 5.9 percent in November 2019 from 8.4 percent in November 2018. This resulted due to the declining Net Foreign Assets (NFA) and Net Domestic Assets (NDA). The growth in M3 was occasioned by an improvement in the growth of demand deposits despite a decline in time and saving deposits, foreign currency deposits and currency outside banks.

20. Annual credit to the private sector grew by 7.3 percent in the year to November 2019 as compared to a growth of 3.0 percent in the year to November 2018. The private sector credit growth is expected to strengthen due to the repeal of interest rate cap.

### **Balance of payment**

21. The overall balance of Payment position recorded a deficit of US\$ 873.3 million (0.9 percent of GDP) in October 2019 from a deficit of US\$ 1352.4 million (1.5 percent of GDP) in October 2018. This deficit was occasioned by a deterioration in the capital and financial account despite improvements in the current accounts.

### **Nairobi Securities Exchange**

22. Activity in the capital market improved in December 2019 as compared to December 2018 with equity share prices rising as shown by the NSE 20 Share Index. The NSE 20 Share Index was at 2,654.4 points by end- December 2019 compared to 2,383.8 points by the end of December 2018. In addition, the market

capitalization improved from Ksh. 2,102 Billion to 2,540.0 billion over the same period.

### **2.3. County outlook**

23. The County performance is largely dependent on the Country's economic performance since it obtains the large share of revenue through transfers from the National Government. The performance further depends on formulation and implementation of prudent policies by the County Government to guide service delivery. Generally, the County operated under a stable macroeconomic environment.

24. Kiambu is an agricultural County with a large proportion of its population getting their livelihood from the sector. Equally, the Agriculture sector is a major contributor of the Country's Gross Domestic Product (GDP). The sector recorded a decreased growth due to delayed long rains. This resulted in higher food prices, which was the major driver of inflation. This further affects the performance of the County.

### **2.4. Fiscal Performance**

25. Budget execution started on a slow note in the first half of the FY 2019/20. The slowdown was due to delays in passing of the County allocation of revenue proposed in the Division of Revenue Bill, 2019. This also slowed down the uptake of development expenditures. Own source of Revenue collected within the first half of the financial year was generally within the set targets.

26. The County Government embarked on payment of pending bills as per the presidential directive. This led to the County government to embark on expenditure rationalization to ensure a sustainable fiscal position in the FY 2019/20 and the medium term, and reaffirm its commitment to prudent fiscal management in general.

27. Budget execution advanced well and picked up towards the end of the second quarter of the FY 2018/19. The Finance Bill 2019 was presented to the assembly and approved within the stipulated time as provided for in the Public Finance Management Act, 2012. The County continued to experience late disbursement of exchequer which has continued to affect budget execution. The absorption of development budget has generally remained low partly due to delayed disbursement of development exchequer.

## 2.5. Own Source of Revenue Performance

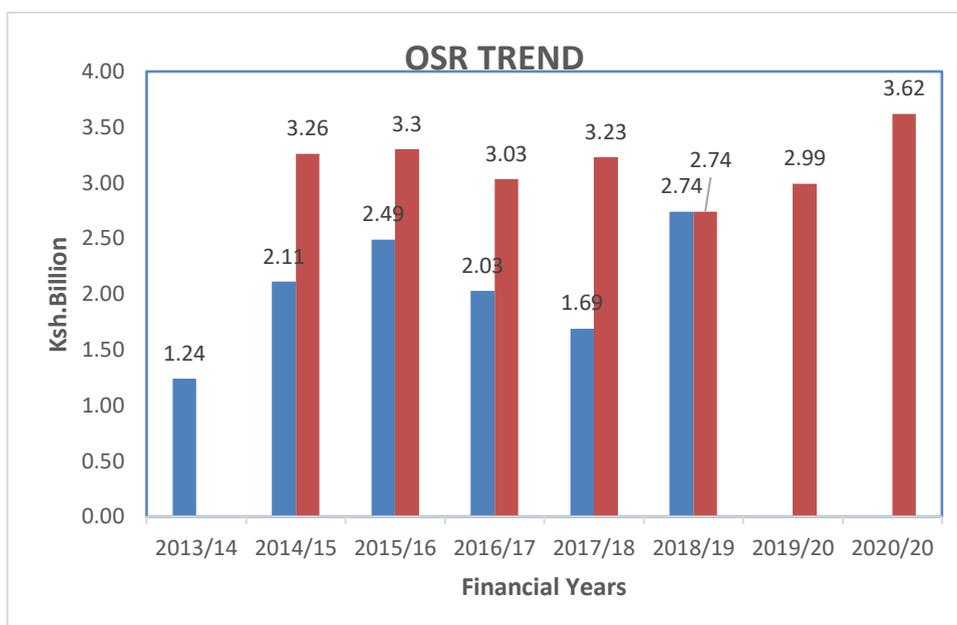
*Table 1: OSR Performance*

<b>REVENUE STREAMS</b>	<b>ACTUAL REVENUE AS AT 31 DEC 2019</b>	<b>HALF YEAR TARGET 2019/20</b>	<b>VARIANCE</b>
Agriculture Livestock & Fisheries Management Unit	4,681,477	1,211,778	3,469,699
Physical Planning Management Unit	253,387,832	206,301,015	47,086,818
Business Permit Management Unit	28,876,410	115,595,142	(86,718,732)
Cess Management Unit	49,766,091	48,931,427	834,664
Education Culture ICT & Social Services Unit	15,000	15,942	(942)
Health Services Management Unit	380,825,769	329,639,808	51,185,961
Housing Management Unit	5,399,751	483,195	4,916,556
Land Rates Management Unit	107,750,392	130,735,928	(22,985,536)
Market Management Unit	20,648,026	11,858,093	8,789,933
Others	1,654,082	2,132,898	(478,816)
Roads Transport Public Works Management Unit	13,856,685	26,897,033	(13,040,348)
Slaughter House Management Unit	20,750,178	16,224,955	4,525,223
Trade Tourism Industry & Cooperatives Unit	6,290,188	6,554,654	(264,466)
Vehicle Parking Management Unit	126,965,373	102,317,185	24,648,188
Water Environment & Natural Resources Mgt Unit	7,064,344	26,005,129	(18,940,785)
Liquor Licenses Management Unit	34,757,798	22,032,994	12,724,804
<b>Total:</b>	<b>1,062,689,396</b>	<b>1,046,937,175</b>	<b>15,752,221</b>

28. Revenue collection as at 31st December 2019 was Kshs. 1,062,689,396 as compared to Kshs. 1,054,691,542 for the same period in last FY 2018/19. This represents growth in revenue by Kshs. 7,997,854. Own source of Revenue collected within the first half of the financial year was generally within the set targets.

29. The County anticipates an upward growth to continue for the second half of the year. In addition, the County has considered enforcement on compliance on payment of land rates up to 70% as compared to last financial year 30%. Moreover, the County hopes that the new finance Act 2019 which was not contested will create good public relations a factor that will create good will and help further improve revenue.

**Figure 1: Own Source of Revenue**



30. From the above trend, the actual own source of revenue for the FY 2013/14 was 1.24 billion. There was no set target because it was the first year of devolution hence no baseline. The target for FY 2014/15 was 3.26 billion with an actual revenue of 2.11 billion. However, the revenue increased in comparison to the previous year. In FY 2015/16, the target was 3.3 billion with an actual revenue of 2.49 billion which was a bit higher compared to the previous year. In FY 2016/17, the own source of revenue was 2.03 a fall of 0.46 billion from the previous year. In FY 2017/ 18, the own source of revenue

further dropped to 1.69 billion with a set target of 3.32 billion. However, in 2018/19, the own source of revenue rose to 2.74 billion a figure that marked the highest own source of revenue for the County since devolution. The own source of revenue target for FY 2019/20 and 2020/21 are 2.99 and 3.62 respectively.

31. The own source revenue collected has been increasing over time. However, the County still faces some challenges that has hindered optimal collection of revenue. These challenges include; delayed enactment of the Finance Act, challenges in enforcement of development control fees especially in the area of building plans approvals and non-compliance by traders. Despite this, revenue performance is projected to remain on an upward trajectory over the medium term as proper tax administrative measures are being put in place. Hence, from FY 2018/19 figure, own source of revenue is projected to increase due to the measures enacted by the County to generate more earnings.

## 2.6. Expenditure Performance

*Table 2: Analysis of County Expenditures as at December 2019*

Vote	Department	APPROVED BUDGET ESTIMATE 2019/20	ACTUAL EXPENDITURE	% ABSORPTION
<b>RECURRENT</b>				
4061	County Assembly	1,200,864,621	510,411,108	43%
4062	County Executive	339,107,458	155,753,693	46%
4063	County Public Service Board	78,962,096	26,719,111	34%
4064	Finance & Economic Planning	1,252,000,861	566,921,959	45%
4065	Administration & Public Service	554,798,619	300,445,512	54%
4066	Agriculture, Crop Irrigation & Marketing	491,320,569	217,163,785	44%
4067	Water, Environment & Natural Resources	241,811,792	136,618,591	56%
4068	Health Services	4,214,216,907	2,271,414,026	54%
4069	Education, Culture, Youth, Sports & Social Services	998,096,202	271,099,878	27%
4070	Youth and Sports	159,538,962	81,446,824	51%

Vote	Department	APPROVED BUDGET ESTIMATE 2019/20	ACTUAL EXPENDITURE	% ABSORPTION
4071	Lands, Physical Planning & Housing	203,534,698	99,616,142	49%
4072	Trade, Tourism, Industry & Co-Operative	126,457,571	59,645,169	47%
4073	Roads, Transport & Public Works	305,528,910	171,772,252	56%
<b>TOTAL</b>		<b>10,166,239,266</b>	<b>4,869,028,051</b>	<b>48%</b>
<b>DEVELOPMENT</b>				
4061	County Assembly	175,000,000	-	0%
4064	Finance & Economic Planning	121,708,880	24,316,962	20%
4065	Administration & Public Service	85,497,949	-	0%
4066	Agriculture, Crop Irrigation & Marketing	281,636,480	8,981,000	3%
4067	Water, Environment & Natural Resources	204,944,735	32,201,231	16%
4068	Health Services	838,716,765	216,812,884	26%
4069	Education, Culture, Youth, Sports & Social Services	216,299,402	10,536,685	5%
4070	Youth and Sports	100,169,590	24,743,362	25%
4071	Lands, Physical Planning & Housing	1,900,372,548	4,379,548	0%
4072	Trade, Tourism, Industry & Co-Operative	400,386,912	12,392,090	3%
4073	<b>GRAND TOTAL</b>	<b>15,638,800,000</b>	<b>5,720,893,091</b>	<b>37%</b>
<b>TOTAL</b>		<b>5,472,560,734</b>	<b>851,865,040</b>	<b>16%</b>

*Source: Kiambu County Treasury*

32. The total expenditure for the first half of 2019/2020 was 5.72 Billion representing absorption rate of 37%, this is a decrease as compared to total expenditure of 6.0 Billion reported in a similar period in FY 2018/19. Recurrent Expenditure was Kshs. 4.86 Billion representing absorption rate of 48%. Development Expenditure amounted to Kshs. 0.85 Billion, representing an absorption rate of 16%. Water, Energy, Environment and Natural Resources and Roads, Transport and Public Works departments had the highest absorption of recurrent expenditure all at 56%. Department of education and County public service board had the lowest absorption under the recurrent expenditure at 27% and 34% respectively.

