

REPUBLIC OF KENYA

COUNTY ASSEMBLY OF KIRINYAGA



SECOND ASSEMBLY – FOURTH SESSION

ASSEMBLY SELECT COMMITTEE ON BUDGET AND APPROPRIATIONS

ON

KIRINYAGA COUNTY FISCAL STRATEGY PAPER 2020

.....

Hon. David M Mathenge (MCA)

Chairperson

Budget and appropriation Committee

.....

Mr. Kamau Aidi

Clerk

Kirinyaga County Assembly

.....

Hon. Anthony W Gathumbi

Speaker

Kirinyaga County Assembly

CLERKS CHAMBERS

MARCH 2020

ASSEMBLY BUILDINGS

KERUGOYA

EXECUTIVE SUMMARY

This CFSP is prepared in accordance with provisions of Section 117 of the PFMA 2012. The County Fiscal Strategy Paper 2020 outlines the economic policies and sector priority programs to be implemented in the next MTEF period (2020/21- 2022/23) whose priorities are derived from the Kirinyaga residents and as anchored in the County Integrated Development Plan, The 'Mountain Cities Blueprint and also taking into account the National Government's economic policy under the 'Big Four' agenda of Vision 2030.

The county's economy has benefitted from investments in infrastructure developments which is a key supporter of the vibrant agricultural economy in the County. To ensure there is ease of doing business in the county, major investments have been made to improve market conditions by rehabilitating strategic markets to modern standards. Areas in and around the markets have been rehabilitated by construction of new and clean pavements, rapid collection of waste to give a clean habitable business premises. Those strategic markets have also been provided with street lighting to increase business hours. Rehabilitation of roads have also taken center stage with key roads being upgraded, bridges to key agricultural areas rehabilitated and overall mobility improved around the county. Key investments have also been made in other major sectors like health to guarantee an uninterrupted provision of health services across the county.

The main focus of this CFSP is to strengthen past achievements over the last few years as well as trying to find solutions to challenges experienced.

Major economic focus is to revitalize agricultural productivity in the county. Through a multi-sectoral approach, key value chains have been identified as key pillars to economic growth to be supported to spur growth in the county. These includes, Chicken, Dairy, Macadamia & Avocado value chains. Implementation of these programs will guarantee job creation and inclusive growth and prosperity in the County.

The County Fiscal Strategy paper also outlines the fiscal framework to financing the 2020/21FY budget and the Medium Term taking into consideration the tight fiscal space the county is operating in given the challenges posed by expenditure pressures resulting from high wage bill, slow expansion on revenue bases and tightening National Government county allocations.

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ABBREVIATIONS

ATC	Agricultural Training College
BPS	Budget Policy Statement
CA	County Assembly
CBK	Central Bank of Kenya
CBROP	County Budget Review and Outlook Paper
CRA	Commission on Revenue Allocation
CBEF-	County Budget and Economic Forum
CE	County Executive
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
CBR	Central Bank Rate
ECDE	Early Childhood Education
DANIDA	Danish International Development Agency
FY	Financial Year
GDP	Gross Domestic Product
G-Pay	Government Payment System
ICT	Information Communication Technology
IFMIS	Integrated Financial Management Information System
KNBS	Kenya National Bureau of Statistics
KARI	Kenya Agricultural Research Institute

MTP	Medium Term Plan
MTEF	Medium Term Expenditure Framework
M&E	Monitoring and Evaluation
PFM	Public Finance Management
PPP	Public Private Partnership/ projects
SME	Small and Medium Enterprises
SDG	Sustainable Development Goals
PBB	Program Based Budgeting
SBP	Single Business Permit

PREAMBLE**Hon. Speaker;**

On behalf of the Members of Budget & Appropriation Committee and pursuant to Section 117 (6) of the Public Finance Management Act, 2012, Part III of PFM Regulations (County Government), 2015, It's my pleasure to present to this House, the Committee's Report on the County Fiscal Strategy Paper 2020 which was submitted on 28th February and laid on the table of the Assembly on Tuesday 3rd March 2020.

Hon. Speaker;

Pursuant to standing order 207(3), once laid before the House, the County Fiscal Strategy paper shall be deemed to have been committed to the sectoral committees.

Standing order 207(4) provides that; In considering the County Fiscal Strategy Paper, the Budget and Appropriations Committee shall consult each Sectoral Committee and Table a report, containing its recommendation on the Statement to the County Assembly for consideration, within 14 days, and not later than 15th March, pursuant to regulation 30(4) of PFM regulations, 2015.

Hon. Speaker;

The CFSP is prepared in accordance with the PFM regulations, 2015 which have given a lot of weight to the CFSP. Part III of the regulations details the requirements of the County Fiscal strategy paper by both the Executive and the County Assembly.

Hon. Speaker;

It is important to note the following very important provisions of the PFM regulations, 2015 that;

25. (1) In addition to the fiscal responsibility principles set out in section 107 of the Act, the following fiscal responsibility principles shall apply in the management of public finances—

- a. the County Executive Committee Member with the approval of the County Assembly shall set a limit on the county government's expenditure on wages and benefits for its public officers pursuant to section 107(2) of the Act;
- b. the limit set under paragraph (a) above, shall not exceed thirty five (35) percent of the county government's total revenue;
- f. the approved expenditures of a county assembly shall not exceed seven per cent of the total revenues of the county government or twice the personnel emoluments of that county assembly, whichever is lower;
- g. pursuant to section 107(5) of the Act, if the county government actual expenditure on development shall be at least thirty percent in conformity with the requirement under section 107(2)(a) of the Act;

MANDATE OF THE COMMITTEE

Hon. Speaker;

The Budget and Appropriation committee derives its mandate from standing order 186. Standing Order 186 (3) details the functions of the Budget and appropriations committee. It states;

The functions of the Committee shall be to-

- (a) Investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the county budget,
- (b) Discuss and review the estimates and make recommendations to the County Assembly;
- (c) **Examine the County Budget Policy Statement presented to the County Assembly;**
- (d) Examine Bills related to the national budget, including Appropriations Bills; and
- (e) Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

COMMITTEE MEMBERSHIP**Hon. Speaker;**

Budget and Appropriation Committee as currently constituted comprises of the following

Hon Members: -

- | | |
|--------------------------------|-------------------|
| 1. Hon. David M Mathenge | -Chairperson |
| 2. Hon. Lucy Njeri Mwaniki | -Vice chairperson |
| 3. Hon. James Kamau Murango | - Member |
| 4. Hon. Anthony Munene Kinyua | - Member |
| 5. Hon. Elisha Mwangi Miriithi | - Member |
| 6. Hon. Samuel Maina | - Member |
| 7. Hon. Simon Waititu Kiragu | - Member |
| 8. Hon. Lilian Wanjiku Gitari | - Member |
| 9. Hon. Albina Njoka | - Member |

Hon. Speaker;

During the scrutiny and writing of this report the Committee had the following as secretariat;

- | | |
|-------------------------|---------------------------|
| 1. M/s. Agnes Githinji | Principal Fiscal Analyst |
| 2. Mr. Eliud M Mugo | Senior Committee Clerk |
| 3. Mr. Macharia Muchira | Committee Clerk Assistant |
| 4. Mr. Leonard Mwangi | Committee Clerk Assistant |
| 5. M/s Irene Wanjiku | Sergeant at Arms |

ACKNOWLEDGEMENT

Hon. Speaker;

We are grateful to your office and that of the Clerk for the support you have accorded to the Budget and Appropriation Committee in execution of its mandate. We are also grateful to CEC Member for Finance for preparation and timely delivery of the Fiscal strategy paper 2020.

Hon. Speaker;

I also take this opportunity to thank all Honorable Members of the Budget Committee for their patience, unwavering sacrifice and commitment to public service which enabled the completion of this important task within the required time. Further the Committee acknowledges the technical input of the Secretariat which was invaluable in the consideration and scrutiny of the County Fiscal Strategy Paper 2020

Mr. Speaker Sir;

It is now my pleasant duty and privilege, on behalf of the Hon. Members of the Budget and Appropriation Committee, to present to the County Assembly this report and recommendations regarding the Kirinyaga County Fiscal Strategy Paper 2020 for debate and Adoption.

Signed; Date.....

Hon. David M Mathenge (MCA)

Chairperson County Budget & Appropriations Committee

INTRODUCTION**EXAMINATION & INTERROGATION OF THE COUNTY FISCAL STRATEGY PAPER 2020****Hon. Speaker;**

We have read in detail the County Fiscal Strategy Paper 2020 as prepared and submitted by CECM Finance. The committee hoisted the Whole House Committee in a meeting held at the Sport view hotel on 6th to 9th March 2020 during which the submitted CFSP was scrutinized. The committee also spearheaded Public Participation and incorporated the views of the public in this report.

Legal Framework**Hon. Speaker;**

The County Fiscal strategy paper is prepared as pursuant to Section 117 of the Public Finance Management Act, 2012, and Sections 25-28 of PFM regulations 2015 (for County Governments).

Section 117 of the PFM states;

1. The County Finance and Economic Planning Department shall prepare and submit to 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 28th February of each year.
2. The County Finance and Economic Planning Department shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
3. In preparing the County Fiscal Strategy Paper, the County Finance and Economic Planning Department shall specify the broad strategic priorities and policy goals that will guide the county government in preparing their budget both for the coming financial year and over the medium term.
4. The County Finance and Economic Planning Department shall include in its County Fiscal Strategy Paper the financial outlook with respect to county

government revenues, expenditures and borrowing for the coming financial year and over the medium term.

5. In preparing the County Fiscal Strategy Paper, the County Finance and Economic Planning Department shall seek and take into account the views of; -
 - a) The commission of revenue allocation;
 - b) The public;
 - c) The interested persons or groups;
 - d) Any other forum that is established by legislation.
6. Not later than fourteen days after submitting the County Fiscal Strategy Paper to the County Assembly, the County Assembly shall consider and may adopt it with or without amendments.
7. The County Finance and Economic Planning Department shall consider any recommendations made by the County Assembly when finalizing the budget proposal for the financial year concerned.
8. The County Finance and Economic Planning Department shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the County Assembly.

Observations on Legal Compliance

Hon. Speaker;

1. Pursuant to section 117(1) of the PFM Act, 2012, the Kirinyaga County Fiscal Strategy paper was delivered to the County Assembly on Friday 28th February 2020 and accordingly laid in the House on Tuesday 3rd March 2020 hence the CEC complied with the legal framework.
2. Regulation 25(1) (g) requires development budget for 2019/20 (excluding carry over) to comply with the threshold of at least 30% of the total budget; The County intends to allocated 30% of the total County revenue to development expenditure hence the Ceilings indicated in the CFSP 2020 are within this legal threshold.

