

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF NAKURU

THE COUNTY TREASURY

COUNTY BUDGET REVIEW AND OUTLOOK PAPER 2020

OCTOBER 2020

© County Budget Review and Outlook Paper (CBROP) 2020

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FOREWORD

The 2020 County Budget Review and Outlook Paper (CBROP) has been prepared against the backdrop of contracting economy occasioned by the effects of the COVID 19 pandemic as Nations worldwide take containment measures to avoid the spread of the virus. This has seen people lose livelihoods and businesses due to restrictions in travel, lockdowns and measures put in place to reduce the spread of the virus globally. The CBROP has been prepared in accordance with the Public Financial Management (PFM) Act 2012. It presents recent economic developments and actual fiscal performance of the Financial Year 2019/2020 and makes comparison to budget appropriations for the same year. It further provides updated economic and financial forecast to show changes from projections outlined in County Fiscal Strategy of 2020.

The National outlook projects a National economic growth of 4.0 percent in 2020/21 and around 4.9 percent in the medium term. This coming from a depressed economic performance of 2.6 percent in 2019/20 resulting from outbreak and the rapid spread of the Covid-19 Pandemic. The Pandemic and the containment measures has led to contraction of the global economy disrupting businesses including international trade and leading to loss of livelihoods for millions. These containment measures affected economic activities within the County including, Tourism, Transport, Hospitality, Education among other sectors.

Locally the County fiscal analysis for FY 2019/2020 revealed a decline in revenue performances compared to similar period in FY 2017/2018. Receipts from County Own Source of Revenue (OSR) declined from Kshs 2.8 billion collected in FY 2018/19 to Kshs 2.44 billion in FY 2019/20. This shortfall was occasioned by the effects of COVID 19 pandemic and the containment measures undertaken by the National Government i.e. restriction of movement into and out of Nairobi, imposing of Curfew, closure of bars restaurants and closure of all learning

institutions. At the County level, there was relocation of traders and matatus, closure of barber shops and salons. Overall County OSR missed its targeted forecast by Ksh 745 million or approximately 21 percent. The total County receipts amounted to Ksh 19.88 billion (approximately 91 percent of the total projected receipts) against a target of Ksh 21.9 billion. There was a shortfall from the receipts from the National Transfers amounting to Kshs 900 million which was disbursed in August 2020 after the closure of the financial year.

Total County expenditure amounted to Kshs 14.59 billion against a target of Kshs 21.9 billion. From the County expenditure performance, the budget absorption rate was approximately 66 percent. Budget absorption challenge occurred due to slowed activities during the containment measures after the outbreak of the COVID-19. The limited absorption of the capital expenditure however continued to be linked to delay in disbursement of funds by the National Treasury.

As the County prepares FY 2021/22 budget, emphasis will be on strategic interventions with linkage to the 'Big Four' Agenda either as drivers or enablers; programmes in MTP III of the Vision 2030, CIDP 2018-2022 Annual Development Plan 2021/2022 and Integrated Development Plans for Urban areas 2019-2023 and programmes outlined in the Governor's Manifesto.

County Government overall expenditure will equal the forecasted County receipts for FY 2021/2022. In this regard the County Government total expenditure will reach Ksh 17.3 billion the FY 2021/2022 approximately growth of 27 percent. Compensation to employees will account for 37 percent of the total County budget approximately Ksh 6.5 billion. Total County development expenditure will reach Ksh 5.6 billion from Ksh 4.35 billion in the as per the CFSP 2020 projections.

DR. PETER KETYENYA
**COUNTY EXECUTIVE COMMITTEE MEMBER,
FINANCE AND ECONOMIC PLANNING**

ACKNOWLEDGEMENT

The CBROP 2020 has been prepared in accordance with the PFM Act, 2012 and its Regulations. The document provides the fiscal outturn for the FY 2019/20, the macro-economic projections and sets the sector ceilings for the FY 2021/22 and the Medium-Term Budget.

The preparation of the 2020 CBROP was a collaborative effort of all the County Government Departments and Entities. My gratitude goes to the County Executive Committee Member for Finance and Economic Planning for his overall stewardship of the County Treasury and County Government on financial matters. We thank all the Departments and Entities for providing the timely provision of data and inputs used to compile the CBROP 2020. The finalization of this document was made possible with the inputs from the departmental SWGs. May I take this early chance to thank each member of the Departmental SWGs through their respective Chief Officers who provided valuable inputs and comments on the performance for the year under review. Further I wish to acknowledge the continuous submission of view and suggestion from stakeholders and the public in the course of various stages of the County Budget preparations process.

Finally, I take this chance to appreciate the efforts of the core team in the County Treasury which spent a significant amount of time putting together this report. I am particularly grateful to the Officers in Directorate of Finance including the Head of Accounting Units, Directorate of Internal Audit and Directorate of Economic Planning specifically the Budget Office for execution of this task. Finally, may I take this opportunity to thank the entire staff of the County Treasury for their continued commitment and dedication to the course of serving the County.

KENNEDY MOMANYI OMBATI
CHIEF OFFICER
ECONOMIC PLANNING

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ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Plan
AiA	Appropriation in Aid
CARA	County Revenue Allocation Act
CARPS	Capacity Assessment and Rationalization Programme
CBROP	County Budget Review and Outlook Paper
CDMS	County Debt Management strategy
CFSP	County Fiscal Strategy paper
CG	County Government
CIDP	County Integrated Development Plan
COB	Controller of Budget
COFOG	Classification of Functions of Government
COVID	Corona Virus Disease
CRA	Commission of Revenue Allocation
DORB	Division of Revenue Bill
DAs	Department and Agencies
DANIDA	Danish International Development Agency
FIF	Facility Improvement Fund
FMD	Foot and Mouth Disease
FY	Financial Year
IFMIS	Integrated Financial Management Information Systems
MTEF	Medium Term Expenditure Framework
OSR	Own Source Revenue
PBB	Program Based Budget
PFM	Public Finance Management
RMFLF	Road Maintenance Fuel Levy Fund
SMEs	Small Microenterprises
SRC	Salaries and Remuneration Commission
SWGs	Sector Working Groups
THS-UC	Transforming Health Systems for Universal Care

Legal Basis for the Preparation and Publication of the County Budget Review and Outlook Paper

The County Budget Review and Outlook Paper is prepared in accordance with Section 118 of the Public Financial Management Act, 2012. The law states that:

1. The County Treasury shall prepare and submit to County Executive committee for approval, by 30th September in each financial year, a County Budget Review and Outlook Paper which shall include:
 - a) Actual fiscal performance in the previous financial year compared to the budget
Appropriation for that year;
 - b) Updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal strategy paper
 - c) Information on how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles or the financial objectives in the latest County Fiscal strategy paper; and
 - d) The reasons for any deviation from the financial objectives together with proposals to address the deviation and the time estimated to do so.
2. County Executive committee shall consider the County Budget Review and outlook Paper with a view to approving it with or without amendments, not later than fourteen days after its submission.
3. Not later than seven days after the CBROP has been approved by Executive committee, the County Treasury shall:
 - a) Submit the paper to the Budget and appropriation Committee of the County Assembly to be laid before the County assembly; and
 - b) Publish and publicise the paper not later than fifteen days after laying the Paper before County Assembly.