33. Under development expenditure, the department of Roads, Health and youth had the highest absorption at 45%, 26% and 25% respectively, while County Assembly and Administration and public service had nil absorption. Equally, Land physical planning and housing department had low absorption. This was majorly contributed to the delay in passing division of revenue bill, 2019 which resulted into delay in disbursement of exchequer issues.

## 2.7. Fiscal Policy

34. Going forward into the medium term, the County Government will ensure that its budget is fully financed and there is no fiscal deficit. To achieve this target, the County Government will continue to restrict growth in recurrent spending and double its effort in own source of revenue mobilization.

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

- i. Enforcement on compliance of payment of land rates up to 70% up from the current 30%.
- ii. Identification and elimination of revenue administration gaps and stoppage of revenue leakages, including leveraging on information technology to improve collection efficiency.

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

- (i). Promoting fiscal discipline, allocative and operational efficiency. The County will align County expenditures with total revenues and allocate budget to programs and activities that promote strategic priorities of the County whose outcomes shall have an impact on society (*'putting money in people's pocket'*) while further ensuring the delivery of high quality services at reasonable cost. The County Government proposes to allocate more resources to roads, health, Agriculture,

Trade and Industries with the aim of improving the livelihood and welfare of County residents.

(iii) In order to ensure continuity of service delivery, the County Government has Embraced public private partnership (PPP) with national government through various ministries and parastatals such as KURA, state department of housing and urban development and KENHA to carry out some of the earmarked major projects/programmes within the County.

## **2.8. Revenue Mobilization**

**37.**Low Own-Source Revenue (OSR) collection and missed OSR targets undermines devolution and comprises service delivery. To unlock our huge own-source revenue (OSR) potential, the National Treasury and other stakeholders including the Council of Governors are implementing a policy framework that aims at supporting the enhancement of County Governments' OSR. The policy proposes a number of measures including legal and administrative reforms, automation of revenue collection and enforcement mechanisms among others. Increased OSR will not only enhance service delivery, but will also minimize the heavy reliance of the exchequer from the County Government.

**38.**Mobilization of additional revenue through enforcement and administrative reforms including the automation of systems will continue to remain the key focus in the next financial year. The County will focus on land rates and property rent as the most appropriate source of revenue to finance development and provision of essential services. Consultations with the County Budget and Economic Forum (CBEF) will deepen in all matters of planning, budgeting and financial management. Such consultations will ensure that there is transparency, accountability, and adherence to the Public Finance Management (PFM) Act on budget making process.

**39.**The County will continue to use the following systems for Revenue Collection:

- i. County-Pro for revenue collection and management. This is mainly used for structured revenue.
- ii. ZIZI for unstructured revenue collection.

- iii. Unstructured Supplementary Service Data mainly referred to as USSD. (\*419#) which is used for collecting revenue in parking and quarry fee.
- iv. Electronic Development Application Management System (EDAMS) used to process architectural plans, inspection and occupancy and outdoor advertising.

### **3.0. ECONOMIC EMPOWERMENT OF THE PEOPLE**

#### **3.1. Introduction**

40. The theme of economic empowerment of the people aims at improving the standard of living for all. It focuses on the implementation of the policies and programmes leading to accelerate and sustain inclusive growth, create job opportunities for the unemployed, reduce poverty and income inequality and provide a better future for all residents of Kiambu People.

41. The County plan to have empowerment strategies that are innovative, timely and simple in ensuring our people have more money in their pockets. This includes partnering with other agencies like KCB Foundation, Micro Enterprise Support Program Trust (MESPT), National Government as well as our own Jijenge Fund. This will target our youths, women and people living with disabilities (PWDs).

42. For proper planning and prioritization of projects and implementation of sustainable programmes, the County government will continue to involve all stakeholders by holding consultative forums from time to time.

43. The County is committed to good governance and sustainable growth by distributing and utilizing the resources equitably, effectively and efficiently. This will lead to increased access to the basic services to the society including the poor and disabled, the aged, orphans, widows and widowers.

#### **3.2. Support manufacturing and employment creation**

44. To support Manufacturing sector in the County and in the County, the County government signed a Memorandum of Understanding (M.O.U) with Casa Weza Limited and Africa Dawn Nutrition Limited. Casa Weza Limited is based in South Africa and Mauritius with a chain of industries specialized in value addition and entrepreneurship focused on food security and sustainability. The County Government will support the two firms to establish a Food Processing Factory that will create value addition for agricultural products. Farmers will be contracted by the factory to ensure sustainable production and supply. The factory is set to be operational within the year.

45. In order to tap the socio-economic benefits of infrastructural projects being implemented by the national government within Kiambu County, the County will partner with KeNHA to develop road designs that factor commercial activities of towns along these developments to avoid hindering trading, social interactions, traffic flow, as well as to address environmental and other futuristic developments. The County has already made presentations to KeNHA on the proposed design for Wangige Town plus a proposal by ACAL consultants and the contractors of Western Bypass. Similarly, the County will enter into discussion with Kenya Urban Authorities (KURA) on the rehabilitation of urban roads starting with Thika, Ruiru towns, street lighting and Kahawa Sukari-Mwihoko Bridge. The County will share and coordinate in urban roads rehabilitation to ensure quality work, value for money and better service delivery.

### **3.3. Food Security and Nutrition**

46. Kiambu County plays a role in implementing the Big Four agenda on food and nutrition security. Kiambu is an agricultural County and there is a need to take advantage of our fertile soils, hardworking farmers, and exploit our strategic location next to Nairobi City which is the County major market. Going forward, the County will roll out food security projects throughout the County by distributing quality maize and bean seeds to farmers in different ecological zones. The County will also give out mangoes and avocado seedlings to increase productivity. These initiatives will be crowned by the establishment of the Bacon Factory. Already 300 pig farmers have been trained and we will be signing an MOU with Farmers Choice to ensure supply of quality piglets and pig feeds. The Bacon Factory will be a joint venture between the County Government, Kiambu County investors, pig farmers and an international investor who will inject finances and necessary technology. A Special Purpose Vehicle is being registered to deliver this project. The County Government of Kiambu recognizes the importance of agriculture as the key driver to support wealth creation and food security for rural and urban population.

47. Kiambu County is reputed to be a high dairy producer with Githunguri Dairy Cooperative Society being our leading processor with its brand of Fresha. To

support other small dairy cooperatives, the County is spearheading registration of a County Dairy Company to be owned by the 26 small dairies so that help them enhance their production, collection logistics of milk, processing and marketing for better returns to the farmers.

### **3.4. Empowering Youth, Women and Persons with Disabilities**

48. The most pressing challenge in Kiambu and Kenya at large is the lack of jobs for the youth. The County government in partnership is committed to solving this challenge by dedicating resources to youth empowerment programmes and supporting businesses owned by youth, women and persons living with disabilities.

49. To address this challenge the County has continued to build youth capacity through trainings on entrepreneurial skills and exchange programmes. It has also rehabilitated polytechnics within the County in order to increase access to technical and vocational courses that further assist the youths by empowering themselves economically in future.

50. The County has continued to create job opportunities for its residents through investing in industries. For instance, Bacon factory in Lari Sub County is earmarked for renovation by the County. Once the factory is complete, it will create more job openings for youths as well as promote pig farming in the County.

51. Further, the County Government has been allocating 100 Million in its annual budget in order to support the youths, women and people with disabilities. This fund is known as 'Jijenge Fund' and is loaned out to youths, women and people with disabilities. The County Government will also continue to create a conducive environment for micro, small and medium sized enterprises (MSMEs) to thrive as they are the pillar to create jobs for our youth and women.

### **3.5. Provision of preventive and curative health services (Universal Healthcare)**

52. Universal health coverage (UHC) means that all people and communities can use the promotive, preventive, curative, rehabilitative and palliative health services they need, of sufficient quality to be effective, while also ensuring that the use of these services does not expose the user to financial hardship. In January this year,

the County Government signed the Universal Health Coverage (UHC) inter-governmental partnership agreement. The roll out to the counties follows a successful pilot program that informed the issues that the coverage is targeting, with a major focus on strengthening of the health systems, access to medicine, removal of user fees in level 4 and 5 facilities and equipping of the community health facilities namely level 2 and 3 hospitals. The roll out of this national government program to Kiambu County will complement our strategy of improving the lower level facilities with the aim of reducing the patient influx in our referral hospitals.

53. Health Services provision remains our priority number one. Kiambu County is ready for the full roll-out of Universal Health Coverage (UHC), having been the 10th County to sign the MOU with the National Government. The County is set to progressively improve our health facilities, hire additional medical personnel to match the needs of the expanded facilities. The County will also address the issue of a conducive working environment, working relations, and staff morale with a view to boosting it to ensure they continue serving with even more vigor and commitment.

54. Health care service delivery in Kiambu County has been enhanced in the curative and rehabilitative programme by providing all health facilities with the required non-pharmaceutical, cleansing and sanitary commodities. In addition, oral rehydration therapy corners have been provided and are operational in all health facilities. Level 4 and 5 facilities are providing baby friendly hospital services while 4 facilities within the County are offering friendly services to people living with disabilities (PWD). Capacity building of the health workforce has been done by staff training on ETAT and IMNCI. Community outreaches have been done as over 50 medical camps have been conducted in the financial year.