3. The committee however noted that the CFSP 2020 did not comply with requirements of regulation 25(1) (b) PFM Regulations, 2015 which requires that the personnel threshold should not exceed 35% of the total expenditure. The County Intends to spend Ksh 2.9 billion (56%) on personnel Emoluments. The County wages is on a raising trend.
4. The Committee noted that the 2020 County Fiscal Strategy Paper has been aligned with the national objectives in the Budget Policy Statement under the Big Four Agendas, the Mountain Cities Blueprint (2032), County Integrated Development plan (CIDP 2018-2022), Annual Development Plan 2020/2021 FY amongst other county policies.
5. The committee also noted that the County Finance and Economic Planning Department has specified the broad strategic priorities and policy goals that will guide the county government in preparing their budget both for the coming financial year and over the medium term

Hon. Speaker;

On further scrutiny the committee noted that the Kirinyaga County Fiscal strategy paper 2020 lacks the following critical information;

- i. Sector programmes for the next 3 years compared to the last 2 budget years; performance, this should include the vote, objectives, programme, sub programme, outputs and key performance indicators;
- ii. The quantum amount of pending Bills; it's not clear if the County will have cleared all the pending bills by the end of the current financial year.
- iii. Pending/ongoing projects per sector which require further funding; Though according to the CFSP the County will give priority to pending/ongoing projects; there was no further details given on the specific projects on funding requirements and their current implementation status.

RECENT ECONOMIC DEVELOPMENT AND OUTLOOK**Macro-Economic Performance Indicators**

1. National Economic Performance

Hon. Speaker;

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 5.7 percent for the last six years (2013 to 2018) outperforming the average growth rate of 4.7 percent in the period 2008 to 2012 and 5.4 percent in the period 2003 to 2007. Growth is estimated at 5.6 percent in 2019 and projected to recover to 6.1 percent in 2020.

Hon. Speaker;

A resilient non-agricultural sector continues to support economic growth. The economy grew by an average of 5.5 percent in the first three quarters of 2019 and the full year growth is estimated at 5.6 percent in 2019 down from 6.3 percent in 2018.

Inflation Rate**Hon. Speaker;**

Year-on-year overall inflation remained low, stable and within the Government target range of 5+/-2.5 percent in December 2019 at 5.8 percent up from 5.7 percent in December 2018 reflecting higher food prices.

The delay in the onset of rains resulted in lower agricultural activities and raised food inflation from March 2019. Food inflation increased from 2.6 percent in December 2018 to 9.3 percent in December 2019 reflecting rising prices of key food items.

Interest Rates**Hon. Speaker;**

The Central Bank Rate was reduced to 8.5 percent on 25th November 2019 from 9.0 percent in August 2018 as there was room for easing monetary policy stance to support economic activity.

Performance in various economic sectors in the County**1. Agricultural sector****Hon. Speaker;**

Kirinyaga County economy is highly dependent on the performance of the agricultural sector. Most notably, the performance of key cash crops of tea and coffee have a direct impact on the livelihoods. Performances of horticultural sector is also a key pillar of economic performance in the county.

a. Tea**Hon. Speaker;**

Performance in the 2018-19-year crop was a low with farmers getting an average of Ksh. 41.27 Per Kg of green leaf. Kenya Tea Development Agency paid farmers a total of Sh46.45 billion, a 25.5 per cent drop, compared to Sh62.35 billion paid in the 2017-18 financial year. This have impacted negatively to the household economy in the County.

b. Coffee**Hon. Speaker;**

Coffee production in Kirinyaga is a key economic venture to many households. Coffee production in Kirinyaga contributes approximately 11% of total coffee produced in Kenya. Coffee cherry payments to farmers have remained poor affecting their livelihoods. The county is in the process of implementing a marketing strategy to open up more markets and investment opportunities for Kirinyaga farmers.

Effects of Macro-Economic performance to the County's Economic performance**Hon. Speaker;**

An expanding Country's economy leads to creation of job opportunities including in Kirinyaga County. Further, increase in National government revenues will lead to increased transfers to the county governments.

Stability in interest rates is important to guarantee access to low cost credit to SMES and other small enterprises in Kirinyaga County. The CBK is monitoring and regulating interest rates to guarantee macroeconomic stability.

The Government is striving to maintain inflation rates at targeted levels to cushion members of the public from rising cost of living.

Continued stability in the Kenya currency is important to Kirinyaga County residents to safeguard the local economy which mainly depends on tea, coffee and horticulture exports which can be affected by volatility in currency fluctuations.

Review and Outlook for the Medium Term**Fiscal Performance review- Implementation of 2019-20 FY Budget****Revenue Analysis****Hon. Speaker;**

The approved resource envelope for Approved 2019/20 FY Kirinyaga County Budget amounts to Kshs. 6,338,812,666 which will be financed as per the below resource envelope.

DESCRIPTION	APPROVED RESOURCE ENVELOPE 2019/2020
Equitable Share	4,497,978,000
Allocation - User Fees Foregone	11,282,570
Transforming Healthcare Systems for Universal Care Project (THSUCP)	30,000,000
Allocation of Roads Maintenance Fuel Levy Fund for Repair and Maintenance of County Roads	120,386,438

Allocation Financed by Grant from Government of Denmark to Supplement Financing of County Health facilities (DANIDA)	12,281,250
Local Revenues	500,000,000
World Bank Devolution Support Programme Grant (KDSP)	71,078,830
Grant for Youth Polytechnics	34,503,298
Kenya Urban Support Project (KUSP)	71,302,200
Kenya Urban Support Project (KUSP)-UDG	8,800,000
National Agricultural and Rural Inclusive Growth Project (NARIGP)	350,000,000
Agriculture Sector Development Support Programme (ASDSP II)	14,513,306
Rolled over Funds	616,686,774
TOTAL REVENUES	6,338,812,666

Source: County Treasury

Own Source Revenue

Hon. Speaker;

The County has a projected revenue target of KShs. 500 Million in the FY 2019/20 and during the period July-December the actual Own Source Revenue collected was Kshs130, 828,376 against a Revenue Target of KShs160, 038,483 over the same period. This indicates a performance of 75.96%.

The County managed to collect Kshs 58,797,207 in the second quarter (October-December) against a target of Kshs 78,556,993 which represents 74.85% target achievement.

Challenges

Hon. Speaker;

The major revenue shortfall was in the main County Hospitals (Kerugoya, Sagana, Kimbimbi & Kianyaga) which experienced industrial strikes from medical practitioners in the months of June, July & August 2019 and hence had a negative impact on revenue generated from hospital services.

Hon. Speaker;

The country experienced heavy rains from October to December which affected accessibility and hence minimized economic activities by hampering merchandise coming to the market and general revenue operations.

Low proceeds from coffee and tea bonus payments affected the economic activities of the County which normally boosts revenue collection as witnessed from previous years.

Strategies to Enhance Revenue Collection

a) Revenue Automation

The County is in the process of implementing a Revenue Collection & Management System which is currently at an advanced stage. Once in place the county will realize efficient and accountable processes which will boost revenue collection.

b) Infrastructural Improvement

The County has invested in capital projects with revenue returns which include:

- town parking improvement
- markets refurbishment
- Street and market lighting
- Improvement of road network

c) Stability of Health Services Sector

The County has invested in:

- Hospital Automation (Hospital Management System)
- Procurement of drugs to meet the needs in all county hospitals
- Negotiated with medical practitioners for lasting labour solutions
- Improved hospital infrastructure to match the services needed by the County citizenry
- Employed additional medical practitioners to enhance health accessibility

The County has come up with an enforcement programme to seal revenue leakages and collect all outstanding arrears and has further established cess inspection and collection points.

Expenditure Analysis

Hon. Speaker;

The County Government total approved 2019/20 FY budget amounts to Kshs. 6.338 Billion. This includes development allocation of Kshs. 2.244 Billion and recurrent allocation of 4.093 Billion.

2019/20 FY Approved Budget Estimates

Department	Approved Recurrent Budget 2019/20 FY	Approved Development Budget 2019/20 FY	TOTAL
County Assembly	556,934,809	134,519,242	691,454,051
County Executive	515,293,514	481,677,591	996,971,105
Finance and Economic Planning	325,849,047	30,000,000	355,849,047
Agriculture, Livestock and Fisheries	222,534,741	488,286,283	710,821,024
Environment, Water and Natural Resources	90,627,839	59,434,000	150,061,839
Education	218,259,229	34,503,298	252,762,527
County Health Services	1,923,771,863	609,320,202	2,533,092,065
Lands, Housing and Urban Development	39,148,028	71,302,200	110,450,228
Transport and Infrastructure	79,558,285	228,831,775	308,390,060
Trade, Co-operatives, Tourism Industrialization and Enterprise Development	54,514,927	56,605,314	111,120,241
Gender and Youth	37,655,210	35,946,800	73,602,010
Sports, Culture and Social Services	29,738,469	14,500,000	44,238,469
TOTAL	4,093,885,961	2,244,926,705	6,338,812,666

Source: County Treasury

Recurrent Expenditure

Total cumulative recurrent expenditure for the first half of 2019/20 FY amounted to KShs. 1.507 Billion which represents 36.8% of the total recurrent budget estimates. The major contributor to the first quarter expenditure is the County Health services sector. Total half year recurrent expenditure for this sector amounts to KShs. 727.4 Million. This indicates a 48.3% of the total half year recurrent expenditure in the county. This also represents a 37.8% expenditure against total approved recurrent expenditure for this

sector. Other high contributors to half year recurrent expenditure includes; County Assembly (19.4%) County Executive (11%).

Development Expenditure

Development expenditure for the period under review amounted to Kshs. 183.2 Million. Uptake of development budget has gathered speed in the second quarter. This indicates a huge improvement in absorption from the first quarter which recorded development expenditure amounting to 49.6 Million.

Vote	Department	Approved Development Budget 2019/20 FY	Half Year Development Expenditure
		KSHS	KSHS
3961	County Assembly	134,519,242	-
3962	County Executive	481,677,591	12,123,472
3963	Finance and Economic Planning	30,000,000	-
3964	Agriculture, Livestock and Fisheries	488,286,283	6,500,000
3965	Environment, Water and Natural Resources	59,434,000	3,951,165
3966	Education	34,503,298	-
3967	County Health Services	609,320,202	92,677,186
3968	Lands, Housing and Urban Development	71,302,200	-
3969	Transport and Infrastructure	228,831,774	61,924,320
3970	Trade, Co-operatives, Industrialization and Tourism Enterprise Development	56,605,314	-
3971	Gender and Youth	35,946,800	6,050,809
3972	Sports, Culture and Social Services	14,500,000	-
	TOTAL	2,244,926,704	183,226,952

Outlook for the Medium Term

Hon. Speaker;

The County’s economic growth will largely take into account economic growth in the whole country. Favorable local and International markets for locally produced goods especially the coffee, tea, rice and horticultural sectors holds key to the county’s economic growth prospects.