County Government Fiscal Responsibility Principles

In line with chapter 12 of the Constitution of Kenya, Section 107 of the Public Financial Management (PFM) Act, 2012

- 1) The County Government's recurrent expenditure shall not exceed the county government's total revenue
- 2) Over the medium term, a minimum of 30% of the County budget shall be allocated to development expenditure
- 3) The County Government's expenditure on wages and benefits for public officers shall not exceed a percentage of the County government revenue as prescribed by the regulations.
- 4) Over the medium term, the County government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.
- 5) Public debt and obligations shall be maintained at a sustainable level as approved by County Government (CG)
- 6) Fiscal risks shall be managed prudently
- 7) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future

I. INTRODUCTION

Background

This County Budget Review and Outlook Paper (CBROP) is the third to be prepared under the current administration and takes into account the reorganisation of County Government function thereon as envisaged in PFM Regulation 2015. In line with the law, the CBROP contains a review of fiscal performance for the financial year 2019/20 and deviations from the Approved Estimates for FY 2019/2021.

Objectives of the County Budget Review and Outlook Paper (CBROP) 2020

1. The 2020 CBROP aims to provide a review of the fiscal performance for the FY 2019/2020 and how the outcomes impact the County's financial objectives as detailed in the County Fiscal Strategy Paper 2020 and fiscal responsibility principles as envisaged in the PFM Act 2012. This information together with the updated economic outlook provides a basis for revision of the current budget in the context of supplementary estimates and the broad fiscal parameters underpinning the next budget and the medium-term expenditure framework. Details of the fiscal framework, budget performance, medium term projections, priorities and sector ceilings will be firmed up in the CFSP 2020.
2. The CBROP continues to be a key document providing an important linkage between policy, planning and budgeting. The County is still implementing the 2nd CIDP which continues to provide a backdrop for budgetary preparation. The preparation of this paper falls well within the period in which the County is also assessing its medium-term performance of the CIDP 2018-2022. This year's CBROP will be embedded on the strategic priorities adopted in the 2020 approved CFSP.
3. The PFM Act 2012 and PFM Regulations 2015 have set high standards for compliance with MTEF budgeting process. It is expected that sector ceilings as

per the approved CFSP of 2020 will form the indicative baseline ceilings for the next budget of 2020/21 to 2022/2023 MTEF period. These sector ceilings have been modified to reflect reorganization of County Government functions as indicated in the **Annex IV and V** to CBROP and will set off the budget preparation process for the fiscal year 2020/2021.

4. With the constitution of the Naivasha and Nakuru Municipal Boards as indicated in Regulation 56 of the PFM Regulations 2015, the County has aligned its resource allocations in consideration of these new entities. Further, this paper will provide preliminary ceiling for budget preparation purposes.
5. The updated National economic outlook will be firmed up in the 2020 CFSP to reflect any changes in economic and financial conditions. In compliance with Section 117(2) of the PFM Act 2012, the to finalise the CFSP will be finalized after the release National budget policy statement. The CFSP will be submitted to the County Assembly by 28th February 2020 as per the set deadline under the PFM Act 2012.
6. The paper is organised into four sections:
 - Section II provides a review of fiscal performance in FY 2019/2020 and its implications on the 2020 CFSP financial objectives;
 - Section III investigates and analyses recent economic developments and the updated National and County macroeconomic outlook;
 - Section IV and V provides the proposed sector budget ceilings and the conclusion respectively.

II. REVIEW OF FISCAL PERFORMANCE IN FY 2019/2020

FY 2019/20 Fiscal Performance

The fiscal year FY 2019/20 is the third for this administration. The fiscal performance for FY 2019/20 was premised on the normal operating environment across the globe. However, the performance was greatly affected by the global outbreak of the COVID-19 Pandemic. The pandemic worsened the revenue performance for the FY 2019/20 and is expected to spill over to the FY 2020/21 and in the medium term as many businesses have been affected by the declining incomes occasioned by the measures taken to curb the spread of the virus.

The County experienced a decline in actual own source revenue generated to Kshs. 2.44 billion in 2019/20 compared to Kshs 2.8 billion generated in fiscal year 2018/19 against a set target of Kshs 3.1 Billion translating to 79 percent achievement. In the FY 2019/20, the County own source revenue steadily declined in the first and second half. The major decline was witnessed in the later half and was majorly attributed to the economic down turn due to the outbreak of COVID-19 a global pandemic that hindered full attainment of the projected budget. This was due to National Government imposed dawn to dusk curfew and lockdowns that resulted in cessation of movement hence affecting the major sectors including transport, tourism, hospitality and manufacturing.

The cumulative County Revenues for the FY 2019/20 including the fiscal balance amounted to Kshs 19.883 billion against the revised target of Kshs. 21.951 billion. This comprised of exchequer release of Kshs 9.575 billion, conditional grants of Kshs 2.189 billion, OSR of Kshs 2.44 billion (including FIF) and fiscal balance of Kshs. 5.667 billion. The exchequer releases were 48 percent of the total receipts hence the highest, followed by the bank balances at 28.6 percent, OSR at 12.3 percent and conditional grants at 11 percent.

The equitable share amounted to Kshs 9.575 billion against a target of Kshs 10.4 billion. This depicts a shortfall of Kshs 900 million occasioned by the delay of exchequer release for the month of June.

Appropriation in Aid (A.I.A) amounted to Kshs 1.085 billion against a target of Kshs.1 billion. FIF met and exceeded the target due to the County's increased expansion of various facilities and improved services in the health facilities.

The County spent a total of Kshs 14.59 billion during the year 2019/20 against a revised target of Kshs 21.9 billion. The budget execution rate was 66 percent for the year under review with recurrent expenditure at 96 percent and development at 37 percent.

Fiscal Performance FY2019/2020

Performance of Revenues

The cumulative revenue for the FY2019/20 was Ksh. 19,883,205,207 billion. This comprised of exchequer release of Ksh. 9,575,201,100 billion conditional grants of Ksh 2,109,426,964 billion, locally generated revenue of Ksh. 2,440,666,697 billion and the statement of refund balance of Ksh 5,677,405,446 as depicted in Table 1. An extra budgeted amount of Ksh. 80.505 million was also received from the Exchequer being allowances meant for front line workers (Health Workers) in the fight against COVID-19.