55. To further enhance access to UHC, the County Government will continue building more hospitals which will reduce overcrowding and waiting times for patients, The County government intends to complete and equip the following Hospitals which are under construction and are at various stages of completion; Githunguri Level 4 Hospital, Tigoni level 4 Hospital, Wangige level 4 hospital, Bibirioni hospital and

Karuri Hospital. Efforts in improving the quality of health services will build patient confidence with the goal of changing treatment seeking behavior. To increase NHIF uptake, the County Government availed resources in the 2019/20 budget to provide comprehensive medical cover to all the County staff.

56. In combating HIV and AIDS infections, the County together with other stakeholders such as NASCOP will continue engaging our Youths to embrace preventive measures through strategies such as linking young adults with County opportunities to empower them, sensitization on NHIF benefits in line with UHC and having a frank talk on sexually transmitted diseases, consumption of illicit brews and drugs and substance abuse. As a County Government, we will ensure that we empower our youth to reduce new HIV infection rates currently at 4% particularly for ages 14-29. We will also address depression and hopelessness that may cause drug abuse addictions amongst our youths.

57. Moving forward, the County Government will focus on primary healthcare, progressively address human resources needs, provide basic equipment in Primary Health Care facilities and ensure availability of Pharmaceutical and non-pharmaceutical commodities in all health facilities. The County Government will also forge strong partnership with the National government to make UHC a success in Kiambu County.

### **3.6. Solid Waste Management**

58. Solid-waste management refers to the collecting, treating, and disposing of solid material that is discarded because it has served its purpose or is no longer useful. Improper disposal of solid waste can create unsanitary conditions, and these conditions in turn can lead to pollution of the environment and to outbreaks of vector-borne disease. The tasks of solid-waste management present complex technical challenges. They also pose a wide variety of administrative, economic, and social problems that must be managed and solved.

59. Kiambu County has made tremendous efforts on solid waste management. The County is the first one to establish a semi aerobic landfill in Africa through a partnership between UN-Habitat, JICA, Fukuoka University Japan and SWAN. The

project is aerobic and no mechanical engineering is required. This eliminates scavengers, flies and other vectors. The sanitary landfill is based on Fukuoka technique and 13 officers have been trained. The Japanese diplomacy and Fukuoka Environment Foundation has so far donated 3 compactors and 1 dump truck. The County government is committed to ensuring the sanitary landfill functions before the end of the 2019/20 Financial Year. This site will play an important role in training other African countries on the best principles of solid waste management under the Africa Clean Cities Platform. Jomo Kenyatta University of Agriculture and Technology (JKUAT) is in the process of developing a Master's degree program on solid waste management and the sanitary landfill in Thika Sub-County will serve as the major practical site. Kiambu County Government will continue to explore new areas of cooperation between the County and the Japanese Government.

### **3.7. Access to Clean and Affordable Water for Drinking and Irrigation**

60. Clean environment and adequate safe drinking water and sanitation do complement efforts towards improved primary health care and productivity of labor. In addition, adequate supply of water is essential for increased agricultural production, manufacturing activities and serving the rapidly urbanizing population.

61. The County Governments in partnership with the National Government and other development partners will continue to invest in clean water supply, prioritize on construction of large-scale dams across the County to increase water storage, complete ongoing water projects in urban and rural areas in order to increase the number of people connected to safe piped water, protect wetlands and water towers and construct water harvesting and storage infrastructure across the County.

62. The County focus on increased water connectivity aims at reaching 40,000 new connections in the next financial year. Strategies of expanding water distribution from Roromo Dam, Brakenhurst dam, Kikuyu Water, and Ondiri water reservoir are in place. This will ensure that Ndeiya, Karuri, Mucatha up to Ndenderu and Ruaka have water throughout. Arrangements on tapping Karemenu Dam pipeline

to Nairobi are being put in place to help Kamwangi, Karemuni, Juja, and Ruiru areas get more water. This will boost businesses and better living environments.

### **3.8. Provision of Decent and Affordable Housing**

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

64. Affordable housing program principles include:

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

65. Implementation of affordable and quality housing program is spearheaded by The State Department for Housing and Urban Development (SDHUD) across the country through partnerships with the County Governments, private developers and other relevant stakeholders. Several meetings with key stakeholders have been held to ensure successful implementation of the project.

66. Kiambu County Government has planned to provide affordable quality houses for its employees and the general public in line with the "Big Four" agenda. The County will provide prime land (in Kiambu, Ruiru, Thika, Limuru and Kikuyu), necessary approvals, and legal framework.

67. Further, the County has planned and surveyed Umoja informal Settlement in Thika under upgrading of informal settlement program. This is aim at increasing access to affordable houses. Successful implementation of this program will lead to improved quality of life for all.

### 3.9. Good Governance and Service Delivery and Fighting Corruption

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

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

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

71. In this regard, the Government will continue to strengthen expenditure control and improve the efficiency of public spending through public financial management reforms. In addition, the available resources will be directed to high priority areas especially programmes that support critical sectors such as Education, infrastructure, Health and Agriculture. The Government has put in place a mechanism to improve good governance at all levels. It has also been involving the County residents through public participation. Emphasis are equally made on transparency and accountability on all matters in the County and rule of law is observed by all.

72. The County Government has scaled up the fight against corruption by implementing various legal, policy and institutional reforms in order to seal the

loopholes used to embezzle public funds. To succeed in the fight against graft, the County Government has partnered with institutions mandated to fight against corruption so that they may bring all corruption suspects to book in record time, instil good governance and recover corruptly acquired assets. Strict compliance with the Public Procurement and Disposal Act, in procurement of Goods and services is also expected to rid the County Government Public Service From corruption. Going forward, the County Government will continue to Partner with various institutions that are mandated to fight corruption in the country, support civic education, transparency and accountability and the rule of law.

## **4.0 BUDGETS FOR FY 2020/21 AND THE MEDIUM TERM**

### **4.1 Fiscal Framework Summary**

73. The FY2020/21 Budget framework will continue with the balanced fiscal policy. With this fiscal strategy, department will be encouraged to adopt efficiency in allocation of resources and observing the concept of value for money with a view to promoting sustainability and affordability. County government spending will be directed towards the most critical needs of the County and where such resources are well utilized and more outputs and outcomes are achieved with existing or lower level of resources.

### **4.2 Revenue Projections**

74. The FY 2020/21 resource envelope is projected at Kshs. 16.68 Billion constituting: Kshs. 3.66 Billion Own Source Revenue and Kshs. 13.01 Billion as transfers from National Government. As noted above, performance on County's own source revenue will be underpinned by continuous review of revenue administration policies.

75. The County Executive will present to the County Assembly, more detailed structural measures to boost revenue generation through the Finance Bill 2020 for consideration and enactment as required by the PFMA, 2012.

**Table 3: Revenue Projections**

	Actual Revenue	Budget Revenue	projections
Revenue streams	2018/19	2019/20	2020/21
<b>Equitable Share of Revenue(Unconditional Grants)</b>	<b>9,357,200,000</b>	<b>9,238,000,000</b>	<b>9,843,150,000</b>
<b>Grant from National Government</b>	<b>927,742,140</b>	<b>1,028,141,560</b>	<b>928,747,760</b>
Users Fees Foregone	34,671,542	34,671,542	34,671,542
Conditional Grant-Road Maintenance Fuel Levy	302,930,786	267,725,063	293,374,561
Conditional Grants to Level - 5 Hospital	538,716,762	538,716,763	538,716,763
Conditional Allocation Development of Youth Polytechnic	51,423,050	55,113,298	61,984,894
Conditional Grant-Leasing of Medical Equipment	0	131,914,894	-
<b>Grant from Dev. Partners</b>	<b>2,327,213,778</b>	<b>2,381,409,369</b>	<b>2,243,380,255</b>
Transforming Health System for Universal Health Care	20,524,353	80,079,440	48,605,604
World Bank-National Agriculture & Rural Inclusive Growth Project (NARIGP)	50,078,476	331,195,210	
Kenya Devolution Support Project (KDSP) "Level 2 grant"	289,565,839	30,000,000	
DANIDA	32,400,000	27,937,500	26,820,000
Kenya Urban Support Project(KUSP)-UIG	1,885,993,000	1,885,993,000	1,885,993,000
IDA (World Bank) credit: Kenya Urban Support Project(KUSP)	41,200,000	8,800,000	
Agricultural Sector Development Support Programme(ASDSP)	7,452,110	17,404,219	
Others Loans and Grants (2020 BPS)			281,961,651
	<b>12,612,155,918</b>	<b>12,647,550,929</b>	<b>13,015,278,015</b>
Agriculture Livestock & Fisheries Management Unit	2,984,606	3,462,222	3,967,050
Physical Planning Management Unit	513,476,767	589,431,470	790,942,490
Business Permit Management Unit	287,602,760	330,271,835	373,828,680
Cess Management Unit	122,273,145	139,804,076	262,521,840
Education Culture ICT & Social Services Unit	38,000	45,548	50,500
Health Services Management Unit	981,598,727	941,828,024	850,000,000
Housing Management Unit	1,065,228	1,380,558	1,415,870
Land Rates Management Unit	322,491,218	373,531,224	628,645,600
Market Management Unit	30,750,924	33,880,265	40,873,200
Others	5,328,585	6,093,993	7,082,600
Roads Transport Public Works Management Unit	66,386,240	76,848,667	88,238,600
Slaughter House Management Unit	40,822,223	46,357,013	54,259,700
Trade Tourism Industry & Cooperatives Unit	16,463,992	18,727,582	22,392,500
Vehicle Parking Management Unit	239,375,110	292,334,813	346,873,805
Water Environment & Natural Resources Mgt Unit	63,232,814	74,300,369	84,047,200
liquor management unit	55,345,700	62,951,412	73,563,870
<b>Own Source of Revenue</b>	<b>2,749,236,039</b>	<b>2,991,249,071</b>	<b>3,669,554,781</b>
<b>Total Revenue</b>	<b>15,361,391,957</b>	<b>15,638,800,000</b>	<b>16,684,832,796</b>

Source: Kiambu County Treasury

### **4.3 Expenditure Projections**

76. Expenditure for FY 2020/21 is projected at 16.68 Billion. Recurrent expenditures projections is Kshs. 10.98 billion in the FY 2020/21. This translates to 65.8 percent of total budget.