The local economy is further expected to benefit from investments by the County Government to revitalize dairy, poultry, avocado agribusinesses under the Wezesha Program. The county government through Kirinyaga Investment Development Authority is in top gear to consolidate investment opportunities in the agribusiness sector to guarantee good prices for farmers.

These efforts will also be supported by continued implementation of the National Governments Big Four plan of sustained investment in infrastructure, strong agricultural production due to improved weather conditions, buoyant services sector.

Risks to the Economic Outlook

Hon. Speaker;

The economy in the county is hugely dependent on agricultural commodities performances. Decreased demand coupled with increased competition from imports of these commodities on the local and international markets contributes to poor returns to local farmers.

The economy in the county will continue to be exposed to risks most notably County Government expenditure pressures resulting from a huge wage bill and decreased allocation towards development expenditure. Other risks involve unpredictable weather patterns which have a potential to affect negatively the agricultural economy in the County. Further the recent threat of locust invasion poses a threat to food security in the county.

Hon. Speaker;

The County Government will constantly monitor the risks and take appropriate measures to mitigate them. The county is also banking on the National Government's roles in ensuring macroeconomic stability in the country through prudent fiscal and monetary policies.

ECONOMIC PROSPERITY FOR A DIGNIFIED LIFE FOR ALL

The Mountain Cities Blueprint, 2032

Hon. Speaker;

The County Government of Kirinyaga as embarked on implementation of the economic blueprint that seeks to better the lives of the Citizens Kirinyaga. The fifteen years (15) vision seeks to economically empower the Citizens while advocating for social transformation in a bid to embrace contemporary accepted cultural reforms. The Implementation of the Blueprint is anchored on three pillars:

Economic empowerment:

Hon. Speaker;

In order to reinvent the economies of the County, the County will create an enabling environment to make it easier for interested businesses and developers to invest in the community in ways that support the community's long-term priorities.

Investment in youth and women to engage in meaningful employment through supporting business growth strategies to cut the unemployment rate.

Utilization of natural heritage assets and arable land is also a key pillar to unlock the growth potential which has remained underutilized over the years.

These interventions will include: Facilitating private-sector investment, which include streamlining the development process, providing technical assistance, and creating informational guides.

Social transformation:

Hon. Speaker;

The Mountain Cities Development Strategy intends to invest in its natural assets by protecting resources that can better attract and retain residents, tourists, and businesses who value clean air and water and natural landscapes.

While a small County like Kirinyaga can face more significant challenges than her larger counterparts, she also has great opportunities. The foundations above show how this community facing a diversity of challenges seeks to successfully redesign its economies to fit the changing economic climate. As a small County, with limited resources, Kirinyaga must be adaptive, accountable thinking beyond just being a good place to do business and focused on using its distinctive assets for economic development.

Public Sector Reform

Hon. Speaker;

Our Constitution designed devolution to succeed in the interest of the citizens. Cooperation and interdependence is our competitive advantage as a Nation. County Government, National Government and communities are more likely to be successful in part because entities with different missions' work together to make the County of Kirinyaga a better place to live and work. Cooperation within the County and across the region to achieve jointly established priorities helps leverage the assets that each can bring to the table to make the most of the region's resources.

Public sector reforms can be achieved through;

- a. Strong, focused, goal-oriented, sector-based partnerships to ensure that there is collaboration within and across sectoral teams;
- b. A sound fiscal strategy;
- c. An integrated mid-term public financial management system; and
- d. An effective performance management framework that is results driven for service delivery at every level

The Wezesha Program

Hon. Speaker;

This is a multi-sectoral economic empowerment program that seeks to transform the lives of youths, women and Persons Living with Disabilities in Kirinyaga County.

The County Government of Kirinyaga seeks to implement an all-inclusive government approach (whole of government approach) with deliberate effort towards economically empowering Youth Women and PWDs. Further, the program envisages to empower Vulnerable and Marginalized Groups (VMGs) which include: unemployed youth, elderly women and men, widows/orphans, recovering substance abusers, and people living with HIV/AIDS.

Hon. Speaker;

The program is designed to carry-out an analysis of Income trends, identifying severely affected groups amongst Youths, Women, PWDs and VMGs with low income trends and developing interventions geared towards shifting the income trends for the better. In this endeavor, the County Government of Kirinyaga has established Wezesha Kirinyaga Technical Committee that is dedicated to oversee the implementation of Wezesha Kirinyaga cutting across all levels of Government including donor funded projects.

Hon. Speaker;

To successfully implement this programme, it is important that all departments deliberately harmonize management of their resource envelopes and adapt Wezesha focused budgeting process.

For purposes of coordination, this program will be domiciled at the departments of Gender and social services. Key players in implementation of the program shall be the departments of:

- (a) Youth and sports,
- (b) Agriculture, Veterinary, Livestock and Fisheries and
- (c) the Department of Education and Public Service.

Hon. Speaker;

The key player departments were identified based on the program's Focus groups (Youth, Women and Abled Differently Persons.), however, the program is a multi- sectoral

program and therefore all departments will be required to integrate their work plans and Budgets with the broad objectives of the program.

This policy therefore serves to direct the departments to ensure that budget preparation process is Wezesha focused and that each of the departments shall be required to ensure their budget have a programme that fully demonstrates compliance with the objectives of Wezesha.

Hon. Speaker;

This program has the following main objectives;

- a) Economically empower the youth, women and PWDs thereby enabling financial independence among the target groups
- b) Generate wealth for the county by creating jobs for the youth, women and PWDs.
- c) Transform the target groups by equipping them with knowledge on contemporary, socially acceptable means of livelihoods and proper management of resources.

Hon. Speaker;

This program has four apex points;

1. Value Chain identification
2. Sacco formation
3. Savings and Investment
4. Training and Capacity building

Main Strategic Focus Areas

Hon. Speaker;

This program will focus on Projects that have high impact on the target group with easily achievable results in the following areas;

- a) Dairy value addition
- b) Poultry farming
- c) Horticulture i.e. Tomatoes
- d) Cereals i.e. rice agro-processing
- e) Fruit tree seedling propagation
- f) Aquaculture
- g) Avocado processing

FISCAL POLICY AND MANAGEMENT**Hon. Speaker;**

The fiscal framework for the FY 2020/21 Budget is based on the County Government's policy priorities and macroeconomic policy framework set out in Chapter II and Chapter III. With limited resource envelop expected over the medium term, strict prioritization by County Departments are therefore expected where they will have to adopt the culture of doing more with less that is available.

Hon. Speaker;

To achieve this, we need to ensure that:

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

Compliance with Fiscal Responsibility Principles**Hon. Speaker;**

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

Budget Year	Development Allocation	Percentage to Total Allocation
<i>2017-18</i>	1.71 Billion	30%
<i>2018-19</i>	1.82 Billion	30.8%
<i>2019-20</i>	2.24 Billion	35%

Hon. Speaker;

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. The County Government share of wages and benefits to revenues is currently at 44% and is projected to reduce over the medium term.

Kirinyaga County inherited a huge workforce from the defunct local authorities and personnel attached to devolved functions whereas the horizontal revenue sharing criterion between counties does not consider expenditure need occasioned by uneven distribution of personnel. The County will however only employ/replace essential personnel which will contain the total expenditure on salaries & allowances while at the same time the county revenues are expected to increase over the medium term thus reducing the wage bill.

On the principle of maintaining a reasonable degree of predictability with respect to the level of tax rates and tax bases, the County Government continues to carry out tax reforms through modernization by implementing a revenue collection and management system which is at an advanced stage of development. The County Government has also continued to update and review taxes, fees & charges in the Revenue Laws (Amendments) Act, 2018 and the Finance Act.

Statement of Specific Fiscal Risks**Revenue****Hon. Speaker;**

Receipts from the National Government transfers forms the bulk of the county's revenue source. Over reliance on this revenue poses risks and expose the county from shocks whenever there arises hitches in these transfers. Own source revenue also comprises of significant revenue source in the county. Meeting of the set targets in a financial year poses

a risk in underfunding of budgeted programs. However, the county is monitoring the performance of the revenue streams to take appropriate measures.

Wage Bill**Hon. Speaker;**

The county continues to be exposed to risks arising from expenditure pressures in the recurrent budget. This is mainly contributed by rising wage bill resulting in reduced expenditure in development.

Development expenditure**Hon. Speaker;**

The slower-than-programmed spending on development budget poses a risk to the fiscal program. The County is however working to prevent this risk from materializing and improve efficiency of public investments. The County has established the Projects implementation Committee which is responsible for ensuring that all projects are completed on a timely basis and as per the contracts in order to get value for money.

Risks from Natural Disasters**Hon. Speaker;**

The county is prone to natural disasters from time to time. For instance, delayed long rains which were expected between March and May 2019 affected agriculture productivity in the county which affects livelihoods directly. This was again followed by excessive rains in October 2019- December 2019 which resulted to damages to horticultural crop fields, damages to road infrastructure and bridges affecting movement of goods and persons, flooding in lower zones thereby affecting livelihoods.

Current threat of invasion by locust threatens the agricultural economy in the county and has the potential to affect a high percentage of households.

Technological Disaster**Hon. Speaker;**

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

MEDIUM TERM EXPENDITURE FRAMEWORK

Resource Envelope

Hon. Speaker;

As in the Previous Financial Years, Resource Envelop projections for the 2020/21 FY and in the Medium Term will depend on equitable share, conditional grants and Other Loans and grants as contained in the County Allocation of Revenue Act 2020, plus local revenue to be collected as per the County Finance Act.