The own source revenue attained was Kshs. 2.44 billion against a set target of Kshs. 3.1 billion depicting an achievement of 79 percent. This is comprised of Kshs 1.35 billion local revenue and Kshs.1.085 billion for FIF. The local revenue collected amounted to Kshs. 1.35 billion against a target of Kshs. 2.1 billion thus depicting a shortfall of Kshs 745 million or an overall achievement of 65 percent. However, the FIF collection amounted to Kshs 1.085 billion against a target 1.0 billion. The FIF surpassed the collection as result of automation of services in the health facilities and increased infrastructure development and improved service delivery in health services. The exchequer releases amounted to Kshs 9.5 billion against a

target of Kshs. 10.4 billion depicting a shortfall of Kshs 900 million which was disbursed in the FY2020.2021. Further the County received Kshs. 2.109 billion as conditional grants against a target of Kshs. 2.697 billion depicting a shortfall of Kshs. 588 million. The County received 201 million from the Ministry of Health as COVID-19 emergency response funds that was geared towards the mitigation against the spread of COVID-19.

Table 1: County Government Total Revenues FY 2019/2020

No.	REVENUE SOURCE	ACTUAL 2018/2019	TARGET 2019/2020	ACTUAL 2019/2020	VARIANCE	ANNUAL GROWTH	ANNUAL GROWTH IN PERCENT	PERCENT OF ACHIEVEMENT	PERCENT OF TOTAL REVENUE
1	Local Sources	1,857,627,306	2,100,000,000	1,354,763,813	(745,236,187)	(502,863,493)	-27%	65%	7%
2	Facility Improvement Fund	957,002,225	1,000,000,000	1,085,902,884	85,902,884	128,900,659	13%	109%	5%
	Own Source Revenue Sub Total	2,814,629,531	3,100,000,000	2,440,666,697	(659,333,303)	(373,962,834)	-13%	79%	12%
3	Balance in County Revenue Fund (Fiscal Balance)	3,845,538,531	5,677,405,446	5,677,405,446	-	1,831,866,915	48%	100%	29%
4	Conditional Grants	2,278,507,115	2,697,624,629	2,109,426,964	(588,197,665)	(169,080,151)	-7%	78%	11%
5	C.R.A Equitable Share	9,451,400,000	10,476,150,000	9,575,201,100	(900,948,900)	123,801,100	1%	91%	48%
	Transfers & Grants Sub Total	15,575,445,646	18,851,180,075	17,362,033,510	(1,489,146,565)	1,786,587,864	11%	92%	87%
	EXTRA BUDGETED								
6	KSDP Level II	100,974,396							
7	Allowances for Health Workers			80,505,000					0.4%
	TOTAL	18,491,049,573	21,951,180,075	19,883,205,207	(2,148,479,868)	1,412,625,030	8%	91%	100%

Source: Draft Nakuru County Financial Statements Sept, 2020

Figures I and II below illustrate the total County receipts by source. As projected during the period under review, the County received the highest revenues from exchequer transfers.