77. Expenditure on wages and salaries to County staff is projected at Kshs. 6.65 Billion for FY 2020/21 (which translates to 40 percent of the total budget) and is expected to remain at this position for some time. In the medium term these emoluments will increase slightly due to annual increments but will largely remain at this level.

78. The allocation of resources for development expenditures is projected at Kshs 5.7 billion in the FY 2020/21 which translates to 34.2 percent of the total budget. The allocation is in compliance with the Fiscal Responsibility principles which require development allocation to be at least 30 Percent of the Total budget.

### **4.4 Overall Deficit and Financing**

79. The County Government has allocated resources for spending that are commensurate to the revenues expected in the FY 2020/21. The County budget shall be financed through transfer from the National Government and Own Source of Revenue. The FY 2020/21 fiscal framework is therefore fully financed.

### **4.5 FY 2020/21 and Medium-Term Budget Priorities**

80. The County Government is committed to implementing priority programmes under the 2020/21 ADP to achieve the aspirations of the people of Kiambu as outlined in the CIDP 2018-2022 while taking into account the need to optimize use of taxes and other resources during the programming period. The County Government will in this regard develop a framework for better quality services based on strong links between resources, budgeting, monitoring and clear expectations for delivering planned outcomes.

81. The County Government will continuously strive to ensure that public spending leads to high quality outcomes. Consequently, the medium-term spending programme will continue to focus on the quality of public spending. Sustainability,

affordability and strict prioritization are expected to be the norm rather than an exception under this strategy. To achieve this, we need to ensure that:

- Spending is directed towards the most critical needs of the County and is well utilized;
- More outputs and outcomes are achieved with existing or lower level of resources; and
- Departments request for resources are realistic and take into account the resource constraints.

#### 4.6 Budgetary Allocations for the FY 2020/21

82. The total budget allocation for the FY 2020/21 is projected at Kshs 16.68 Billion.

The budgetary allocations to all the County Government departments have been summarized in the table below;

**Table 4: Budget allocations for FY 2020/21**

Budgetary Allocations for FY 2021							
Vote				Recurrent	Development	Grant	Total
4061	County Assembly	PE	516,200,000	1,085,527,936	-		1,085,527,936
		O&M	569,327,936				-
4062	County Executive	PE	91,445,890	373,361,105	-		373,361,105
		O&M	281,915,215				-
4063	Public Service Board	PE	16,697,818	78,962,096	-		78,962,096
		O&M	62,264,278				-
4067	water, Environment and Natural Resources	PE	204,752,250	342,371,300	204,944,735		547,316,035
		O&M	137,619,050				-
4068	Health Services	PE	3,776,902,661	4,802,310,374	300,000,000	648,813,909	5,751,124,283
		O&M	1,025,407,713				-
4070	Youth and Sports	PE	30,189,528	162,115,300	175,749,021		337,864,321
		O&M	131,925,772				-
4073	Road Transport and Public Works	PE	205,867,344	423,275,910	1,200,000,000	293,374,561	1,916,650,471
		O&M	217,408,566				-
4076	Finance and Economic Planning	PE	497,993,784	1,200,421,276	40,000,000	281,961,651	1,522,382,927
		O&M	702,427,492				-

Budgetary Allocations for FY 2021							
Vote				Recurrent	Development	Grant	Total
4077	Administration and Public Service	PE	401,917,219	647,150,000	50,000,000		697,150,000
		O&M	245,232,781				-
4078	Agriculture Livestock and Fisheries	PE	360,167,238	500,799,803	200,000,000		700,799,803
		O&M	140,632,565				-
4079	Education Culture and Social Services	PE	408,068,538	883,296,202	100,000,000	61,984,894	1,045,281,096
		O&M	475,227,664				-
4081	Land Housing Physical Planning and Municipal administration	PE	89,533,564	223,534,698	120,000,000	1,885,993,000	2,229,527,698
		O&M	134,001,134				-
4082	Trade, Tourism, Cooperative and Enterprise Development	PE	59,513,061	148,885,025	250,000,000		398,885,025
		O&M	89,371,964				-
	<b>TOTAL</b>	PE	<b>6,659,248,896</b>				-
		O&M	<b>4,212,762,129</b>				-
			<b>10,872,011,025</b>	<b>10,872,011,025</b>	<b>2,640,693,756</b>	<b>3,172,128,015</b>	<b>16,684,832,796</b>

Source: Kiambu County Treasury

*NB: Conditional allocations from loans and grants from development partners in financial year 2020/21 have not been categorized in the 2020 Budget Policy Statement hence the allocations are under Finance and Economic Planning department. The allocation will be given to respective departments through a supplementary budget once the CARA is released.*

#### 4.7 Resource Allocation Framework

83. Resource allocation and utilization in the 2020/2021 financial year and the medium term will be guided by County Integrated Development Plan (2018-2022) and County Annual Development Plan (2020-21) in order to ensure effective utilization of public finances;

##### Criteria for Resource Allocation

84. The FY2020/21 Medium-Term Budget will be finalized after thorough scrutiny to curtail spending on non-productive areas and ensure resources are directed to priority programmes. Expenditure prioritization will be undertaken with a view to ensure provision of core services and minimizing costs through the elimination of duplication and inefficiencies.

85. The following criteria will serve as a guide for allocating resources:

- (i) Governor's priorities;
- (ii) Linkage of the programme with the objectives of CIDP 2018-2022;
- (iii) Degree to which a programme promotes job creation and addresses poverty reduction;
- (iv) Degree to which the programme is addressing the core mandate of the department; and
- (vi) Cost effectiveness and sustainability of the programme

86. Detailed budgets will be scrutinized and should additional resources become available in the process of firming up the resource envelope, the County government will redirect them to inadequately funded strategic priorities.

#### **4.8 Risks to the 2020/21 Budget Framework**

87. The risks to the fiscal framework for the FY 2020/21 include;

- I. Under performance in own source of revenue collection due to unforeseen factors. This remains a major challenge as it generate pending bills and cause general cash flow problems or even cause undue demand for borrowing. To counter this, the County will put in structural reforms aimed at sealing loopholes, revenue enhancement while ensuring there are efficient and cost effective methods of collecting the revenues.
- II. Another risk is the County's high wage bill. The County Government inherited a very large workforce from the defunct eight local authorities and devolved staff from national government especially the health workers. There has also been an increased pressure by workers union for higher pay especially by health workers. Since devolution started the County has continued to hire more staff, especially casual workers which has largely contributed to the ballooning wage bill. To counter this the County treasury froze recruitment of new staff through Circular NO. 03/2019 dated 3<sup>rd</sup> April 2019. Further, the County government has continued carrying out various headcount to get rid of ghost workers.

- III. Over reliance on national government transfers is another risk that also undermines the County's fiscal autonomy. Coupled with the unpredictability on account of the delays in the release of the resources, it poses another risk to proper implementation of the County's budget. To County, the County government has continued to implement strategies that have seen own source of revenue collection increase.

### **Specific Fiscal Risks**

#### **Court Cases**

- IV. The County Treasury considers, using their best professional judgment, that the ongoing pending court matters may have a material financial implications, but are not certain enough to include in the budget estimates FY 2020/21 and medium term.

#### **Audited Pending Bills**

- V. Kiambu County Government presented pending bills worth Kshs. 2.312 Billion to the Office of the Auditor General (OAG) for special audit. Out Of which bills worth KShs. 1.831 Billion were found to be eligible, while bills worth Kshs. 0.481 billion were found not to be eligible. The County Government managed to settle Kshs. 0.963 Billion of the eligible pending bills. As at January 2020, the County had outstanding bills worth Kshs. 1.349 Billion (eligible pending bills worth Kshs. 0.873 Billion and Kshs. 0.482 Billion of ineligible bills). The pending bills are outstanding payments to contractors and suppliers as well as to utilities accumulated since the year 2014. The settlement of the bills has been largely been enabled by allowing the bills to take first charge in the departments budgets. Further, the County treasury committed the County to fully settle all pending bills by August 2020 by paying bills worth Kshs. 150 Million per month.
- VI. Departments are required to provide for them in their annual budgets since they form the first charge over any other programme. The departments will

have to shelve some of their programmes budgeted during the financial year in order to pay the pending bills.

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

#### **Unaudited pending Bills**

- VIII. Some of the pending Bills were not presented to the OAG for special audit. These bills once subjected to audit will be eligible and will need to be settled. The County Treasury is in the process of ascertaining the bills so that they can be audited.

#### **4.9 Compliance with Fiscal Responsibility Principles**

88. In line with the Constitution, the Public Finance Management (PFM) Act, 2012, the PFM regulations, and in keeping with prudent and transparent management of public resources, the County Government has adhered to the fiscal responsibility principles as set out in the statute as follows;

##### **(i) Compliance with the requirement on recurrent expenditure shall not exceed the County government's total revenue**

In compliance with this requirement, the County government has maintained a balanced budget where the recurrent budget of the County does not exceed the total budget. In the FY 2020/21 and MTEF period the County government has allocated less than 70% of the total County revenue as recurrent expenditure in compliance with the PFMA, 2012.

##### **(ii) Compliance with the requirement for development spending allocations**

Consistent with the requirements of the law, County Government's allocation to development expenditures has been above 30 percent of its total expenditures. In the FY 2018/19, the allocation to development expenditures to the total expenditures was 35 percent meeting the set threshold. In the fiscal outlays presented in this CFSP, the County Government continue to observe this

requirement and has allocated more than 30 percent of total expenditures to development in FY 2020/21 and over the medium term.