Table1: Transfers from National Government

DESCRIPTION	2017/18 FY		2018/19 FY		2019/20 FY
	CARA 2017	Actual Receipts FY 2017/18 Revenue	CARA 2018	Performance of FY 2018/19 Revenue	CARA 2019
Equitable Share	4,409,200,000	4,409,200,000	4,113,400,000	4,113,400,000	4,241,100,000
Allocation - User Fees Foregone	11,282,570	11,625,078	11,282,570	11,282,570	11,282,570
Allocation of Roads Maintenance Fuel Levy Fund for Repair and Maintenance of County Roads	150,752,571	123,937,522	108,302,240	108,302,240	120,386,438
Grant for Youth Polytechnics	37,339,283	37,339,283	52,210,000	39,418,550	34,503,298
World Bank Loan for Transforming Health System for universal Care Project	22,000,000	10,000,000	50,000,000	23,485,608	35,000,000
World Bank Loan for National Agricultural & Rural Inclusive Project	50,000,000	50,609,855	140,435,163	50,078,476	350,000,000
DANIDA Grant	10,215,585	15,834,157	14,782,500	14,782,500	12,281,250

Kenya Devolution Support Programme (KDSP)	38,364,055	38,364,055	41,078,830	-	30,000,000
KUSP(UDG)	-	-	71,302,200	71,302,200	71,302,200
KUSP (UIG)	-	-	41,200,000	41,200,000	8,800,000
DANIDA	-	-	14,782,500	14,782,500	12,281,250
Agriculture Sector Development Support Programme (ASDSP II)	-	-	16,498,549	-	14,513,506

Source: County Treasury

Own Source Revenue

2017/18		2018/19		2019/20
Budget	Actual performance	Budget	Actual Performance	Budget
600,000,000	344,408,120	430,000,000	430,961,820	500,000,000

Hon. Speaker;

County Allocation of Revenue Act (CARA 2019) allocated Kirinyaga County equitable share with an allocation ratio of 1.34. This amounted to **4241.1 Million**. Assenting of this Act was delayed by Parliament enacting the law. Therefore, the budgeted amount 4,497,978,000 is higher than amount allocated. This adjustment will be effected when the county prepares a supplementary budget for 2019/20FY.

Hon. Speaker;

Performance of own source revenue in the first half of 2019-20 FY slowed down on the target. During the period July-December 2019 Own Source Revenue collected was Kshs130,828,376 against a Revenue Target of KShs160,038,483 over the same period. This indicates a performance of 75.96%.

Revenue Forecast for 2020-21FY

Hon. Speaker;

The Budget Policy Statement (2020) proposes a total County equitable share of **KShs 317 Billion** to be shared amongst the 47 Counties from the current **Kshs. 316.5 Billion**. In addition to county equitable share, the National Treasury has also proposed Ksh. 30.2 Billion as Loans and Grants and further Kshs 7 Billion for leasing of medical equipment.

Hon. Speaker;

As envisioned in Article 217 as well as the Six Schedule of the CRA is in the process of developing and recommending the third basis for allocating revenue raised nationally among the County Governments. In April 2019, the CRA submitted to the Senate Recommendations Concerning the Third Basis for Revenue Sharing among County Governments for the Period FY 2019/20 – 2023/24. A summary of the proposed third formula as well as the current and previous ones is shown in the table below. If approved in time, the proposed third formula will become effective in FY 2020/21.

Indicator	1st Formula	2nd Formula	Proposed 3rd Formula
Health index			17%
Agricultural index			10%
County population	45%	45%	18%
Basic Equal Share	25%	26%	20%
Rural access index			4%
urban households			5%
Land area	8%	8%	8%
Poverty	20%	18%	14%
Fiscal effort index		2%	2%
fiscal responsibility(Prudence)	2%		2%
Development Factor		1%	
TOTAL	100%	100%	100%

Source:CRA

Hon. Speaker;

At the moment, horizontal distribution of County Governments’ equitable revenue share allocation for FY 2020/21 is based on the current formula (second formula), which uses six parameters with specific weights, namely: population (45 percent); basic equal share (26 percent); poverty (18 percent); land area (8 percent); fiscal responsibility (2 percent) and development factor (1 percent). Each additional conditional allocation is distributed based on its objectives, criteria for selecting beneficiary Counties and distribution formula.

Hon. Speaker;

Using the above criteria, the 2020/21 the BPS proposes that The County will be allocated **4272 Million** as equitable share, Conditional allocations from the National Government amounting to **297.5 Million**. These Conditional allocations from National Government includes: Compensation for User fees foregone, Road Maintenance Fuel Levy Fund, Rehabilitation of Polytechnics, and Leasing of Medical equipment which is implemented by the National Government through the Ministry of Health. Other sources include loans and grants financed by credit from World Bank and other partners amounting to **295 Million**.

Proposed Transfers from National Government in 2020-21FY

Transfers from National Government	
Name	Proposed Allocation in 2020/21 BPS
Equitable Share	4,272,750,000.00
Allocation - User Fees Foregone	11,282,570.00
Allocation of Roads Maintenance Fuel Levy Fund for Repair and Maintenance of County Roads	127,349,086.00
Grant for Youth Polytechnics	26,899,894.00
Leasing of Medical Equipment	132,021,277.00
conditional allocation financed by credit from WB and Others	295,037,247.00
TOTAL	4,865,340,074.00

Source: National Treasury

NB

Implementation of the Leasing of Medical Equipment is at the national level through Ministry of Health thus the amount of Ksh 132,021,277.00 should be deducted from the Total resource envelop

Own source Revenue Projections for 2020-21FY is projected at 450,000,000

Hon. Speaker;

At this point it is worth noting that National Government transfers as highlighted by 2020 BPS are subject to change and that County Allocation of Revenue Act 2020 shall set out the actual County equitable share and specific allocations for other loans and grants.

Hon. Speaker;

The County has initiated inclusion of private sector in implementation of projects through Private Public Partnership (PPP) Program. Going forward, the County also endeavors to source for development partners to bridge the resource gap. The PPP program and Sourcing of Donor Funding are measures taken in order to strengthen the resilience of County's economy and accelerate industrialization as enshrined in the National governments 'Big Four Plan' and County's **Mountain Cities Blueprint, 2032.**

Financial Year 2020-21 and Medium Term Budget Priorities

National Priorities

Hon. Speaker;

The national government's Budget Policy Statement shows that national priority sectors will continue to implement programs and Policies under the 'Big Four Plan' enabled under the pillars of 'Economic Transformation Agenda'. This year's BPS seeks to unlock economic potential by harnessing "the big four" through:(i) Supporting value addition and raising the manufacturing sector's share to GDP to 15 percent by 2022. This will accelerate

economic growth, create jobs and reduce poverty; (ii) Focusing on initiatives that guarantee food security and nutrition to all Kenyans by 2022 through expansion of food production and supply, reduction of food prices to ensure affordability and support value addition in the food processing value chain; iii. Providing Universal Health Coverage thereby guaranteeing quality and affordable healthcare to all Kenyans; and,(iv). Providing at least five hundred thousand (500,000) affordable new houses to Kenyans by 2022, and thereby improving the living conditions for Kenyans.

County Priorities

Hon. Speaker;

In the recurrent expenditure category, non-discretionary direct cost expenditures take priority. These include payment of statutory obligations such as wages, salaries, and pensions. These non-discretionary cost expenditures are estimate to amount to about Kshs 2.5 billion.

At least 30 percent of the total revenue will be available to fund development projects and programs. Development expenditures will be shared out on the basis of the county priorities as outlined in the CIDP as well as other interventions to deal with unemployment, improve security, increase investment and generally transform lives in the county. The following guidelines are used:

- 1. Ongoing Projects:** Emphasis is to be given to completion of on-going projects in the County in particular infrastructure projects as well as other projects with a high impact on provision of health services, poverty reduction and equity, employment and wealth creation.
- 2. Strategic Policy Interventions:** priority is also to be given to policy interventions covering the County in particular the **Wezesha Program** and implementation of the Mountain Cities Blue print.

Other factors will include;

- (1) County Sector priorities and objectives as per the County Integrated Development Plan (CIDP)
- (2) National Government Policies – Vision 2030, Budget Policy Statement.
- (3) Public interest projects- include proposals made by members of the Public during Public participation forums

Details of Sector Priorities

Hon. Speaker;

Budgetary allocations for the 2020/21 financial year and the medium term will be focusing on programs that seeks to improve the lives of the citizens of Kirinyaga County through jobs creation, creating enabling infrastructure to support economic growth, provision of social services in the health and education.

The sector allocations are also informed by the second generation of County Integrated Development Plan (CIDP) 2018-2022, The Strategic plan and the Integrated Development Plan have been aligned to the goals and the objectives of the third Medium Term Plan 2018-2022 and the Kenya Vision 2030. The key resource allocation will therefore focus on the following areas;

- a) Transformation of livelihoods through investments in the agricultural sector for increased productivity and profitability
- b) Investments in infrastructure developments to support economic growth
- c) Investments in accessible Health care to ensure a productive population
- e) Urban solid waste management and Accessibility to clean and safe water
- d) Support to early childhood education and technical vocational education

Details of Sectoral Priorities and Resource Allocation**Office of the Governor****Hon. Speaker;**

The major role of the sector is to provide leadership and policy direction to ensure efficient and effective service delivery. The key priorities of this sector are:

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

Hon. Speaker;

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

The sector, is in the process of completing the Hospital Management System which is intended to ensure absolute automation of the hospital services. In addition, the sector is in the process of completing the performance management system which is intended to assist in the monitoring the implementation of the county budget. The revenue management system automation program is at the commencement stage. The fiber connectivity is close to getting completed. Establishment of Kirinyaga Investment Development Authority, KIDA to facilitating the spearheading development of investment opportunities and strategies in the County.

Hon. Speaker;

The sector has ensured that there is sufficient office space to accommodate county employees at the County Headquarters. Equally, the governance residence project is in progress; land acquisition is in progress.

To facilitate easier retrieve of information and storage preservation, records department have acquired 30 bases of bulk filer.

For efficient and effective management of information, the department has prepared a Record management policy and procedure manual.

Under the ICT department, together with the health department, Hospital management system (HMS) Automation of hospital services is 80% complete, Performance management system to monitor county project at 95% complete, Revenue management system for enhancement of revenue collection at 41% complete.

Fiber connectivity for Internet provision for all county department at 85% Complete- The following have been integrated;

- i. HQ, Baricho, Kerugoya, Kianyaga, Kandongu, Ngurubani
- ii. Integration at the HQ Pending
- iii. Rewired fire wall
- iv. Three layer switch

Hon. Speaker;

Under the county enforcement section, the department seeks to establish County inspectorate enforcement / bill to establish a framework for enforcement of the county legislation and other applicable laws; Draft bill has been prepared and reviewed by the county attorney and submitted to county executive committee for approval.

Under the Human Resource Management section, having an organization structure and approved staff establishment is a key component to a clear basis for budgeting, recruitment and planning for human resource. Towards this end, the department has drafted organization structure, drafted staff establishment and subjected it to stakeholder's

engagement for onward submission for approval. In addition, development of HR Policies and procedures is a key pillar for resource management. HR Manuals and Code of conduct and ethics draft already subjected to stakeholders' engagement (EACC) – to the government for publication.