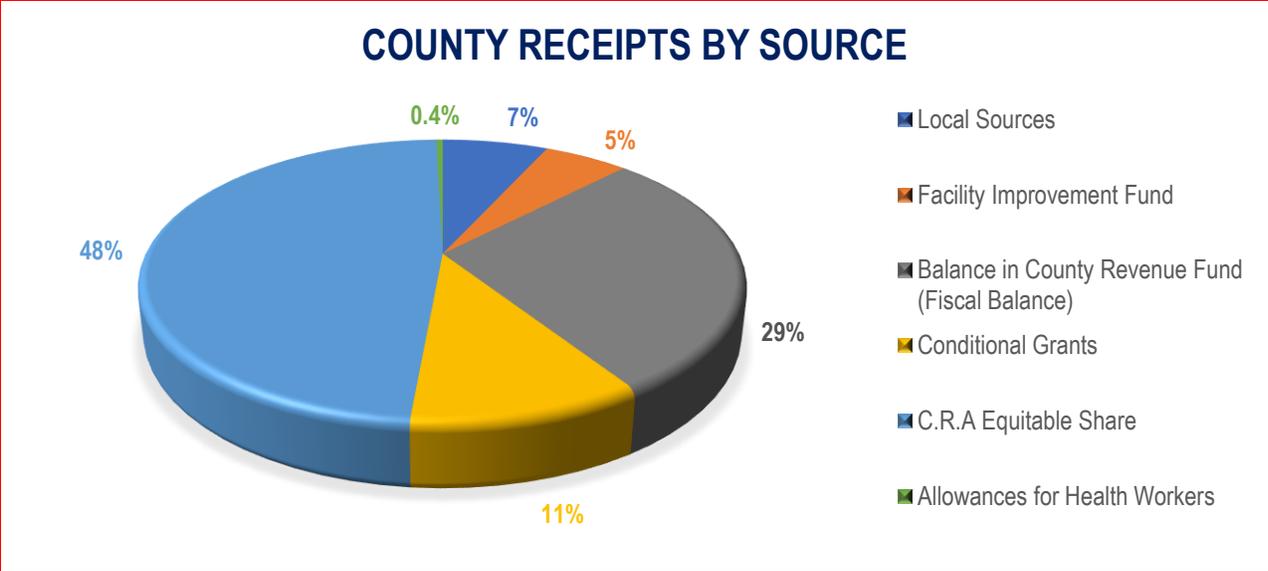


Figure 1: County Total Receipts by Source

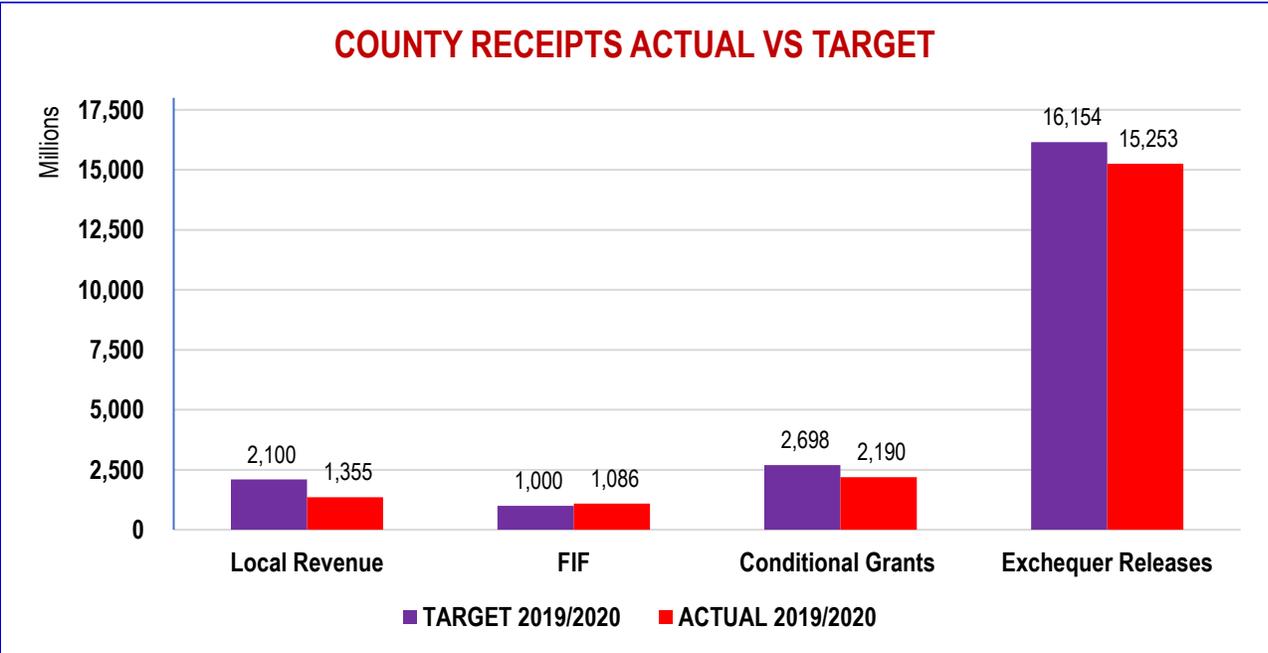


Figure 2: County Receipts Actual vs Target

EXCHEQUER RELEASES

The actual exchequer releases from the National Government amounted to Kshs 17.3 billion against the projected amount of Kshs. 18.8 billion depicting a shortfall of Kshs 900 million as indicated in Table 2 below. The shortfall was as a result of late disbursement of June exchequer release by the National Treasury.

Table 2: Exchequer Releases

REVENUE SOURCE	ACTUAL 2018/2019	TARGET 2019/2020	ACTUAL 2019/2020	VARIANCE	ANNUAL GROWTH	ANNUAL GROWTH IN PERCENT	PERCENTAGE OF ACHIEVEMENT
Balance in County Revenue Fund	3,845,538,531	5,677,405,446	5,677,405,446	-	1,831,866,915	48%	100%
C.R.A Equitable Share	9,451,400,000	10,476,150,000	9,575,201,100	(900,948,900)	123,801,100	1%	91%
Balance in County Local Revenue Account				-	-		
Donor Grants (DANIDA)	43,972,213	41,107,213	38,901,162	(2,206,051)	(5,071,051)	-12%	95%
Kenya Devolution Support Program (KDSP) Level I		30,000,000	30,000,000	-	30,000,000		100%
Kenya Devolution Support Program (KDSP) Level II	100,974,396			-	(100,974,396)	-100%	
World bank National Agricultural and Rural Inclusive Growth Projects (NARIGP)	50,078,476	350,000,000	170,536,334	(179,463,666)	120,457,858	241%	49%
Agricultural Sector Development Support Projects (ASDSP)	8,003,750	18,507,501	17,229,699	(1,277,802)	9,225,949	115%	93%
Conditional Allocation to compensate Forgone user fees	38,723,265	38,723,265	38,723,265	-	-	0%	100%
Conditional Fund -Kenya Urban Support Project (KUSP)	1,084,843,300	1,084,843,300	775,922,013	(308,921,287)	(308,921,287)	-28%	72%
Conditional Fund -Kenya Urban Support Project (KUSP)	41,200,000	8,800,000	8,800,000	-	(32,400,000)	-79%	100%
Conditional Fund -Leasing of Medical Equipment	200,000,000	131,914,894	131,914,894	-	(68,085,106)	-34%	100%
Conditional Fund -Free Maternal Health				-	-		
Road Maintenance Fuel Levy Fund (RMFLF)	248,847,131	297,372,469	223,029,352	(74,343,117)	(25,817,779)	-10%	75%

REVENUE SOURCE	ACTUAL 2018/2019	TARGET 2019/2020	ACTUAL 2019/2020	VARIANCE	ANNUAL GROWTH	ANNUAL GROWTH IN PERCENT	PERCENTAGE OF ACHIEVEMENT
Conditional Allocation For Level- 5 Hospital	373,872,832	373,872,832	373,872,832	-	-	0%	100%
Conditional Health Grant For Covid-19 Emergency Response		201,073,000	201,073,000	-	201,073,000		100%
World Bank THS-UC Conditional allocation	52,877,203	58,346,857	36,361,115	(21,985,742)	(16,516,088)	-31%	62%
Conditional Allocation for Rehabilitation of Youth Polytechnics	36,089,000	63,063,298	63,063,298	-	26,974,298	75%	100%
SUB TOTAL	15,576,420,097	18,851,180,075	17,362,033,510	(1,489,146,565)	1,785,613,413	11%	92%
Allowances For Health Workers			80,505,000	80,505,000	80,505,000		
GRAND TOTAL	15,576,420,097	18,851,180,075	17,442,538,510	(1,408,641,565)	1,866,118,413	12%	93%

Source: Draft Nakuru County Financial Statement September, 2020

OWN SOURCE REVENUE PERFORMANCE

The performance of Own Source Revenue comprising the local revenue and Facility Improvement Fund amounted to Kshs 2.44 billion against a target of 3.1 billion. The local revenues amounted to Kshs 1.354 billion compared to 1.857 billion in the FY 2018/19. This depicts 65 percent achievement for the local revenues. The FIF attained an actual collection of Kshs. 1.085 billion against a target of Kshs 1 billion depicting an overall performance of 109 percent.

An analysis of OSR against each revenue stream indicates that the major contributor is Trade license at Kshs. 260million (19.2 percent). It's followed closely by Parking fees at Kshs. 253 million (18.7 percent) with Royalties coming third at Kshs. 188 million (13.9 percent). The County park fees had the least contribution that stood at Kshs. 17,000 against a target of Kshs. 750,000. This was closely followed by slaughter fees at Kshs. 11.2 million (0.8 percent) and House rent stood at Kshs 20 million (1.5 percent).

The performance of Own Source revenue was affected by various factors including:

- Adverse effects from the measures undertaken to curb the spread of COVID-19 virus.
- Closure of some businesses eg Bars, Hotel and night clubs
- Cessation of movement and curfew affected transport sector
- Slowdown of economic activities
- Closure and relocation of markets and matatus affected business.
- Adverse weather conditions affected revenues in parking, barriers and markets
- Delayed enactment of enabling laws e.g rating, housing, markets, trade licences etc
- Delayed revenue mapping
- Inconsistencies in the exciting revenue systems (ZIZI and LAIFOMS)

- Shortage of staff and an ageing workforce in the Directorate of Revenue
- Delayed approval of the valuation roll

Table 3 shows the performance of the various revenue streams.