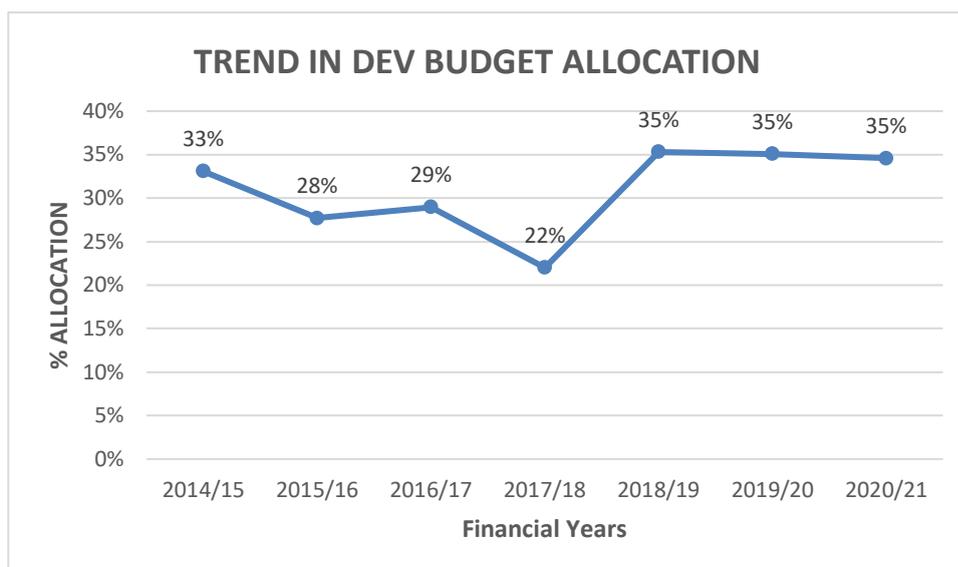
**Table 5 : Development Budget Allocation**

DEVELOPMENT BUDGET ALLOCATIONS							
	ACTUAL					BUDGET	PROJECTI ON
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Kshs. Billion						
TOTAL BUDGET	10.37	11.48	12.4	12.59	16.91	15.68	16.68
DEV BUDGET	3.43	3.18	3.59	2.77	5.97	5.5	5.7
% ALLOCATIO N	33%	28%	29%	22%	35%	35%	35%

*Source: Kiambu County Treasury*

In consistence with the requirements of the law that County Government should allocate 30 percent of its total budget to development expenditures, the County has over the years been able to fulfil this requirement. In the FY 2014/15 3.43 billion was allocated to development representing 33% percent. However, for the three consecutive years this percentage dropped to 28 %, 29% and 22% in the FY 2015/16, FY 2016/17 and FY 2017/18 respectively. An increase was noted in the FY 2018/19 where 35% of the total budget was allocated to development.

**Figure 2: Trend in Development Budget Allocation**



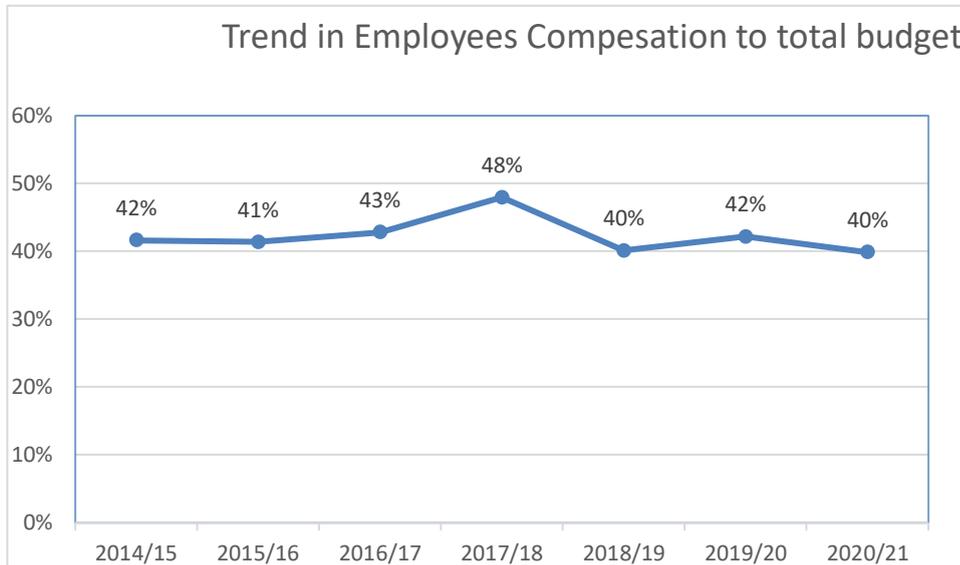
**(iii) Compliance with the requirement for expenditure on wages**

Section 25(1) (b) of the PFM (County Governments) Regulations, 2015 requires that County Governments' wage bill shall not exceed 35 percent of their total revenue. In conformity to this regulation, the County Government projected expenditure in FY 2020/21 on Personal Emolument (P.E) is Kshs. 6.65 Billion representing 40% of the total budget. This is an increase from 35.2% in FY 2018/2019. Kiambu County has struggled to stay within the legal wage spending threshold since FY 2014/15. Some of the reasons for failure to comply with the above provision is that Kiambu County has been fiscally constrained because the revenue sharing criterion used by the National Government ignored disparities in expenditure need occasioned by uneven distribution of personnel devolved from the national Government and those inherited from the defunct local Authorities.

Considering the growing fiscal risks associated with uncontrolled expenditure on personnel emoluments, the National Treasury has on the basis of section 46(3)(c) of the PFM Act, 2012 requested all concerned Counties to prepare and submit action plans including timelines, for achieving sustainable wage bills. Upon receipt of the plans, the National Treasury shall engage with all the Counties,

review their plans and provide any required technical assistance. Kiambu being one of the affected counties will in due course prepare and submit action plans including timelines for achieving sustainable wage bill to the National Treasury.

**Figure 3: Personal Emolument**



From the figure above, the PE was Ksh 4.75 billion representing 41% of the total budget in the FY 2015/ 16. In FY 2016/ 17, PE stood at Kshs 5.31 billion representing 43%. In FY 2017/18, it rose to 6.04 billion representing 48% of the total budget. However, a remarkable change was noted in the FY 2018/19 where the percentage allocation to PE decreased to 40% of the total budget. Further, the percentage PE allocation was estimated at 42% in 2019/20 and is expected to drop to 40% in FY 2020/21.

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

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

The County does not intend to borrow in the FY 2020/21 and has therefore adhered to the principle of debt not exceeding 20 percent of the County government's total revenue. However, the County will consider borrowing in the medium term once the debt management strategy paper and strategic policy on debt management are approved by the County Assembly.

#### **4.10 Prudent Management of Fiscal Risks**

89. Fiscal risks will be managed prudently to ensure a reasonable degree of predictability with respect to the level of tax rates, charges and tax bases. The County Treasury will in due course draft and submit to County Assembly the 2020 Finance Bill for approval. Once approved by the County assembly, it will serve as a legal basis for collecting Own Source of Revenue.

#### **4.12 Resource Sharing Guidelines**

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

- i. In the recurrent expenditure category, non-discretionary expenditures take first charge. This includes payment of Salaries and wages projected at 40 percent of the expected total revenue receipts.
- ii. Conditional Grant from the National Government and from Development partners also takes first charge
- iii. Also included in the criteria used for apportioning the capital budget is on-going projects and intervention on investment projects in priority areas that support social development, economic growth and transformation of the County.

## **5.0 DEPARTMENT ALLOCATIONS AND PRIORITIES**

### **5.1 County Assembly**

91. Kiambu County Assembly (KCA) is a legislative arm of the Kiambu County Government comprised of 92 members, 60 of whom are elected and 32 nominated to represent various interests. Its mandate is to represent the County residents, make laws and carry out oversight activities.

92. In the MTEF period 2016/17 - 2018/19, the County assembly of Kiambu made some tremendous achievements in implementing its programmes. These included legislation of bills, conducting public participation, refurbishment of the proposed members' canteen, construction of ward offices, conducting capacity building forums, reports writing and installation of CCTV surveillance system.

93. In the MTEF period 2020/21-2022/23, the County Assembly has prioritized on three programmes namely; General Administration Planning and Support Services, Legislation and Oversight services together with Representation services.

94. In order to implement the prioritized programmes, the County assembly is proposing a resource requirement of Ksh. 1.979 Billion in the FY 2020/21, KSh. 2.1 Billion in FY 2021/22 and KSh. 2.22 Billion in the FY 2022/23. However, due to resource constraints, the assembly has been allocated Ksh. 1.09 billion in FY 2020/21, Ksh. 1.15 billion and Kshs 1.22 billion in the FY 2021/22 and 2022/23 respectively.

### **5.2 County Executive**

95. The County Executive provides overall policy and leadership direction in the management of County affairs and coordinates policy formulation, and implementation. In addition, it facilitates enactment of County legislation and oversees all departments' activities. Further, it is responsible for implementation of the County's vision and mission. The department also mobilizes resources for funding government programmes at the County levels, oversees prudent financial management and promotes transparency and accountability in the use of public

resources. In addition, the County oversees implementation of inter-counties relations and links all other sectors to the rest of the counties in Kenya.

96. During the MTEF period 2016/17-2018/19, the sub sector utilized its budgetary resources to implement various programmes and activities where some of achievements realized include: provision of guidelines and policy statements through cabinet meetings, cabinet papers, circulars and security interventions in collaboration with national government. It also provided strategic direction of the County and oversaw the development of 10 bills that were assented by the County Assembly. Further, the department initiated a performance management system that has helped improve and track performance of projects within the County and implemented digital communication platforms and feedback mechanisms. This has enabled free and timely flow of information to citizen's thus better service delivery.

97. The sub sector plans to implement three programs during the MTEF period 2020/21-2022/23 namely; administration planning and support services, government advisory services, leadership and coordination of County administration and departments. The three programmes will work towards achieving the institution's goals and objectives through provision of effective and efficient public service delivery for enhanced governance and accountability and ensuring compliance with the set of laws, regulations and procedures.

98. In order to implement the prioritized programmes the department has been allocated Ksh 0.373 billion in FY 2020/21, Ksh. 0.39 billion and Kshs 0.41 billion in the Financial Year 2021/22 and 2022/23 respectively.

### **5.3 County Public Service Board**

99. The County public service board core mandate is to establish and manage Kiambu County public service system, facilitate recruitment and selection, training and development, promotion, make recommendations to the salaries and remuneration commission on behalf of the County government, exercise disciplinary control and finally provide regular reports to the County assembly on

the executions and the functions of the departments. In addition, the board is responsible for establishing and abolishing offices in the County public service, appointing staff of the County, exercising disciplinary control, and promoting County public service values and principles of governance, facilitating the development of coherent, integrated human resource planning and budgets for personnel emoluments in County, advising the County on human resource management and development, advising the County on implementation and monitoring of the national performance management system in the County, and making recommendations to the SRC on behalf of the County regarding remuneration, pensions and gratuities for County public service employees.