Hon. Speaker;

The department also ensures good work environment in accordance with occupation safety and health act. Routine maintenances of government buildings have been conducted, ensuring safety of employees by conducting fire drills, ensuring health of cleaning staff by provision of safety gear.

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

The Governance sector has been allocated 13% of the total recurrent allocation and 10% of the total development allocation in order to fulfill its mandate.

Agriculture sector

Hon. Speaker;

In order to revitalize the agricultural sector and increase productivity, the county government will focus on executing the following priority areas:

- Supply of certified seeds and other farm inputs
- Supply of subsidized fertilizers
- provide capacity building and technical backstopping to Common interest Groups to enhance production and improve quality of produce along agri-value chains in line with objectives of Wezesha programme

- Construction of market sheds to enhance markets for agricultural produce
- Agricultural Infrastructure Development
- A.I Improvement Services

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

Hon. Speaker;

Under the Wezesha program, the county is committed to supporting the poultry value chain in the county. Construction of 32 poultry houses around the county on going, supply of chicks to initial 32 groups expected in early March.

The department procured and distributed 45,560 avocado seedlings to farmers, 2 avocado and macadamia nurseries infrastructure completed at Kamweti and Kimbimbi.

Coffee, rice and tea improvement program with the objective to ensure farmers have accessible to quality farm inputs to increase productivity. To this end, 36,000 coffee seedlings have been procured and distributed.

Assisting farmers to access subsidized fertilizer program which aims at promoting food productivity and security. 23,700 bags of fertilizer was acquired in 2018-19.

To ensure access to quality seeds and seedlings, the sector has been implementing a program to supply seeds to farmers. In Njukiini Ward, 8 tons of certified maize seeds were procured and distributed to farmers.

The sector is also implementing the Coffee Improvement Program to ensure increased coffee productivity. 75 coffee factory managers and 75 coffee machine operators already undergone training at Kamweti ATC. Training of farmers on post-harvest handling of tomatoes was conducted where 320 farmers were trained.

The department also sought to improve and revitalize Kamweti ATC by procuring of 6 breeding pedigree animals, Increase capacity of water packaging to earn more revenues by procuring 1 water packaging machine.

The department is also implementing a program in aquaculture extension and capacity building aimed at creating awareness and capacity build to increase productivity and profitability of fish. Towards this end, Over 4000 farmers have been visited and received trainings.

Pest and disease control is key mandate to this sector in guaranteeing increased productivity to farmers, especially in the rice growing areas. The agriculture department has continued to control the quillea quillea birds in rice field. 100% of the identified roosts destroyed.

Through the department of Livestock, the, sector implemented the disease surveillance and control programme to reduce notifiable and zoonotic diseases of livestock. Towards this end, Over 60% of all the animals vaccinated against FMD,LSD,Anthrax,Black-quarter,Rift valley fever and rabies. The department also implements meat inspection to guarantee safety of meat consumed by inspecting all meat consumed in the county and ensure it's handled in licensed premises and carriers.

In support of value addition in the county, the sector has assisted dairy farmers in various wards with milk coolers. 8 milk coolers of 3000lts each installed in milk collection centers across the county to chill the milk awaiting marketing and cut on wastages.

The sector also seeks to support farmers in the dairy sector by providing accessibility to affordable animal and fish feeds. The sector has set up Animal and fish feed plant at Kiaga. Going forward, in order to continue strengthening the performance of the sector, the sector will be implementing the following programs;

Continue implementation of National and rural and Agricultural Inclusive Growth Project (NARIGP).

Continue implementation of Aquaculture extension and improvement program to upscale fisheries production.

Hon. Speaker;

The Wezesha Program Animal Feeds Production by up scaling of dairy meal & poultry feeds production. Upscaling poultry feeds production and Egg production, Training and provide extension services to support Wezesha programmes

Continuing management of crop diseases and migratory pests (*tutaabsoluta*, *quellea* birds, fall army worm) and maize lethal necrotic diseases. The sector plans to conduct 5 control and surveillance during the short and long rainfall periods.

To improve crop productivity, the sector will continue with provision of certified seeds and seedlings. The sector plans to distribute 200,000 avocado seedlings and 40,000 macadamia seedlings.

The livestock sector plans to ensure favorable returns to the livestock farmers in the county. Towards this end, the department will establish a livestock sale yard in the county. This will result in consolidation of marketing efforts and increased revenue for farmers. The livestock department will further continue with the livestock disease control program, subsidized A.I services.

To implement the above priorities, the sector will be allocated 5% of total recurrent and 8% of total development expenditure.

Health Sector

Hon. Speaker;

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

- Maternal and child healthcare;

- Prevention, management and control of communicable and non-communicable diseases;
- Health promotion through provision of community health education and training of community health workers; and
- Promotion of public health interventions on environmental health and safety

Hon. Speaker;

In the previous MTEF period, the department implemented various programs towards the departments' mandate.

The Kerugoya County Hospital Complex programme, the construction is still in progress. Completion and operationalize of a Maternity Block at Kimbimbi Sub County Hospital, completion of a Maternity Ward at South Ngariama Dispensary, completion of a Male Ward at Baricho Health Centre. Construction of a maternity at Kianyaga hospital (awaiting equipping)

Construction of a female and pediatric ward at Sagana hospital (awaiting equipping), Construction of an eye ward at Kerugoya hospital.

Renovation and equipping of out-patient department at Kerugoya hospital, procurement of two fully equipped ambulances, procurement of 131 oxygen cylinders.

The department has further continued to offer services in the following programs under Preventive and promotive health care services to include services such as; HIV/AIDS control, TB control, Cholera control, improved access to maternity, family planning, immunizations and nutritional services weekly outreaches through Beyond Zero van.

Installation of generators at Uceru, Kang'aru, Kiamutugu, Mutithi and Murinduko Health centers and Kimbimbi Sub-County Hospital.

Hon. Speaker;

The department of health, in its move to provide better environment for patients and healthcare workers in the OPD actualized the Kerugoya Hospital Outpatient Department (OPD) programme.

The sectors also sought to provide accessible dialysis services to the people of Kirinyaga. Pursuant to this goal, the sector operationalized the dialysis unit and additional 3 dialysis machines through the Kerugoya Dialysis Unit. In the same front, the department has managed to improve the diagnostic services through the installation of the CT scan machine at the Kerugoya Level IV hospital.

In order to improve referral services, the department acquired 2 fully equipped and operational ambulances.

In a bid to achieve the Universal Health Coverage (UHC) status, the sector will initiate promote the KIRICARE program. In this context, the sector plans to ensure that all the residents of Kirinyaga are enrolled into the County Health Fund.

Hon. Speaker;

The aforementioned priority areas are in line with the third Sustainable Development Goal (SDG) that seeks to ensure healthy lives and promote well-being for all at all ages.

Going forward, the department will continue to offer curative and preventive measures by focusing on the following programs;

- 1) Ongoing construction of a medical complex at Kerugoya Hospital
- 2) Ongoing construction of an isolation ward at Kerugoya Hospital
- 3) Procurement of one fully equipped ambulance through World Bank grant
- 4) Purchase and distribution of health commodities to all health facilities
- 5) HIV/AIDS control
- 6) TB control
- 7) Cholera control

- 8) Improved access to maternity, family planning, immunizations and nutritional services
- 9) Weekly outreaches through Beyond Zero van
- 10) Disease surveillance
- 11) Hygiene promotion
- 12) Training, sensitization and awareness creation
- 13) Integrated school health education
- 14) Increased proportion of population with knowledge in key health messages
- 15) Trainings, mentorship, support supervision, work plans review, project M & E

Due to the critical role that the sector holds in the county, it has been allocated 45% of the total recurrent budget and 24% of the total development budget.

Finance, Economic Planning, Marketing and ICT

Hon. Speaker;

The major role of this sector is to monitor, evaluate and oversee the management of public finances and economic affairs of the County Government. It also ensures that the county has sound financial policies that will spur its economic growth. To this end, the sector has singled out the following key priority areas to implement over the medium term:

- 1) Coordination of the MTEF process and ensure prudent fiscal policies are developed;
- 2) Enhancement of revenue collection mechanisms
- 3) Automation of County Government systems
- 4) Promotion of effective and efficient utilization of public finances through ensuring compliance of relevant laws, regulations and Policies by county government entities
- 5) Supply chain management
- 6) Coordination of the County Monitoring and Evaluation framework

In order to implement the programmes in this sector, it has been allocated 8% of the recurrent budget and 2% of the development budget.

Co-operative Development, Tourism, Trade and Industrialization Sector

Hon. Speaker;

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

The resources for this sector are targeted for the following key priority areas:

- Policy Development
- Financial inclusivity
- Value Addition
- Capacity building
- Trade development

Under policy development, the department is mandated to ensure there is regulatory framework to govern trade in the county. In the last MTEF period the department has prepared a proposed cooperative development policy and bill, draft tourism bill developed, draft Trade and Markets bill developed.

The sector was tasked with a key objective of providing a conducive trading environment for market traders and buyers by upgrading of key markets in the county. Kagio clothes and Cereals market was upgraded by constructing sheds, paving slabs revenue office and installation of a floodlight. Other markets includes; Makutano, Kianyaga, Kagumo, Kiamutugu and Wang'uru market.

Industrial development is a critical component in ensuring increased earnings. Through KIDA, the county seeks to open up new markets for county products and support value chains in agriculture to increase productivity.

On Cooperative extension service the sector has improved the performance of cooperative societies, ensured compliance with legal frameworks. Eight (8) new cooperatives have been formed, eighty (80) cooperatives were trained on good governance while seventy-Four (74) of the societies were audited. To ensure adherence to laws and regulations three (3) inspections were done during the year to societies.

Hon. Speaker;

The sector is also mandated to ensure that the buyers and sellers get fair trade practices and consumer protection, this has been possible through continuous verification and calibration of equipment. 5000 weighing and measuring machines verified and stamped.

In the coming MTEF period, department will continue improvement of markets by upgrading the following markets that are; Kerugoya, Kutus, Kibingoti and Sagana. Upgrading will include providing modern facilities, construction of market sheds, laying of slabs and lighting.

In order to achieve the above priorities, the county has set aside 1% the recurrent budget and 7% of the development budget.

Transport and Infrastructure Sector

Hon. Speaker;

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

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

Hon. Speaker;

In order to ensure there is improved transportation system to spur economic growth in the county, the department embarked on building paved parking and trading spaces which are well drained along Kibingoti, Kianyaga, Kutus and Kagio Matatu terminus. A total of 14,550m² (60% of the works) of pavement completed.