Table 3: Own Source Revenue Streams

Revenue Source	Actual 2018/2019	Target 2019/2020	Actual 2019/2020	Variance	Annual Growth	Annual Growth In Percent	Percentage Of Achievement	Percentage To Local Sources
Property tax (Plot rent and Land rates)	332,164,642	300,980,000	196,945,122	(104,034,878)	(135,219,520)	-41%	65%	14.5%
Trade License	386,404,655	400,000,000	260,490,430	(139,509,570)	(125,914,225)	-33%	65%	19.2%
Market Fees	63,565,826	107,220,000	50,046,240	(57,173,760)	(13,519,586)	-21%	47%	3.7%
Building Approval	34,642,241	120,310,000	66,833,353	(53,476,647)	32,191,112	93%	56%	4.9%
Cess	13,927,667	100,000,000	22,245,563	(77,754,437)	8,317,896	60%	22%	1.6%
Royalties	217,040,996	204,460,000	188,948,337	(15,511,663)	(28,092,659)	-13%	92%	13.9%
Stock/ Slaughter fees	3,875,685	23,000,000	11,235,679	(11,764,321)	7,359,994	190%	49%	0.8%
House Rent	17,991,218	70,000,000	20,306,877	(49,693,123)	2,315,659	13%	29%	1.5%
Advertising	104,967,636	100,000,000	95,703,056	(4,296,944)	(9,264,580)	-9%	96%	7.1%
Parking fees	277,001,387	330,100,000	253,340,376	(76,759,624)	(23,661,011)	-9%	77%	18.7%
Water and Sewerage		-	-	-	-			0.0%
Liquor Licensing	95,801,573	72,150,000	39,345,240	(32,804,760)	(56,456,333)	-59%	55%	2.9%
County Park Fees	73,400	750,000	17,000	(733,000)	(56,400)	-77%	2%	0.0%
Health fees and charges	84,207,827	120,350,000	59,454,302	(60,895,698)	(24,753,525)	-29%	49%	4.4%
Other Fees and Charges	225,962,553	150,680,000	89,852,238	(60,827,762)	(136,110,315)	-60%	60%	6.6%
Sub Total Local Sources	1,857,627,306	2,100,000,000	1,354,763,813	(745,236,187)	(502,863,493)	-27%	65%	100.00%
Facility Improvement Fund	957,002,225	1,000,000,000	1,085,902,884	85,902,884	128,900,659	13%	109%	
SUB TOTAL (AIA & Local Sources)	2,814,629,531	3,100,000,000	2,440,666,697	(659,333,303)	(373,962,834)	-13%	79%	

Source: Draft Nakuru County Financial Statement September, 2020

Table 4: Analysis of Local Revenue Performance From 2012/13-2019/20

FY	TARGET	ACTUAL	VARIANCE	PERCENTAGE OF ACHIEVEMENT
2012/2013	998,164,474	1,301,084,388	302,919,914	130%
2013/2014	2,554,738,273	1,372,049,460	(1,182,688,813)	54%
2014/2015	2,059,164,349	1,600,420,288	(458,744,061)	78%
2015/2016	2,361,149,689	1,780,654,967	(580,494,722)	75%
2016/2017	2,597,264,258	1,555,180,152	(1,042,084,106)	60%
2017/2018	2,500,000,000	1,682,970,850	(817,029,150)	67%
2018/2019	2,000,000,000	1,853,568,733	(146,431,267)	93%
2019/2020	2,100,000,000	1,354,763,813	(745,236,187)	65%
TOTAL	17,170,481,043	12,500,692,651	(4,669,788,392)	73%

Source: County Treasury

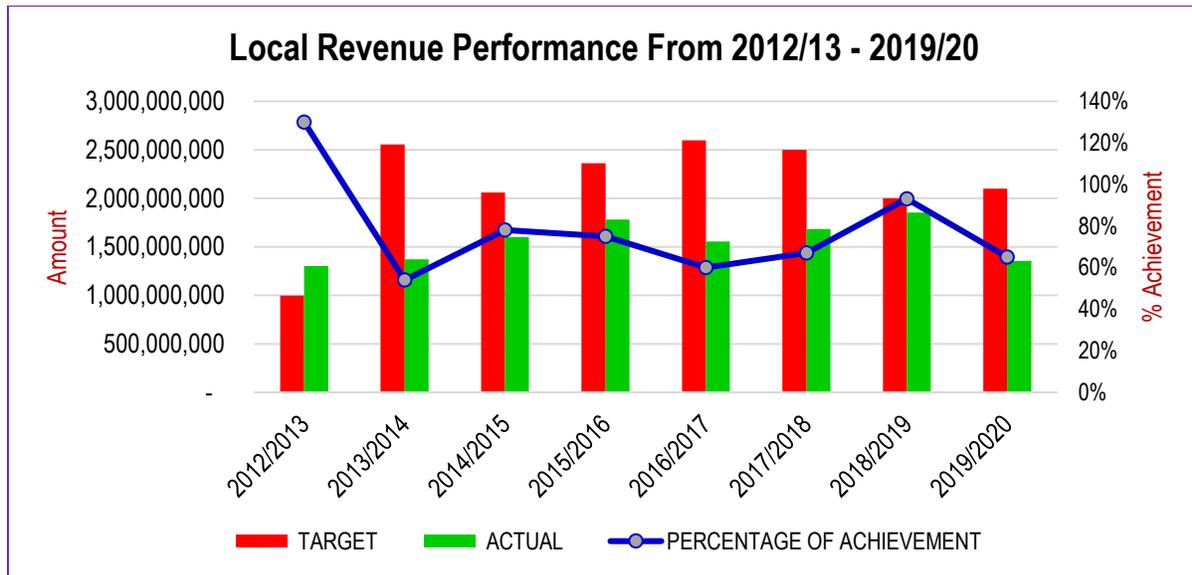


Figure 3: Local Revenue Performance From 2012/13-2019/20

Table 4 and Figure 3 above illustrate the County Government revenue performance excluding FIF. As shown FY 2012/13 and 2018/19 had the highest achievements against the target set. However, the performances have been going up and downs owing to various factors. Going forward the County Government will put in place measures for sustainable revenues performance.

APPROPRIATION IN AID

In the FY 2019/20 the Facility Improvement Fund had an actual allocation of Kshs. 1.085 billion against a target of Kshs. 1 billion. The County surpassed the collection by 85 million as indicated in Table 5 below. Improvement in revenue collection in FIF is attributed to continuous improvement in infrastructure development in the Health sector which has seen expansion of the major facilities. Further there has been an improvement in services delivery to citizens e.g. provision of comprehensive cancer care at PGH Nakuru.