100. During the 2016/17- 2018/19 MTEF period, CPSB made some achievements in alignment with the set objectives including; carrying out successful recruitment of 253 staff members to fill critical gaps in different departments of the County, enhanced provision of health cover with the National Hospital Insurance Fund for employees and their families, enactment of human resource policies , initiated actions for the creation of a coordination office for Persons Living with Disabilities (PLWD), engaged eight (8) laborers in each Ward to assist County Enforcement Officers in enactment and operationalization of the "Kiambu Alcoholic Drink Control Act 2018", restructured some departments for better service delivery, facilitated industrial attachment of 207 students and 48 internships and finalization of Human Resource Policies and Procedures manual draft. Finally, the board managed to coordinate and organize the updating of staff establishments.

101. In the MTEF period 2020/21- 2023, the department will focus on improving service delivery in the public sector through increased human resource productivity. It will recruit staff members to fill critical gaps in different Departments of the County, promote and capacity build staffs, develop manuals and sensitize members of the public on constitution through constitution sensitization forums(Article 10 and 232).

102. In order to implement the prioritized programmes the department proposes a resource requirement of Ksh 0.085billion in FY 2020/21, Ksh.0.09billion in FY

2021/22 and Ksh.0.095billion in the FY 2022/23. However, due to budget constraints the department has been allocated KSh. 0.078 billion, KSh. 0.82 billion and ksh.0.087 billion in FY 2020/21, FY 2021/22 and FY2022/23 respectively.

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

103.The department is composed of five directorates namely; Accounting Services, Procurement, Internal Audit, Economic Planning, Budget and County Revenue. It's mandated with the preparation of annual estimates of revenues and expenditures including the preparation of supplementary estimates as need arises with a mission of offering effective and efficient services in resource mobilization, public finance management, economic planning and development together with budgetary controls. The department is also responsible for safeguarding the County's financial assets, developing sound, equitable economic policies and overseeing the prudent utilization of funds in order to facilitate allocation of funds to County priority areas. The department also acts as the link of all other sub sectors with the National government in matters of finance and resource mobilization. It is responsible for policy analysis on; fiscal issues, trade issues and private sector development issues and ensures that external resources (grants, loans, donations) are effectively mobilized, disbursed and effectively utilized. It is responsible for the administration and enforcement of revenue laws on rates, taxes, fees and charges payable by or under any laws in the County. The department spearheads preparation of County budget implementation, monitoring and evaluation and other progress reports.

104.Under the MTEF period FY 2016/17 - 2018/19, the department recorded major achievements among them ; revenue automation where the department launched and implemented an electronic revenue management system to facilitate transparency and seal revenue loopholes, adoption of the IFMIS system especially on e-procurement, expenditure and plan to budget, preparation of the second County Integrated Development Plan, timely preparation of County Annual Development Plan, timely preparation of the program based budget and the subsequent supplementary budgets, preparation of the County fiscal strategy plan and County budget review and outlook paper, completion of the Valuation Roll

in consultation with the Land, Housing and Physical Planning Department, aligned prioritized expenditure to available resources, established adequate internal controls, improved budget execution and increased development expenditure absorption, timely production of policy planning documents and financial reports.

105. In the FY 2020/21 -2022/23 MTEF period, the department plans to implement four programmes namely; general administration planning and support services, financial management services, economic planning and budgetary services and resource mobilization and revenue. The programmes will focus on improving service delivery, ensuring prudent utilization of public resources, coordinating planning, policy formulation and enhancing resource mobilization and streamlining revenue collection. In addition, the department will focus on implementation of the revenue enhancement plan, completion of the automation of processes to detect fraud and increase voluntary compliance, Expansion of the revenue base to net in more revenues, enhance other departments' capacity through capacity building on matters of governance and accountability in budget execution, strengthening internal controls to ensure improved management of public resources and ensuring increased absorption of the development budget. The department will also ensure that fiscal reporting in the use of public funds is clear, and work towards the elimination of audit queries. It will promote inclusivity in budget making and ensure accountability and public participation in financial matters.

106. In order to implement the prioritized programmes, the department proposes a requirement of Ksh.1.99 Billion in FY 2020/21, Ksh.2.10 Billion in FY 2021/22 and Ksh.2.23Billion in the FY 2022/23. However due to budget constraints, the department has been allocated Ksh. 1.52 billion, KSh. 1.31 billion and KSh. 1.39 billion in the FY 2020/21, FY 2021/22 and FY 2022/23 respectively.

## **5.5 Administration and Public Service**

107. This department has 6 directorates namely: Administration & Public Service; Human Resource Management and development, Enforcement Monitoring & Compliance; Betting and Gaming Control; Alcoholic Drinks Control; and Public

Participation and Performance Management. The core mandate of the department is to provide strategic leadership and direction in the administration and coordination of devolved system of the County government. In addition, the department has a role of providing effective and efficient services to the public as well as ensuring there is good coordination of various structures within the County. It also ensures effective and efficient management of the County workforce and enforcement of various County laws to ensure compliance. The department also enhances responsible betting and curbs illegal gambling, lotteries and gaming. Further, it has a role of reducing and creating awareness on alcohol, drug and substance abuse and offers rehabilitation services. Moreover, the department conducts public participation to create citizen awareness and enhance civic engagement on County matters, and further develops and implements performance contracting.

108. In the 2016/17- 2018/2019 MTEF period, various programmes were implemented including; general administration planning and support services , Human resource management services, Public participation and civic education, alcoholic drinks control, enforcement monitoring and compliance; and the betting and gaming. The achievements met after implementing these programmes include; completing renovation and operationalization of County Head Offices at Kiambu, enactment and operationalization of the Kiambu County Alcoholic Drinks Control Act, 2018, establishing a functional unit responsible for human resource management headed by Director Human Resource, development of Integrated Payroll and Personnel Database which aims at monitoring accurate and consistent data in the Public Service. The department also provided the staff with enhanced medical cover, group insurance and Work Injury Benefits Act (WIBA). Further, the department conducted capacity building programmes for its staff members and successfully appointed a departmental Human Resource Advisory committee which advises the public service board regarding cases touching on staff discipline and welfare. The department also enhanced relocation of Juja sub County offices from Thika to Juja where construction is still ongoing. Further, more office space is being created through ongoing construction of Lari and Kiambu sub County offices. Through public participation, the department engaged the public in preparing

regulations for Jijenge Fund, decision making on matters pertaining to development programmes, legislation and creating awareness on responsible betting and gaming.

109. In the 2020/21 - 2022/23 MTEF period, the department has planned to implement programmes of Administration and public services, alcoholic drinks control, human resource management and development, public participation and civic education, enforcement monitoring and compliance and betting and gaming control. Under these programs, the departments will focus on; increasing more office space through ongoing construction and equipping of office blocks, improving service delivery and accessibility to County services, creating a well enforced unit, reducing incidences and increasing awareness on alcohol, drugs, illicit brew and substance use. In addition, the department will focus on enhancing controlled betting services and increasing public participation in formulation of government programs, and finally enhance overall staff capacity building.

110. In order to implement the prioritized programmes, the department proposes a budget requirement of Ksh. 0.810 billion in FY 2020/21, Ksh. 0.844 billion in FY 2021/22 and Ksh.0.905 billion in the FY 2022/23. However, due to budget constraints the department has been allocated KSh 0.69 billion, KSh. 0.73 billion and KSh. 0.78 billion in FY 2020/21, FY 2021/22 and FY 2022/23 respectively...

## **5.6 Agriculture Livestock and Irrigation**

111. The Agriculture, Livestock and Irrigation (ALI) department is divided into two sections namely; Agriculture, Crop Production, Irrigation and marketing (ACPIM) and Livestock, Fisheries and Veterinary Service (LIFIVE). The sub sector overall goal is to attain food and nutrition security, promote innovative and sustainable agriculture for job creation and ensure there is equitable distribution of wealth across the County. It is a key player in social and economic development of the County.

112. During the implementation of MTEF period FY 2016/17 through to FY 2018/19 , the department realized significant achievements that included: training of 60,566 farmers on modern farming technologies across the County, purchase and

distribution of 200.9 tons of certified seeds (maize, beans, soya beans), training of farmers and technical staff on fall armyworm control, establishment of 6 fertilizer stores in Gatundu south, Gatundu north and Githunguri achieving distribution of 4,000 tons to farmers across the County and establishment of 7 hardening nursery and 1 tree tomato nursery where 57,000 banana seedlings and 10,000 plantlets were distributed.

113. Under livestock resources management and development, one- 5,000 liters per hour pasteurizer was purchased and installed as well as distribution of 24 bulk milk coolers. Training of 100 farmers on breeding technologies was also done across the County. In addition, the department was also able to introduce subsidized A.I programme where 27,000 FMD, 37,500 LSD doses, 21,500 Blanthrax and 5,000 doses of Anti rabies were procured and administered to 24,200 animals vaccinated against FMD, 36,000 animals against LSD, 11,800 animals against blanthrax and 6329 dogs vaccinated against rabies. 8 A.I stores were rehabilitated and 6 inseminators trained on preparation of introduction of subsidized A.I programme. In addition, 6 fish deep freezers were purchased, 10 fish pond liners purchased and installed, 145,000 fingerlings (Tilapia and Catfish) stocked while 4 aquaculture demonstration centers were established across the County and one Re circulatory aquaculture system at Waruhiu ATC.

114. The department has planned to implement six programmes in the 2020/21- 2021/23, MTEF period namely General administration planning and support services, Policy strategy and Management of Agriculture, crop development management, fisheries management and development, livestock resources management and development and agribusiness and information management. These programmes will aim at improving production and productivity, increase food and nutrition security, enhance livestock resource management and development and wealth creation.

115. To enable the department implement the prioritized programmes, a total budget of Ksh. 1.4 Billion in FY 2021/21, Ksh. 1.6B in FY 2021/22 and Ksh. 1.7 B in FY 2022/23 is required. However, it has been allocated Ksh. 0.70 billion in FY

2020/21, Ksh. 0.74 billion and Kshs 0.78 billion in the Financial Year 2021/22 and 2022/23 respectively.