Further, under the County in-house roads improvement program, the department is committed to ensure accessibility is improved by rehabilitation of access roads to all weather roads. A total of 957Km of roads graded against planned targets of 800Km, and a further 198km of roads graveled against a target of 217Kms.

Under the Kenya Roads Board program, a total of 57Km of roads rehabilitated and construction of 1 bridge ongoing.

Hon. Speaker;

Going forward, the department will expand the county in-house roads improvement program to rehabilitate more roads.

In addition, the department will also continue to expand the town parking improvement program to include more urban areas.

Further, the department will also continue implementation of roads program under the RMLF allocation to the county.

For the sector to carry out its activities, it has been allocated 2% of the recurrent expenditure and 28% of the development expenditure. This sector has been allocated the largest proportion of the development budget due to its huge capital outlays and its potential to spur countywide economic growth.

Education and Public Service Sector

Hon. Speaker;

The education sector will continually strive to ensure a conducive learning environment for the ECDE pupils and impacting skills among the youth, Women and PWDs being support of Wezesha development agenda.

In the previous MTEF period, the department implemented various programs towards the departments' mandate.

Directorate of Vocational Training

Hon. Speaker;

Under infrastructure development, in order to provide a conducive environment for VTC Trainees learning activities, 1 Dormitory has been constructed at Nyangati VTC, 3 classrooms have been constructed at Kimweas VTC, 1 Dormitory has been constructed at MuciiWaUrata VTC, 3 classrooms constructed at Kiambwe VTC, 2 classrooms constructed at Ndiriti, 2 classrooms constructed and 2 workshops completed at Kiamuthambi VTC in Kanyekiine Ward, 1 classroom constructed and 1 workshop completed at Kiamikuyu VTC, 1 workshop completed at Thome VTC.

Further, in order to equip Vocational Training Centres with adequate teaching and learning materials, assorted teaching and learning materials procured and distributed to all 13 Vocational Training Centres.

To ensure VTC have received Registration and Accreditation, 12 institutions were prepared and inspected, now awaiting registration certificates.

Focus on 2020-21 and MTEF

Programme	Key Objectives
Human resource management and staff welfare <ul style="list-style-type: none"> Recruit 30 replacement VTC instructor Recruit additional 20 instructors each year. 	<ul style="list-style-type: none"> To bridge shortage occasioned by officers leaving service for various reasons. To reduce shortage of instructors for effective teaching and learning activities by recruiting additional VTC instructors
Infrastructural development: <ul style="list-style-type: none"> Develop infrastructure as outlined in the current CIDP 	To provide a conducive environment for VTC trainees learning activities.
Teaching and learning materials Procurement and distribution of assorted teaching and learning materials for all vocational training centres timely	To equip all vocational training centres with adequate teaching and learning materials.
Co-curricular activities Coordinate participation of VTC co-curricular activities at various levels every year.	To promote the participation of co-curricular activities in VTCs.
Registration and Accreditation	To promote access, equity, quality and relevance by regulating, inspecting, registering, accrediting and licensing institutions and programmes.
Governance and management Develop policy and legal framework for management of all vocational training centres.	To strengthen management of all vocational training centres for semi- autonomy.
VTC land acquisition Acquire land to construct all vocational training centres in areas where non-exist.	To construct all vocational training centres in areas not served by any.
Title deeds Acquire title deeds for all the existing VTCs	To ensure security of ownership

Directorate of Early Childhood Development

Programs implemented by the directorate in the last MTEF period;

Programme	Key Objectives	Key Achievements
Human resource management	To reduce shortage of caregivers for effective teaching and learning activities by employing additional ECDE caregivers.	47 additional caregivers employed and deployed.
Infrastructural development.	To provide a conducive environment for ECDE children learning activities.	<ul style="list-style-type: none"> 1 classroom constructed at Kiriko ECDE centre in Gathigiriri Ward

		<ul style="list-style-type: none"> • 2 classrooms constructed and equipped at Kiumbu ECDE centre in Tebere Ward. • 1 emergency ECDE toilet constructed at Rukenya ECDE centre in Kabare Ward. • 1 emergency ECDE toilet constructed at Kirogo ECDE centre in Gathigiriri Ward. • Fencing done at Thaita primary school in Inoi Ward
Teaching and learning materials.	To provide ECDE centres with adequate teaching and learning materials.	<ul style="list-style-type: none"> • Assorted teaching and learning materials procured and distributed to all 198 ECDE centres • New ECDE curriculum designs and teachers guides for PP1 and PP2 procured and distributed to all 198 centres
Competence Based Curriculum (CBC) implementation.	To roll out the new curriculum in line with the national education strategy.	All ECDE caregivers both in public and private centres sensitized on the new curriculum.
ECDE furniture.	To provide child friendly furniture to enhance teaching and learning activities.	Assorted furniture purchased for 2 ECDE centres – Kiaumbui in Njukiini Ward and Kiumbu in Tebere Ward.
Programme	Key Objectives	Key Achievements
Infrastructural development.	To provide a conducive environment for ECDE children learning activities.	BQs prepared for construction of classrooms in 8 ECDE centres.
Teaching and learning materials.	To equip ECDE centres with adequate teaching and learning materials.	Assorted teaching and learning materials procured and distributed to all 198 ECDE centres
Co-curricular activities.	To promote the participation of ECDE children in co-curricular activities.	ECDE children participated in music festivals at Zonal, Sub-county, County, Regional and National levels.
Programme	Key Objectives	Key Achievements
Infrastructural development.	To provide a conducive environment for ECDE children learning activities.	BQs prepared and tenders advertised for construction and renovation of classrooms in 23 ECDE centres.
Teaching and learning materials.	To equip ECDE centres with adequate teaching and learning materials.	Requisition done for procurement of assorted teaching and learning materials for distribution to all 198 ECDE centres
Co-curricular activities.	To promote the participation of ECDE children in co-curricular activities.	ECDE children being prepared to participate in music festivals at Zonal, Sub-county, County, Regional and National levels as they qualify.

Focus on FY 2020/21 and the MTEF

Programme	Key Objectives
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Human resource management and staff welfare Recruit additional 160 ECDE caregivers each year.	To reduce shortage of caregivers for effective teaching and learning activities by recruiting additional ECDE caregivers.
Infrastructural development: <ul style="list-style-type: none"> • Construction of 20 new ECDE classrooms each year. • Refurbishment of old ECDE classrooms on need basis. • Construction of 10 exhaustible ECDE toilets each year • Installation of basic play facilities in ECDE centres in 10 Centres each year 	To provide a conducive environment for ECDE children learning activities.
Teaching and learning materials Procurement and distribution of assorted teaching and learning materials for 198 ECDE centres each year.	To equip ECDE centres will adequate teaching and learning materials.
ECDE furniture Procurement and distribution of ECDE furniture to 20 centres each year.	To provide child friendly furniture to enhance teaching and learning activities.
Competence Based Curriculum (CBC) implementation Conduct routine visits to ECDE centres to assess teaching and learning activities.	To ensure sustained implementation of the new curriculum in line with the national education strategy.
Co-curricular activities Coordinate participation of ECDE children in music festivals at various levels each year.	To promote the participation of ECDE children in co-curricular activities.
ECDE capitation programme Disburse Kshs. 3,500 per child each year.	To meet ECDE centres' operational expenses.
Governance and management Disseminate the National Pre-primary Education Policy and Standards Guidelines.	To strengthen governance and management of ECDE centres.

County Education Bursary Fund

Achievements in the last MTEF period (2017/18 – 2019/20)

FY 2017/18			
	Programme	Key Objectives	Key Achievements
	Bursary Fund Disbursement	To increase access to education for all through bursary support programme.	Kshs. 70 million disbursed to needy students.
FY 2018/19			
	Bursary Fund Disbursement	To increase access to education for all through bursary support programme.	Requisition for Kshs 20 million done and funds deposited in the various wards accounts.
FY 2019/20 on-going programmes			
	Bursary Fund Disbursement	To increase access to education for all through bursary support programme.	Lists of intended beneficiaries prepared awaiting requisition and disbursement.

Hon. Speaker;

Going forward, the County Government will also continue supporting needy students to acquire education by providing bursary to students in secondary schools, colleges and universities.

In order to achieve the aforementioned priorities, the sector will be allocated 7% of the recurrent budget and 2% of the development budget.

Gender, Culture and Social Services Sector**Hon. Speaker;**

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

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

Under gender and social services development the sector has implemented strategies that are aimed at youth and women empowerment by revitalization of Kaitheri Apparel Factory. Through the programme the production factory has renovated, Machines purchased, Production of ECD uniforms is ongoing.

Support to school girls not to miss classes, the department has procured and distributed sanitary towels, the second phase of the sanitary towels has been acquired and awaiting distribution.

To empower the community to eliminate the gender based violence, the county has implemented Gender Based Violence Recovery Centre, where the 1st phase and 2nd phase of the construction is complete, furnished with the necessary required furniture and in the process of providing staffing for operations.

Going forward, the department will seek to implement the following programs; Kaitheri Apparel Factor to ensure expansion of the factory by purchasing more machines to enhance more production.

Hon. Speaker;

Operationalization of Gender Based violence Rescue Centre (GBVRC) to offer sensitization programme to empower the community on Gender Based Violence issues, Purchase of sanitary pads to keep the ongoing school girls in class, PWD Rights awareness having society with PWDs rights awareness, Capacity building and life skills for Youth, women and PWDs to empower PWDs youth and Gender economically, Operationalization of youth corps for ECD,public works, roads and other Wezesha project Provision of work force in ECD learning materials, construction industry.

The sector has been allocated of 1% of total recurrent budget and 1% of total development budget in order to achieve its objectives.

Youth and Sports Sector

Hon. Speaker;

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

- Establishment of sports and sporting facilities
- Talent development

Hon. Speaker;

The sector in the previous MTEF has upgraded the county playgrounds by levelling, planting of grass and installation of football goal posts at Thaita playground. There is also equipping of sports clubs with uniforms, balls and playing boots. 276 sets football uniforms, 116 volleyball uniforms, 395 football balls, 147 volleyball balls and 164 football boots issued to sports clubs. At least 180 sports officials were trained.

The youth's talents in the county are exposed through the participation in the Kirinyaga Youth Sports Association (KYISA). To be able to plan for the youths the sector in the previous year has developed an inventory for the youth at skills and education levels. 4 championships were held in football, volleyball, athletics and cross country.