Table 5: Appropriation in Aid (FIF)

REVENUE SOURCE	ACTUAL 2018/2019	TARGET 2019/2020	ACTUAL 2019/2020	VARIANCE	ANNUAL GROWTH	PERCENT OF ACHIEVEMENT	ANNUAL GROWTH IN PERCENTAGE
Facility Improvement Fund	957,002,225	1,000,000,000	1,085,902,884	85,902,884	128,900,659	109%	13%

Source: Draft Nakuru County Financial Statement September, 2020

Table 6: Analysis of Facility Improvement Fund Performance From 2013/14 - 2019/20

FY	TARGET	ACTUAL	VARIANCE	PERCENTAGE OF ACHIEVEMENT
2013/2014	522,000,000	424,485,122	(97,514,878)	81%
2014/2015	500,000,000	505,779,098	5,779,098	101%
2015/2016	550,000,000	514,680,179	(35,319,821)	94%
2016/2017	605,000,000	405,703,607	(199,296,393)	67%
2017/2018	611,050,000	597,551,764	(13,498,236)	98%
2018/2019	685,000,000	957,002,225	272,002,225	140%
2019/2020	1,000,000,000	1,085,902,884	85,902,884	109%
TOTAL	4,473,050,000	4,491,104,879	18,054,879	100%

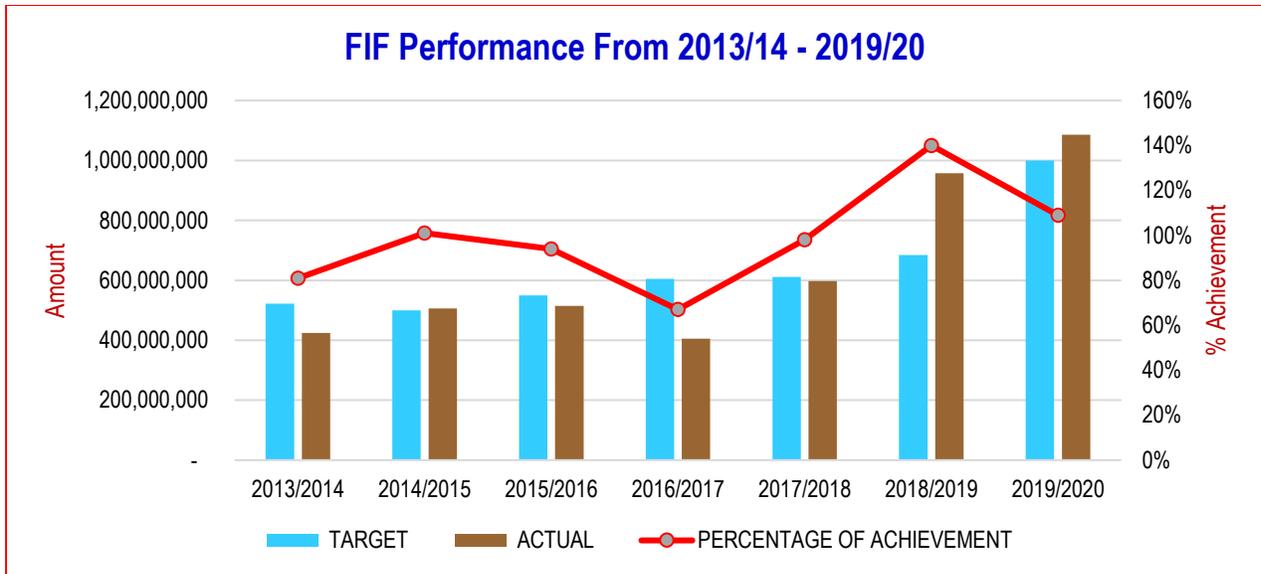


Figure 4: FIF Performance From 2013/14 - 2019/20

As illustrated in table 6 above, FIF has had a positive growth since 2017/18. This has seen the fund surpass the targeted revenues for the period 2014/15, 2018/19 and 2019/20. The achievement has been majorly due to improved infrastructure development in the health sector and improved services that seen increased services to the citizens of Nakuru County and neighbouring Counties.

County Expenditure Performance

The County's expenditure for the FY 2019/20 was Ksh 14.59 billion against a revised target of Ksh 21.95 billion, depicting an absorption rate of 66 percent. This represents an underspending of Ksh 7.36 billion, and a 34 percent deviation from the revised budget. The underspending is majorly attributable to lower absorption of development expenditure, including conditional grants.

The actual expenditure in nominal terms grew by 5 percent compared to the FY 2018/19, mainly accountable to improvement in development consumption by 58 percent. In absolute terms, the net growth in absorption was Ksh 2.03 billion.

The recurrent expenditure for the County Government amounted to Ksh 10.48 billion against a total target of Ksh 10.97 billion, out of which 935.28M was consumed by the County Assembly. This represents an underspending of Ksh 491 million, and an absorption rate of 96 percent. The underspending was mainly in compensation to employees.

Under the development budget, Ksh 4.11 billion was expended against a revised estimate of Ksh 10.98 billion. This represents an absorption rate of 37 percent of the planned expenditure. This was occasioned by the huge number of projects carried forward from the previous year, constraining the technical and fiscal capacities. Further, the presence of the COVID-19 pandemic during the last quarter of the financial year slackened the implementation of projects. Table 7 below shows the total County expenditure for FY 2019/2020 by economic classification.

Table 7: Expenditure Performance by Economic Classification

Economic Classification	ACTUAL 2018/2019	TARGET 2019/2020	ACTUAL 2019/2020	VARIANCE	PERCENTAGE GROWTH	BUDGET EXECUTION RATE	PERCENT OF TOTAL EXPND.
Current Expenditure							
Compensation of employees	5,989,957,706	6,439,361,092	6,021,620,723	(417,740,369)	1%	94%	41%
Use of Goods and Services	3,407,944,919	3,919,088,494	3,864,956,637	(54,131,857)	13%	99%	26%
Transfers to other Government entities (County Assembly)	551,729,063	611,856,599	592,685,546	(19,171,053)	7%	97%	4%
Other Grants and transfers							
Sub Total	9,949,631,688	10,970,306,185	10,479,262,906	(491,043,279)	5%	96%	72%
Capital Expenditure							
Acquisition of Non-Financial Assets	1,530,092,694	6,219,318,130	2,375,602,501	(3,843,715,629)	55%	38%	16%
Capital Grants to Governmental Agencies	918,009,568	4,482,643,154	1,509,296,549	(2,973,346,605)	64%	34%	10%
Other Development (County Assembly)	162,280,478	278,912,607	228,970,265	(49,942,342)	41%	82%	2%
Sub Total	2,610,382,740	10,980,873,891	4,113,869,315	(6,867,004,576)	58%	37%	28%
Grand Total	12,560,014,428	21,951,180,075	14,593,132,221	(7,358,047,854)	16%	66%	100%

Source: Draft Financial Statement Sept. 2020

Note: The balances carried over at the end of FY 2018/19 amounted Kshs 5.677 billion, crowding out the absorption capacity of budgeted funds in FY 2019/20. This was occasioned by late disbursement from exchequer and uncommitted project funds.

An analysis of departmental expenditure reveals that absorption rate was highest in the Public Service, Training and Devolution Department (102%) who overshoot their planned budget on compensation to employees. This was followed by the County Assembly (94%), Health (89%), County Treasury (88%), and Office of the Governor (89%).