## **5.7 Water, Environment and Natural Resources**

116. The department has four directorates namely; Water, Environment, Energy and Natural Resources. Its main mandate is to aid in the environmental management and protection, together with provision of water and sanitation services across the County. The department also ensures provisions and delivery of direct and indirect goods and services that are a major contributing factor to other sectors such as tourism, trade and agriculture.
117. During the MTEF period 2016/17-2018/19, the department implemented five programmes namely; administration planning and support services, environment management, water provision and management, natural resources conservation and management together with climate change mitigation and adaptation. Under the programmes, the department achieved the following; completion and development of Kiambu County water and sanitation services policy, drilled one borehole in Gatiiguru (Ngoliba) and operationalized 3 in Thogoto, Ondire and Ndongoro, Laid 33 km distribution pipes in Gitithia, Kabunge, Escarpment, Kiuu-Gatundu; constructed septic tanks in Kamangu, Thogoto and Rukuma toilets, constructed a bio-digester in Mutarakwa and Ndumberi toilet, rehabilitated 3 sanitation blocks in Ruiru and Kwambira Market. It was also able to procure 21 skips for solid waste management, increase revenue collection, launch ECO-School programme in five (5) schools in Thika sub-County, decommissioning of Kiambu dumpsite, Procured thirteen chaff cutters for shredding organic waste in major markets within the County, Repaired skips and garbage trucks and established organic waste management center at Waruhiu. In addition, the department planted 136,700 trees in schools, churches, farms and open public places in all the 12 sub-counties, Planted 12,260 water friendly indigenous trees and Bamboos on the riparian and water catchment areas within the County, Pegged Gateguriti river (4.5KM) in Kikuyu Sub-County together with a beautification work which is ongoing.

118. In the FY 2020/21- 2022/23, MTEF period, the department has planned to implement 5 programmes namely: administration planning and support services, Water Resources Management and Sanitation, Environment Management and Protection, Natural Resources conservation and Management together with Renewable Energy and Climate Change. Through the mentioned programs, the department will have an objective of enhancing and improving service delivery, enhancing clean environment, providing adequate, affordable clean water and sanitation services, increase forest cover and sustainable management of natural resources and finally enhance use of renewable energy.

119. In order to implement the prioritized programmes, the department has proposed a budget requirement of Ksh.0.82 billion for the FY 2020/21, Ksh. 0.84 billion for FY 2021/22 and Ksh.0.88 billion for FY 2022/23 but due to budget constraints it has been allocated Ksh. 0.55 billion in FY 2020/21, Ksh. 0.58 billion in FY 2021/22 and Kshs 0.61 billion in the FY 2022/23.

## **5.8 Health Department**

120. This department has four directorates namely; Planning and Administration, Curative and Rehabilitative services, Public Health and Sanitation Services and Nursing Services. The mandate of the department is to provide curative and preventive health services by strengthening the available health services to all.

121. During the period under review, three programmes covering; Preventive and Primitive services, General Administration, Planning and Support Services, and curative and rehabilitative services were implemented. The programmes mainly focused on environmental health, reproductive health, HIV and Tuberculosis prevention and immunization, Human Resources management for recruitment and overall welfare of staff, health Management and provision of pharmaceuticals, cleansing and sanitary commodities. The department realized the following achievement among others; recruiting 266 staff where 150 nurses were recruited by the County while 109 staff including clinical Officers, nurses, peer educators, Linkage care navigators and Laboratory Technologists were recruited by County partners. In addition, over 500 officers from different cadres were sponsored by

the County Government for short term courses in Technical, Financial and Management fields. Under preventive and promotive services, Indoor Residual Spraying (IRS) was done where a total of 20,000 households were reached starting with the unplanned settlements. In Jigger infestation control, 973 Schools were reached and 213 Cases treated. In the same period, 12 cemeteries were demarcated and vegetation cleared off, 1 cemetery in Juja was fenced and all the cemeteries were operationalized. In addition, oral rehydration therapy corners were provided and are operational in all health facilities. Through implementation of Community Led Total Sanitation (CLTS), access to sanitation has been improved from 69.07% to 84.31% coverage. During the same period, 13 factories were inspected for compliance as per the requirements of OSHA 2007. In addition, there was an improvement in establishment of Community Health Units (CHUs) from 77 to 130 which translated to 68.83% increase.

122. In the MTEF period 2020/21 -2022/23, the department will focus on the following 6 programmes : administration planning and support services, preventive Health Services, curative health services, County pharmaceutical services, health together with the County health policy development and management. The programmes will focus on ensuring effective and efficient health service delivery, reducing preventable health conditions, promoting curative health services, offering quality pharmaceutical care services, provide quality reproductive and maternal child health care services together with supporting management and implementation of health programmes.

123. In order to implement the prioritized programmes, the department proposes a budget requirement of Ksh. 7.93 Billion in FY 2020/21, Ksh. 8.40 Billion in FY 2021/22 and Ksh. 8.90 Billion in the FY 2022/23. However, it has been allocated KSh. 5.75 billion in FY 2020/21, KSh. 5.41 Billion and ksh.5.73 Billion in the FY 2021/22 and FY 2022/23 respectively.

## **5.9 Education, culture and Social Services**

124. This department is composed of three directorates namely; Early Childhood Development Education (ECDE), Vocational Education and Training (VET),

together with Gender, culture and Social services. The mandate of the department is to provide, promote, coordinate, train and carry out research for sustainable development, promote and conserve the County's cultural heritage and creative arts, promote and advocate for child protection, gender equality, empower special interest groups and enhance freedom from discrimination of all persons. Further, it is in charge of pre-primary education, vocational education training and home craft centers

125. During the 2016/17 - 2018/19 MTEF period, the department made some tremendous progress. Major achievements include; Trained 12 ECDE Program officers, procured training materials for Electrical and Fashion Design, Procured garment and distributed to some VTCs, Procured tools, equipment, furniture and instructional materials for new VTCs, registered thirty one VTCs, trained 1375 artisans while 5,074 people were taken through short course training in life and vocational skills, Seven new VTC were opened to increase access to vocational training at (Sigona, Ngecha, Gathage, Kanjuku, Ruiru Township, Gatundu Town, Kirenga), Nine development projects were completed and two are ongoing at Nyanduma VTC, constructed toilets at Mangu and a perimeter wall at Kamirithu, procured and distributed sanitary wear to 2,346 VTC trainees, Women empowerment program was carried out in partnership with Pwani Oil and Bethel Network Organization, the department spearheaded disbursement of the Kshs 262 million allocated to the orphaned and vulnerable children and needy cases living with disabilities across the County and finally completed construction of Theta hall.

126. In the MTEF period 2020/21- 2022/23, the department has prioritized five main programmes namely; general administration planning and support services, early childhood development (ECDE), Vocational Education and Training, Gender and Culture and Social services. The programmes will focus on completion of stalled/ongoing projects, continued refurbishment and equipping of existing halls, construction of new and expansion of existing infrastructure, procurement of furniture for VTCs and ECDE centers, development of legal institutional policy frameworks, procurement of teaching/learning materials for ECDE Centers and

VTCs, recruitment of additional qualified instructors, Promotion of existing staff and increase the number of trainees being certified by National Industrial Training Authority (NITA) and the Kenya National Examination Council (KNEC), developing a policy and legal framework for Culture, gender and social protection policy, kijanakamili initiative project, self-help groups socio-economic empowerment, marking the UN designated days relevant to the directorate i.e. International Women's Day, International Day of Older Persons, Day of the African Child, and International day of Persons with Disability, social welfare programs targeting the vulnerable, needy and marginalized members of the community, establishment and equipping of community libraries, socio economic empowerment of Women, PWDs and other special interest groups, conservation and rehabilitation of heritage and cultural sites, participation in the national Kenya Music and Cultural Festivals, conducting cultural festivals, mentorship programs for upcoming artists, capacity building for cultural practitioners, creative artists and stakeholders, participation in cultural exchange, GBV and street children/child protection outreach programs.

127. In order to implement the prioritized programmes, the department proposes a resource requirement of Ksh. 1.39B in FY 2020/21, Ksh. 1.47B in FY 2021/22 and Ksh. 1.56B in the FY 2022/23. However, the department has been allocated KSh 1.05 Billion in FY 2020/21, KSh. 1.04 Billion and KSh. 1.10 Billion in the FY 2021/22 and FY 2022/23 respectively.

#### **5.10 Youth Affairs Sports ICT and communication**

128. The department comprises of four directorates namely; Youth Affairs, Sports, ICT and Communication. This department plays its tactical role in the County's transformation and economic development through promotion and development of youth and sports for a vibrant sporting industry and empowered youth.

129. During the MTEF period 2016/17 - 2018/19 the sub sector drafted 2018-2022 strategic plan, formulated youth and sports policies which are in draft form and coordinated sports teams to participate in national and international competitions.

In addition the department developed sport infrastructures and empowered the youths through capacity building.

130. For the FY 2020/21 - 2022/23 MTEF period, the department has prioritized 5 programs for implementation namely; general administration planning and support services, youth, sports, communication and ICT. Under these programs the department intends to improve access to employment information and employment opportunities for the youths by establishing data and information centers, reduce crime, drug and substance use among youths, promote youth participation in County decision making, promote health style among youth, develop and promote a sporting culture in the County through identification, nurturing sports talents, and upgrading sports infrastructure, develop and promote sporting culture and collaborate with other sporting bodies, enhance County public communication and finally establish a functional and dynamic information management system.

131. In order to implement the prioritized programmes the department has been allocated Ksh. 0.33 billion in FY 2020/21, Ksh 0.35 billion and Kshs 0.37 billion in the FY 2021/22 and 2022/23 respectively.

### **5.11 Lands Physical Planning and Housing**

132. The County Lands, Housing and Physical Planning department has four directorates namely Physical Planning, Housing and Urban Development and Management, Survey Geo-informatics Valuation Asset management and Enforcement, Building Inspection and outdoor Advertisement. The department is mandated with undertaking spatial planning, land management and promotion of housing development for orderly spatial development.

133. In line with the mandates, the department has a role of protecting and securing public land, enhance orderly development within the County, enhance the development of decent housing, provision of base map for spatial planning together with valuation and management of the County land. The department also plays a critical role in achieving the BIG FOUR National Development agenda

under the pillar of Provision of Decent and affordable Housing. The department realized some achievements during MTEF period 2016/17-2018/19 which included; Drafting land bills (County Physical Planning Act 2018, County Valuation and Rating Bill, County Survey and mapping Bill). In addition, the department prepared one County Spatial plan and 12 Integrated Strategic Urban Development Plans (ISUDPs) and Nairobi-Thika Transport corridor for purposes of providing a framework/guidelines for planning and development control.