Hon. Speaker;

Wezesha Vijana project is a programme that economically empower the youths through collaboration with other sectors such as the Agriculture and Youth polytechnics. 3 programs initiated i.e. Kiaga animal feeds, apparel industry and macadamia and avocado nurseries.

In the coming financial year, the sector major programmes will be Wezesha Vijana project, the sports tournaments, and the formation of Youth SACCOs and rehabilitation of Kianyaga Stadium

Going forward, in the 2020/21FY, the department plans to Complete phase 2 upgrading of Kerugoya stadium and commence upgrading of Kianyaga stadium, To participate in volleyball, football, athletics, cross country, KYISA, KICOSCA, darts, rugby, boxing among other sports, equip sports clubs in the county by issuing 400 sets football uniforms, 300 volleyball uniforms, 400 football balls, 200 volleyball balls and 300 football boots.

Under the social services, county department of PWD plans to provide of Affordable HealthCare Relief and Emergency Services, Provide Devices, Hearing Aids, Special Wheelchairs, Goal Ball Posts to persons with special needs with 5000 beneficiaries targeted.

The sector has been allocated 1% total of recurrent budget and 2% of development budget in order to achieve its objectives.

Environment, Water and Natural Resources Sector

Hon. Speaker;

This sector will play a major role in ensuring:

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

In the last MTEF period, this sector has implemented key programs to strengthen every sub-sector;

In the FY 2018/19, the county government intended to undertake a water resource mapping exercise that was needed to create a database of the existing and potential water resources. The database will also guide future investment in water. The county also was to invest in water distribution network to reduce the average distance to water points especially in lower Mwea regions. Among the projects implemented includes; Riagicheru Irrigation Water Project which has connected about 52 households, Mugaro Water Project

in Murinduko with connection to households is awaiting completion of the intake, Njukiini Water Project in Njukiini Ward, MweaMakima Water Project with over 800 connected households, KutusMjini water project.

Under Urban Centers Solid Waste Management program, modern skips for management of solid waste has been placed in urban areas and timely collection is always done.

In order to implement its programmes, the sector has an allocation of 2% of total recurrent budget expenditure and 7% of the county development budget.

Lands, Housing and Physical Planning

Hon. Speaker;

Under the county spatial planning programme, the sector intended to achieve a number of things. These included guiding a harmonious development in the county, delineate land use zones, define the broad zoning regulations and provide a framework for preparation of other plans. To this end, the sector has prepared Draft Plan, 2nd stakeholders meeting to present the proposals, Data collection ongoing, 3rd Stakeholders being planned.

Hon. Speaker;

To provide a framework that will promote integrated socio-economic development of the Kerugoya/ Kutus Municipality, the department is in the process of preparation of Kerugoya Kutus Municipal Local Physical Development Plan whereby Inception report has been prepared, Data Collection exercise is ongoing. Further, under the KUSP program, the department is engaging in Highway Frontage development project which entails development of Parking, Non-Motorized Transport facilities, beautification and improvement of the Kerugoya bus park/Terminus.

To create a land bank for future development, the county embarked on Repossession of illegally acquired public land. The Kiine/Thigirichi/527 parcel got a positive NLC determination and Gazettement of the same.

In a bid to improve land tenure, the department has, through the planning, land survey and titling managed to come up with/prepare advisory plans for 15 (No.) villages, placed controls and also facilitated data collection and enumeration.

Hon. Speaker;

Through the Kenya Urban Support Programme, the county has embarked on Rehabilitation of Kerugoya Fresh Produce Market (Construction of sheds), Construction of Parking spaces at Kutus Town with project at 84% completion stage.

Going forward, the department will implement the following programs; Preparation of local Physical Development Plans for 2 priority towns Wang'uru and Sagana, Planning and Survey of 30 colonial villages, establish a GIS Laboratory, automate the land registry records, and facilitate adjudication and issue of title deeds for South Ngariama Land. Preparation of Local Physical Development Plan for Kianyaga, Kagumo, P.I and Mutithi, Planning and Survey of 30 colonial villages.

Ensure establishment of Land Information Management System (LIMS) to help in Digitalization of Registry Records, Geo-referencing public land.

The department Through Kerugoya-Kutus Municipality will continue implementing the Kenya Urban Support Program. Planned programs includes; Improvement of Parking spaces, Non-Motorized Transport facilities, beautification and Construction of new Clothes Market in Kerugoya town; Urban regeneration projects in Kerugoya and Kutus towns.

The lands, housing and physical planning sector endeavors to promote improved land use management. To this end the sector has been allocated 1% of the recurrent budget and 5% of the development budget.

Departmental Ceilings

Table2: Departmental Ceilings

			Approved Budget	CFSP Projections(as percentage of Total Recurrent and Development Budget Estimates)
VOTE	TITLE		2019-20	2020-21
3961	County Assembly	Sub-Total	691,454,051	
		Rec Gross	556,934,809	14%
		Dev Gross	134,519,242	4%
3962	County Executive	Sub-Total	996,971,105	
		Rec Gross	515,293,514	13%
		Dev Gross	481,677,591	10%
3963	Finance and Economic Planning	Sub-Total	355,849,047	
		Rec Gross	325,849,047	8%
		Dev Gross	30,000,000	2%
3964	Agriculture, Livestock and Fisheries	Sub-Total	710,821,024	
		Rec Gross	222,534,741	5%
		Dev Gross	488,286,283	8%
3965	Environment, Water and Natural Resources	Sub-Total	150,061,839	
		Rec Gross	90,627,839	2%
		Dev Gross	59,434,000	7%
3966	Education	Sub-Total	252,762,527	
		Rec Gross	218,259,229	7%
		Dev Gross	34,503,298	2%
3967	County Health Services	Sub-Total	2,533,092,065	
		Rec Gross	1,923,771,863	45%
		Dev Gross	609,320,202	24%
3968	Lands, Housing and Urban Development	Sub-Total	110,450,228	
		Rec Gross	39,148,028	1%
		Dev Gross	71,302,200	5%

3969	Transport and Infrastructure	Sub-Total	308,390,060	
		Rec Gross	79,558,285	2%
		Dev Gross	228,831,775	28%
3970	Trade, Co-operatives, Tourism Industrialization and Enterprise Development	Sub-Total	111,120,241	
		Rec Gross	54,514,927	1%
		Dev Gross	56,605,314	7%
3971	Gender, Culture, Children and Social Services	Sub-Total	73,602,010	
		Rec Gross	37,655,210	1%
		Dev Gross	35,946,800	1%
3972	Youth and Sports	Sub-Total	44,238,469	
		Rec Gross	29,738,469	1%
		Dev Gross	14,500,000	2%
	Grand Total		6,338,812,666	100%
		Rec Gross	4,093,885,961	70%
		Dev Gross	2,244,926,705	30%

Committee observations on Medium Term Expenditure Framework, Resource envelop and County Priorities

Resource Envelope

Equitable share	4,865,340,074.00
Add Local Revenue	<u>450,000,000.00</u>
Total Resource Envelope	<u>5,315,340,074.00</u>
Less Medical Equipment Grant	<u>132,021,277.00</u>
Resource Envelope	<u>5,183,318,797.00</u>

Interpretation of the Proposed Ceilings Based On The Resource Envelope

PROPOSED Departmental Ceilings in CFSP 2020 FY					
		Recurrent			Development
		3,628,323,157.90			1,554,995,639.10
	%	Actual Figures		%	Actual Figures
County Assembly	0.14	507,965,242.11	County Assembly	0.04	62,199,825.56
County Executive	0.13	471,682,010.53	County Executive	0.1	155,499,563.91
Finance & Economic planning	0.08	290,265,852.63	Finance	0.02	31,099,912.78
Agriculture	0.05	181,416,157.90	Agriculture	0.08	124,399,651.13
Environment	0.02	72,566,463.16	Environment	0.07	108,849,694.74
Education	0.07	253,982,621.05	Education	0.02	31,099,912.78
Health	0.45	1,632,745,421.06	Health	0.24	373,198,953.38
Lands	0.01	36,283,231.58	Lands	0.05	77,749,781.96
Transport	0.02	72,566,463.16	Transport	0.28	435,398,778.95
Trade	0.01	36,283,231.58	Trade	0.07	108,849,694.74
Gender	0.01	36,283,231.58	Gender	0.01	15,549,956.39
Youths and Sports	0.01	36,283,231.58	Youths and Sports	0.02	31,099,912.78
TOTAL	1	3,628,323,157.90	TOTAL	1	1,554,995,639.10
Total Resource Envelope					
	Recurrent			0.70	3,628,323,157.90
	Development			0.30	1,554,995,639.10

1. The Current Resource Envelope (equitable Share and Conditional grants) is based on the Budget Policy Statement 2020/21 FY which proposes a share of **KShs 317 Billion** to be shared amongst the 47 Counties up from the current **Kshs. 316.5 Billion**. In addition to county equitable share, the National Treasury has also proposed Ksh. 30.2 Billion as Loans and Grants and further Kshs 7 Billion for leasing of medical equipment.
2. The revenue from National Government will be actualized by County Allocation of Revenue Act, 2020 (CARA) and may change.
3. The proposed allocation of **Ksh 507,965,242** as the County Assembly recurrent is lower than the current year allocation of **Ksh 569,393,333** bearing in mind that there must be annual salary increment.
4. The County Government Targets to collect Local Revenue of Ksh 450 Million, however this is not backed by any policies/strategies. The County Budget Review and Outlook Paper (CBROP) indicated that the Actual revenue collected during the 2018/19 Fy was Ksh 430 Million meeting the set target. The CEC Member for Finance should forthwith adhere to section 132 of PFMA,2012 which provides;

(1) Each financial year, the County Executive member for finance shall, with the approval of the County Executive Committee, make a pronouncement of the revenue raising measures for the county government.

(2) The County Executive Committee member for finance shall, on the same date that the revenue raising measures are pronounced, submit to the county assembly the County Finance Bill, setting out the revenue raising measures for the county government, together with a policy statement expounding on those measures.