The least absorption rates were registered in Nakuru Municipality (2%), Naivasha Municipality (3%), Lands Physical Planning and Housing (30%), Infrastructure (38%) and Water, Environment, Energy and Natural resources (39%).

Recurrent Expenditure

The actual recurrent expenditure stood at Ksh 10.48 billion, and its composition is further analysed under personnel costs, operation and maintenance hereunder;

1) Personnel Costs

Expenditure on personnel costs excluding casual wages in the FY 2019/20 amounted to Ksh 6.02 billion, against a revised estimate of Ksh 6.44 billion. This represents an underspending of Ksh 417.7 million.

The spending on personnel emoluments constituted of Ksh 5.68 billion by the Executive arm and Ksh 342.59 million by the County Assembly. Bulk of personnel emoluments belonged to the Health sector at over Ksh 3.4 Billion, whose wage bill has been rising significantly over the years due to annual recruitments, implementation of CBAs and natural increase.

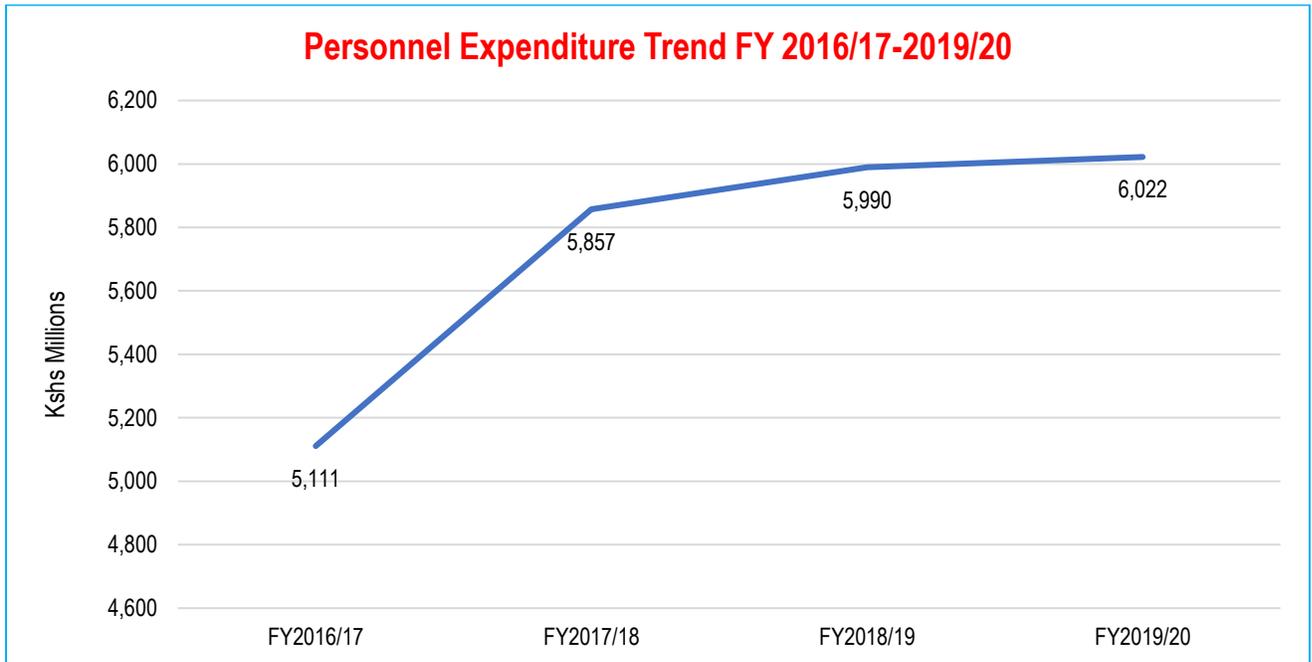
In the overall, there has been a continuous rise in the County Government's personnel cost obligations over the years, occasioned by a number of factors such as natural growth, implementation of phased harmonisation of salaries by SRC, CBAs, recruitments of additional personnel in health and education sectors among others.

The personnel expenditure registered an upward growth compared to the previous period, and contributed to 41 percent of the total County expenditures in the year under review. The growth was partially occasioned by reclassification of expenditures, such as contractual employees and casual wages from Use of goods and services, to personnel costs.

Nevertheless, there is still growing demand across County Departments and Entities for additional staffing occasioned by natural attrition, ageing workforce

imbalanced staffing between the managerial, technical and supportive cadres among others. This scenario calls for adoption of better staff planning and succession management practices.

Figure 5: Growth of Personnel Emoluments



Source: Draft Nakuru County Financial Statement Sept. 2020

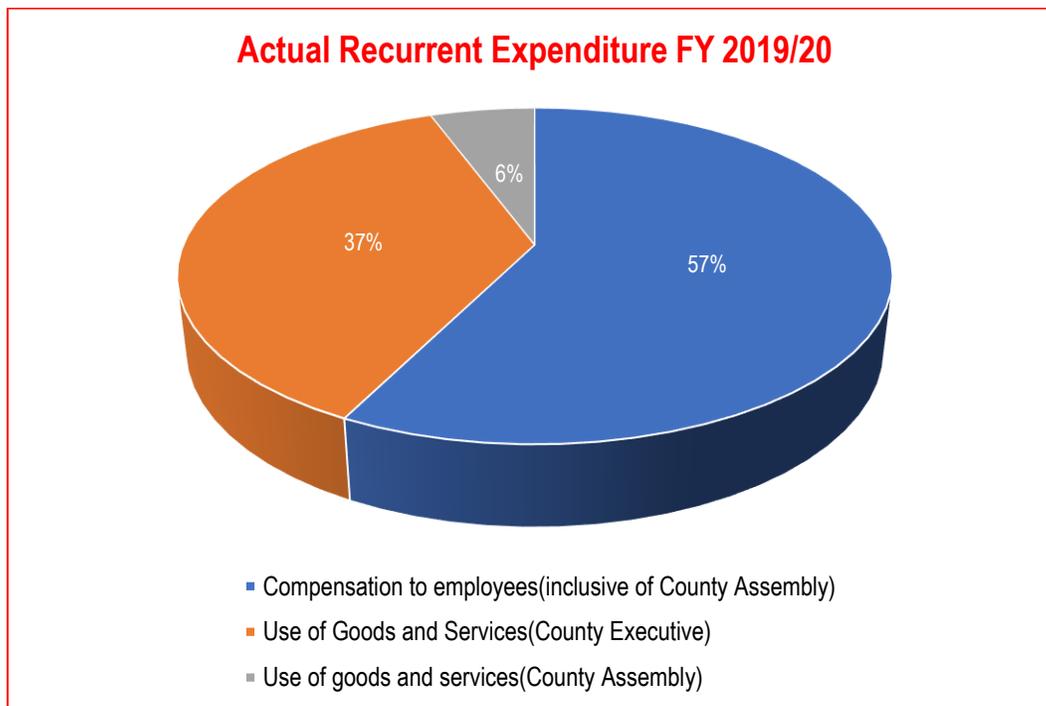
2) Operation and Maintenance Expenditure

For the period under review, operation and maintenance expenses for the County Government amounted to Ksh 4.46 billion against a target of Ksh 4.53 billion. This comprised Ksh 3.86 billion expenditure by the Executive arm and Ksh 592.7 million by the County Assembly, and represents an absorption rate of 98 percent of the planned expenditure. Further, this expenditure contributed to 31 percent of total County expenditure during the period under review.