- 134.** To enhance effective service delivery, the department took efficient measures by harmonizing the approval process and enhancing revenue generation, embracing E-development application and Management Systems (e-DAMS). Further, the department promoted transparency and accountability and held sensitization workshops through print media and land clinics in Kikuyu, Juja, Karuri, Kabete sub-counties to create awareness and good perception of the public on departmental matters. The department was able to prepare; Kiambu County draft Valuation rolls, land database for area rating, promotion of slum upgrading initiatives such as support of on-going project on mapping informal settlements being implemented through KISIP and KENSUP and the projects in Shauri Moyo slum and Kikuyu sub-County, setting up of GIS which has enhanced inventory of public land and mapping of sub-County wards and headquarters, valuation for land acquisition purposes and Inventory of County houses, urban renewal and partial completion of renovation works for departmental headquarters at Red Nova.
- 135.** For the FY 2020/21 - 2022/23 MTEF period, the department has prioritized on various programs namely; Land Management, Physical planning and Housing Development. Under the program, the department aims at ensuring efficient and effective administration and management of land resources together with facilitation and provision of decent and affordable housing.
- 136.** In order to implement the prioritized programmes the department has proposed a budget requirement of Ksh.2.38 billion for the FY 2020/21, Ksh. 2.52 billion for FY 2021/22 and Ksh. 2.67 billion for FY 2022/23. However, it has been allocated

Ksh. 2.23billion in FY 2020/21, Ksh 0.36 billion and Kshs 0.38 billion in the FY 2021/22 and 2022/23 respectively.

## **5.12 Trade Tourism Industry and Cooperative Development**

- 137.** Trade, Tourism, Industry and Cooperative Development Sector comprises of four directorates namely: Trade; Industry; Tourism; and Cooperative Development. The Department mandate is to promote trade, entrepreneurship, innovation, tourism and investments in the County. It is also responsible for ensuring opening up of opportunities for trade expansion and export promotion.
- 138.** During the period under review, the department implemented various programmes under general Administration planning and Support Services, Trade Development and Promotion, Tourism Development and Marketing, Co-operative Development Management and Enterprise Development. The programmes mainly focused on the development of structures, building systems, projects identification, Traders, Tourism sector and Co-operative Movement, capacity improvement and poverty reduction. The department managed to construct one office block and refurbish 2 office blocks. Under trade development and promotion the department constructed 7 markets, 7 boda sheds and 4 more markets under NAMSIP program are almost complete. Under tourism development and marketing, the department managed to rehabilitate 1 tourism site and fence fourteen falls, organize 1 tourism forum and 18 marketing forums. In addition, the department was able to identify, profile and map 5 tourism sites. Under cooperative development and management, the department managed to train 600 societies, conduct capacity building forums on 4500 members, and sensitize 4412 members on the benefits of cooperatives. On enterprise development 10 MSMEs Groups were trained on Value Addition and M&E reports while also facilitating and attending 2 exhibitions and expos in Rwanda and Thika Technical College.
- 139.** The 2020/21 -2022/23 MTEF period will focus on delivery of the department's priorities and in particular those aimed at growth, development of trade and industry; tourism promotion and development; investments mobilization;

Industrial and entrepreneurship development and employment creation, formation and profiling of Product, Business, promotion of industrial parks, resource mapping and profiling the County, increased productivity through innovations, expansion of tourism products while monitoring and evaluating programmes, value addition, capacity building of staff, monitoring and evaluation of programmes. This will be achieved through the implementation of 5 key programmes by the department namely; Administration planning and support services, Trade development and promotion, Tourism development and promotion, Cooperative development and management, tourism, trade and cooperative development and enterprise development.

- 140.** In order to implement the prioritized programmes in the MTEF period 2020/21 - 2022/23, the department has proposed a budget requirement of Ksh 1.77 Billion for FY 2020/21, Ksh. 1.88 Billion for FY 2021/22 and Ksh. 1.99 Billion for the FY 2022/23. However, it was allocated Ksh 398.89 million in FY 2020/21, Kshs 422.82 million in FY 2021/22 and Kshs 448.19 million in the FY 2022/23 respectively.

### **5.13 Roads Transport and Public Works**

- 141.** The Roads, Transport & Public Works Department consists of four (4) directorates namely: Roads, Transport, Public Works and Utilities. The Department plays a key role in planning, development and maintenance of County roads and transport infrastructure, County Public works buildings and other installations, County lighting and promotion of renewable energy, fire prevention, emergency and disaster response. Its main objective is to provide Safe, efficient and effective transport infrastructure and services whilst achieving associated benefits and meeting the goals of environmental integrity, social equity and economic efficiency.
- 142.** Numerous achievements were registered during the period under review which include; construction of 30.8Km of major roads, routine maintenance and improvement of 572Kms of various roads by grading, bush clearing and drainage works , Rehabilitation and construction of 898Kms various roads, construction of

6 bus parks and 13 bridges. Under Public works, 3 foot bridges were constructed while in utilities 233 High masts and 1480 street lights were installed across the County.

- 143.** During the MTEF period 2020/21-2022/23, department has planned to construct 75 Kms of roads to Bitumen standards and 9 motorable bridges under Road and Transport. Under public works and infrastructure maintenance, the department will rehabilitate County roads and bridges where 720Kms of road will be constructed to gravel standards as well as construction of 6 bus parks, bus bays and parking. Maintenance of County roads and bridges (Boresha Barabara) will also be done where 900Kms of roads will be maintained to motorable status, construction of 6 Kms of storm water drain, 6Kms of non-motorized walkways and 30 foot bridges. 900 street lights and 180 flood masts will be installed and rehabilitation of fire station. For fire safety and Rescue, 4 graders, 1 Manlift, 2 roller compactors and 3 tippers will be acquired.
- 144.** In order to implement the prioritized programmes, the department has proposed a budget requirement of Kshs 1.62 billion in FY 2020/21, Ksh.1.69 billion and Kshs 1.8 billion in the FY 2021/22 and 2022/23 respectively. However, it has been allocated KSh. 1.91 Billion in the FY 2020/21, KSh 1.72 Billion and KSh 1.83Billion in FY 2021/22 and FY2022/23 respectively.

## ANNEXES

### Annex 1: Budgetary allocations for FY 2020/21 and the Medium Term

	APPROVED 2019/20 ESTIMATES	PROPOSED SUPPLEMENTARY 2019/20	2020/21	GRANTS	Total (2020/21)	2021/22	2022/23
RECURRENT	Amount	Amount	Amount	Amount	Amount	Amount	Amount
County Assembly	1,200,864,621	1,085,527,936	1,085,527,936		1,085,527,936	1,150,659,612	1,219,699,189
County Executive	339,107,458	352,227,458	373,361,105		373,361,105	395,762,772	419,508,538
Public Service Board	78,962,096	78,962,096	78,962,096		78,962,096	83,699,822	88,721,811
water, Environment and Natural Resources	241,811,792	322,991,792	342,371,300		342,371,300	362,913,577	384,688,392
Health Services	4,214,216,907	4,802,310,374	4,802,310,374	110,097,146	4,912,407,520	5,090,448,996	5,395,875,936
Youth and Sports	159,538,962	170,878,962	162,115,300		162,115,300	171,842,218	182,152,751
Road Transport and Public Works	305,528,910	423,275,910	423,275,910		423,275,910	448,672,465	475,592,812
Finance and Economic Planning	1,252,000,861	1,800,107,920	1,200,421,276		1,200,421,276	1,272,446,552	1,348,793,345
Administration and Public Service	554,798,619	755,865,452	647,150,000		647,150,000	685,979,000	727,137,740
Agriculture Livestock and Fisheries	491,320,569	524,139,269	500,799,803		500,799,803	530,847,791	562,698,659
Education Culture and Social Services	948,096,202	883,296,202	883,296,202		883,296,202	936,293,974	992,471,613
Land Housing Physical Planning and Municipal Administration	203,534,698	243,743,198	223,534,698		223,534,698	236,946,780	251,163,587
Trade, Tourism, Cooperative and Enterprise Development	140,457,571	140,457,571	148,885,025		148,885,025	157,818,127	167,287,214
<b>Total</b>	<b>10,130,239,266</b>	<b>11,583,784,140</b>	<b>10,872,011,025</b>	<b>110,097,146</b>	<b>10,982,108,171</b>	<b>11,524,331,687</b>	<b>12,215,791,588</b>
<b>Development</b>							
County Assembly	175,000,000	175,000,000	-		-	-	-

	APPROVED 2019/20 ESTIMATES	PROPOSED SUPPLEMENTARY 2019/20	2020/21	GRANTS	Total (2020/21)	2021/22	2022/23
water, Environment and Natural Resources	204,944,735	187,544,735	204,944,735		204,944,735	217,241,419	230,275,904
Health Services	838,716,765	945,163,872	300,000,000	538,716,763	838,716,763	318,000,000	337,080,000
Youth and Sports	166,418,611	175,749,021	175,749,021		175,749,021	186,293,962	197,471,600
Road Transport and Public Works	1,147,827,473	1,202,138,950	1,200,000,000	293,374,561	1,493,374,561	1,272,000,000	1,348,320,000
Finance and Economic Planning	55,459,859	185,716,930	40,000,000	281,961,651	321,961,651	42,400,000	44,944,000
Administration and Public Service	85,497,949	85,497,949	50,000,000		50,000,000	53,000,000	56,180,000
Agriculture Livestock and Fisheries	281,636,480	777,187,439	200,000,000		200,000,000	212,000,000	224,720,000
Education Culture and Social Services	266,299,402	208,299,402	100,000,000	61,984,894	161,984,894	106,000,000	112,360,000
Land Housing Physical Planning and Municipal Administration	1,900,372,548	2,002,892,417	120,000,000	1,885,993,000	2,005,993,000	127,200,000	134,832,000
Trade, Tourism, Cooperative and Enterprise Development	386,386,912	386,386,912	250,000,000		250,000,000	265,000,000	280,900,000
<b>Total</b>	<b>5,508,560,734</b>	<b>6,331,577,627</b>	<b>2,640,693,756</b>	<b>3,062,030,869</b>	<b>5,702,724,625</b>	<b>2,799,135,381</b>	<b>2,967,083,504</b>
<b>Grand Total</b>	<b>15,638,800,000</b>	<b>17,915,361,767</b>	<b>13,512,704,781</b>	<b>3,172,128,015</b>	<b>16,684,832,796</b>	<b>14,323,467,068</b>	<b>15,182,875,092</b>