We therefore expect that the CECM –Finance will make pronouncement of the revenue raising measures and submit the finance bill when submitting the Budget Estimates for 2020/21 FY

5. The CFSP is not specific on Allocation on Ward based projects/ programmes and Allocation for Bursary. It should also be noted that during the scrutiny of County Budget Review and Outlook Paper CBROP, there was a concern that the Executive have given priority to the flagship projects while the Ward based lag behind, the Education department spent 99% on recurrent expenditure yet the Bursary allocation of Ksh 20 Million was not disbursed.
6. The County Assembly proposed Development of 4% (Ksh 63 Million is very low) the Allocation should be based on the approved ADP 2020/21 FY that is Kshs 750 Million. This includes an enough allocation of Ksh 450 Million to complete the County Assembly Administration Block (including MCA Offices) and an allocation of Kshs 180 Million for Construction and Equipping Ward Offices. The allocation of Ksh 30 Million is also set aside as a special programme for construction and equipping of a breast feeding facility within the County Assembly.
7. The Ceilings on Development Expenditure should be based on defined/specific programmes /projects but not on historical information which becomes irreverent when finalizing the Budget Estimates. The CFSP should be actualized by a programme based budget.
8. It was noted with a lot of concern that due to centralized procurement process in the County Service delivery and learning in the Polytechnic has being greatly affected to the extent that some polytechnic has being receiving teaching materials for courses which they don't teach and also the assembly has never received any report on the utilization of grant for youth polytechnics
9. That an allocation of Ksh 132,021,277.00 for leasing medical equipment has been included in the County Resource envelop yet the amount Is always deducted at the

source by the National treasury thus it should not form part of the resource envelop.

10. A concern was also raised on the status of the leased medical equipment on whether our county received all the equipment's we are paying for, how they were distributed across the four Major County Hospitals, whether these equipment's are still operational, whether the health department has trained personnel to operate these equipment's and when the equipment's are out of order who is legally responsible to repair is it the County or the National Government as per the leasing MOU
11. That the Assembly has never been involved in any public participation for the utilization of Conditional grants. it was noted that the executive through the finance docket do not give copies of the proposal they send to world Bank for world bank funded projects in the County.
12. The Agriculture docket in its belief on implementation of the previous MTEF did not provide any detail on the One Million eggs per month program detailing which wards and groups are benefiting and where is the market of these eggs. The docket also did not give details of the utilization of NAGRIP Grant.
13. It was noted that the Trade and Industrialization docket in its belief on Implementation of the previous MTEF did not give details of the London Coffee shop detailing which coffee society within the county are benefiting from this coffee shop and what is the price per Kilogram
14. It was noted that the Trade and Industrialization docket in its belief on Implementation of the previous MTEF did not give details of the Kiaga Animal feeds factory detailing the amount of animal feeds produced so far and the marketing strategy. The docket did not give details on the procurement and distribution of the Harsh Avocadoes indicating whether the county will assist farmers to look for market for the fruits.

15. A concern was raised as to why the County is indicating installation of fiber optics for faster internet connectivity as one of the priority in the 2020/2021 FY yet this is a function of the National Government

COMMITTEE RECOMMEDATIONS

1. Resource envelope –The committees recommends that the total resource envelop for the 2020/2021 Financial year be Ksh 5,183,318,797.00 as shown in the table below with Ksh 450 Million as the local revenue projections for 2020/21 FY

Transfers from National Government	
Name	Proposed Allocation in 2020/21 BPS
Equitable Share	4,272,750,000.00
Allocation - User Fees Foregone	11,282,570.00
Allocation of Roads Maintenance Fuel Levy Fund for Repair and Maintenance of County Roads	127,349,086.00
Grant for Youth Polytechnics	26,899,894.00
Local Revenue projections	450,000,000.00
conditional allocation financed by credit from WB and Others	295,037,247.00
TOTAL	5,183,318,797.00

2. That out the resource envelop of Ksh 5,183,318,797.00 be shared between Recurrent and Development in the ratio of 70 :30 as per the provision of PFMA Section 107 (2b) which provides that “Over the medium term a minimum of 30% of the National and County Budgets Shall be allocated to the development expenditure.
3. That Resource envelope may change on enactment of County Allocation of Revenue Act (CARA) 2020. The Changes will be reflected before finalizing and approval. of the County Budget Estimates for 2020/21FY.
4. That the total resource envelop will be shared across all county sectors as per the ratios shown in the table below;

**PROPOSED DEPARTMENTAL CEILINGS FOR COUNTY FISCAL STRATEGY PAPER 2020/21
FY**

	RECURRENT EXPENDITURE			DEVELOPMENT EXPENDITURE	
		3,628,323,158			1,554,995,639
	%	Actual Figures		%	Actual Figures
County Assembly	CARA, 2019	569,393,333	County Assembly		780,000,000
After C A Expenditure		<u>3,058,929,825</u>			<u>774,995,639</u>
County Executive	13	397,660,877	County Executive	10	77,499,564
	0		Ward based projects	20.6	160,000,000
Finance	8	244,714,386	Finance	2	15,499,913
Agriculture	5	152,946,491	Agriculture	8	61,999,651
Environment	2	61,178,596	Environment	7	54,249,695
Education	4.7	144,125,088	Education	2	15,499,913
KCBF Partial-scholarship Ward Bursary	4.6	140,000,000			
Health	56.7	1,734,768,597	Health	7.35	56,998,779
Lands	1	30,589,298	Lands	5	38,749,782
Transport	2	61,178,596	Transport	28	216,998,779
Trade	1	30,589,298	Trade	7	54,249,695
Gender	1	30,589,298	Gender	1	7,749,956
Youths and Sports	1	30,589,298	Youths and Sports	2	15,499,913

TOTAL	100	3,058,929,825	TOTAL	100	774,995,639
TOTAL		3,628,323,158			1,554,995,639
Total CFSP Budget		5,183,318,797			

Recuurent 0.7 3,628,323,158

Development 0.3 1,554,995,639

5. That an allocation of Ksh 750 Million be set aside for County Assembly development which includes construction of the Administration block (including MCA offices), Construction and Equipping of ward offices among others.
6. An Allocation for Ksh 30 Million towards Special programmes for Women and PWDs. This allocation will be within the County Assembly Development for construction and equipping of a **Breast feeding** facility.
7. The County Assembly recurrent expenditure Ceiling Will be adjusted based on the CARA, 2020.
8. The Education docket should also prioritize allocation for KCBF Partial-scholarship Ward Bursary for the Needy Children which has been set at Ksh. 140 million.
9. An allocation of Ksh 200 million for Drugs and Non Pharmaceuticals is included in the Health docket total Allocation. Distribution of drugs should be transparent and the department is required to involve the Members during distribution in the Wards.
10. That the CECM Finance complies with Section 117(7) of PFM Act, 2012 which requires the county treasury to consider the recommendations made by the County Assembly when finalizing the budget proposal for the financial year concerned. The

law therefore obligates CECM- finance to take the recommendations into consideration as he prepares the budget estimates for 2020/2021 FY which he should submit as per the legal provisions and stipulated timelines

11. That Pursuant to section 26 (6) of the PFM regulations 2015, the personnel and development ceilings are binding the next two years.
12. To decentralize the procurement, process the committee recommends that each and every docket in the executive should have a procurement department with enough and qualified personnel
13. That the Health docket within two weeks after the adoption of this report should provide a detailed status report of the leased medical equipment detailing whether our county received all the equipment's we are paying for, how the equipment's were distributed across the four Major County Hospitals, whether these equipment's are still operational, whether the health department has trained personnel to operate these equipment's and when the equipment's are out of order who is legally responsible to repair (is it the County or the National Government) The department should also avail the MOU between the county government and National government in regard to leasing of the equipment's.
14. That the Executive should always involve the Assembly in any public participation for the utilization of Conditional grants. And also docket should avail to the Assembly within two weeks after adoption of this report all copies of the proposal the executive has sent to world Bank for world bank funded projects in the County in the last two financial years
15. That the Agriculture docket within two weeks after the adoption of this report should avail to the Assembly a detailed report on the One Million eggs per month program detailing which wards and groups are benefiting and where is the market of these eggs. The docket also did not give details of the utilization of NAGRIP Grant.

16. That the Trade and Industrialization docket within two weeks after the adoption of this report should avail to the assembly a detailed report of the London Coffee shop detailing which coffee society within the county are benefiting from this coffee shop and what is the price per Kilogram
17. That the Trade and Industrialization docket within two weeks after the adoption of this report should avail to the assembly a detailed report in regard to the operations of the Kiaga Animal feeds factory detailing the amount of animal feeds produced so far and the marketing strategy used to market the output of the factory and details of the procurement and distribution of the Harsh Avocadoes indicating whether the county will assist farmers to look for market for the fruits.
18. To enhance and safeguard revenue collection, the committee recommends full rollout of the automated revenue system in areas such as markets and bus parks and measures be put in place to seal revenue leakages and usage of revenue at the source
19. The County Revenue base needs to be widened by identifying and exploiting new sources without ignoring enhancement of the existing sources.
20. The CEC Member for Finance should forthwith adhere to section 132 of PFMA,2012 which provides;

- (1) Each financial year, the County Executive member for finance shall, with the approval of the County Executive Committee, make a pronouncement of the revenue raising measures for the county government.*
- (2) The County Executive Committee member for finance shall, on the same date that the revenue raising measures are pronounced, submit to the county assembly the County Finance Bill, setting out the revenue raising measures for the county government, together with a policy statement expounding on those measures.*

We therefore expect that the CECM –Finance will make pronouncement of the revenue raising measures and submit the finance bill when submitting the Budget Estimates for 2020/21 FY

SUMMARY & CONCLUSION**Hon. Speaker;**

This assembly has the legal fundamental mandate to evaluate, monitor, control and safeguard public funds. We committed ourselves to guard the constitution and any other legal provisions and ensure the Residents of this County get the equitable share in the County cake through service delivery and development projects.

It is on this background that the committee has examined and interrogated the County Fiscal strategy paper 2020 and come up with this report, and hereby request the Honorable members to give it support and approve the recommendations there in.

Hon. Speaker;

The Committee Commends the good work by the CECM finance and his team for a very informative CFSP report and its timely submission. We look forward to receive the County Budget Estimates by 30th April 2020.

Section 117(7) of PFM Act, 2012 requires that the county treasury considers the recommendations made by the County Assembly when finalizing the budget proposal for the financial year concerned. The law therefore obligates CECM- finance to take the below recommendations into consideration as he prepares the budget estimates for 2020/2021 FY which he should submit as per the legal provisions and stipulated timelines

CERTIFICATION OF REPORT

We the under signed do certify that this is a true report capturing all the deliberations made by the Hon. Members of the Budget and Appropriation committee during the scrutiny of the CFSP 2020

1. Hon. David M Mathenge
2. Hon. Lucy Njeri Mwaniki
3. Hon. James Kamau Murango
4. Hon. Samuel Maina
5. Hon. Anthony Munene Kinyua
6. Hon. Elisha Mwangi Miriithi
7. Hon. Simon Waititu Kiragu
8. Hon. Lilian Wanjiku Gitari
9. Hon. Albina Njoka