In absolute terms, there was an increment in expenditure compared to the FY 2018/19 by Ksh 497.97 million, attributable to absorption by both the County Executive and the County Assembly.

Composition of recurrent expenditure in 2019/20 is depicted in the figure below:

Figure 6: Composition of Recurrent Expenses



Source: Nakuru County Treasury Sept. 2020

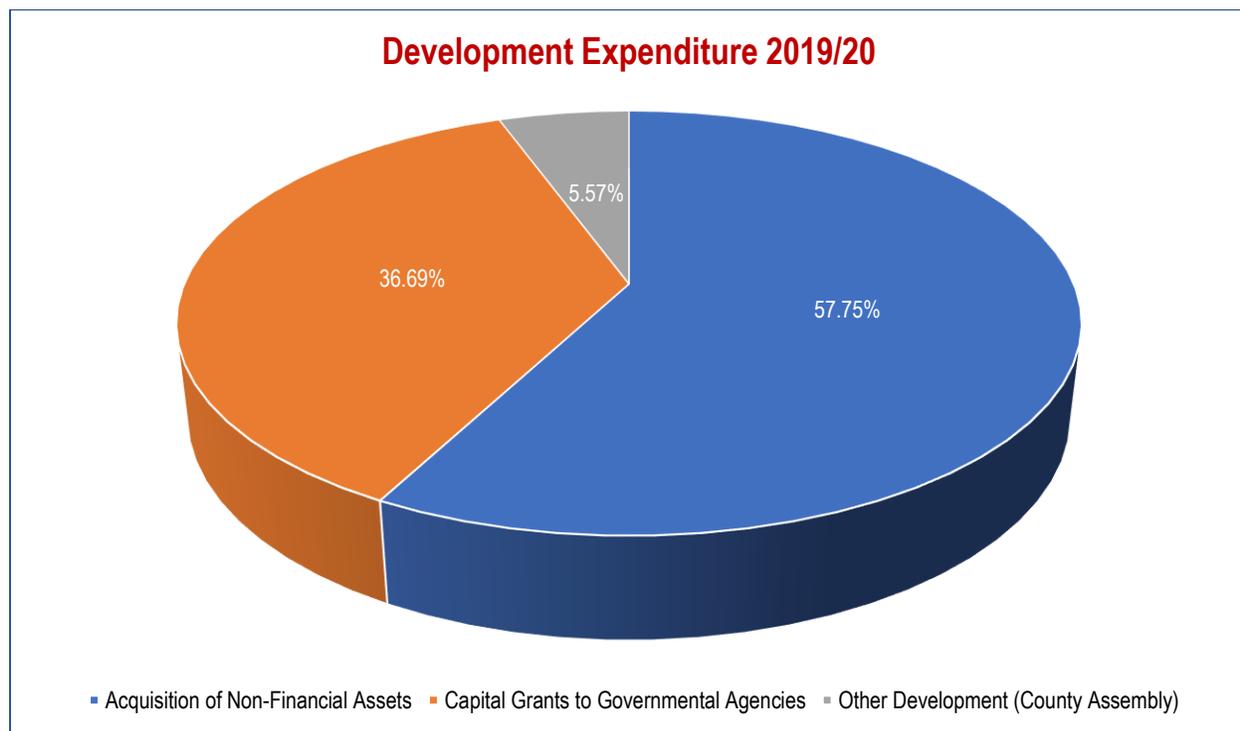
Development Expenditure

Development expenditure stood at Ksh 4.11 billion against a planned target of Ksh 10.98 billion. This represents an absorption rate of 37 percent, and an underspending of Ksh 6.87 billion. The year registered a significant growth in absorption of capital expenditure by Ksh 1.50 billion, from Ksh 2.6 billion in FY 2018/19 to Ksh 4.11 billion in 2019/20. Further, development expenses contributed to 28 percent of the total actual County expenditure in the year under review.

Out of the Ksh 4.11 billion, Ksh 1.51 billion was expended under conditional grants amounting to 5.57 percent. Departmental projects consumed 57.8 percent, and 5.6 percent by the County Assembly, both financed by equitable share and own source revenues.

The under-absorption rate of 63 percent is on account of both departmental projects funded under the equitable share and the donor funded projects, particularly the projects under Kenya Urban Support Programme. Both categories registered an absorption rate of 36 percent. The County Assembly registered a spending of 82 percent of the planned 278.9 million. The composition of actual expenditure is depicted in Figure 7 below.

Figure 7: Composition of Development Expenditure



The Departmental expenditure analysis reveals that highest absorption of development expenditure was attained by the County Assembly (82%), County Treasury (65%), Health (65%), Agriculture, Livestock and Fisheries (58%) and Trade (58%). The least spenders were Nakuru, Naivasha Municipal Boards, County Public service Board at zero (0) percent. Lands, Physical Planning and Housing; Water, Environment, Energy and Natural Resources; Office of the Governor; Infrastructure attained spending level below 30 percent.

The departmental expenditure analysis is outlined in Table 6 below;

Table 8: Departments Expenditure Performance for Period ending 30th June 2019

VOTE NO.	VOTE TITLE	Recurrent		Variance	Development		Variance	Total		Variance	Rate of Budget Execution (%)
		Actual 2019/20	Target 2019/20		Actual 2019/20	Target 2019/20		Actual 2019/20	Target 2019/20		
4561	Office of the Governor and Deputy Governor	328,612,102	335,824,259	(7,212,157)	25,184,560	124,744,644	(99,560,084)	353,796,662	460,568,903	(106,772,241)	77%
4562	County Treasury	1,210,507,568	1,260,192,383	(49,684,815)	285,174,463	439,809,057	(154,634,594)	1,495,682,031	1,700,001,440	(204,319,409)	88%
4563	County Public Service Board	40,823,752	62,708,804	(21,885,052)	-	1,817,929	(1,817,929)	40,823,752	64,526,733	(23,702,981)	63%
4574	Public Service, Training and Devolution	735,044,039	708,098,869	26,945,170	7,225,712	17,525,713	(10,300,001)	742,269,751	725,624,582	16,645,169	102%
4565	Health Services	5,151,982,255	5,359,455,043	(207,472,788)	1,034,169,593	1,585,575,224	(551,405,631)	6,186,151,848	6,945,030,267	(758,878,419)	89%
4566	Trade, Industry, Marketing and Tourism	118,347,735	136,936,225	(18,588,490)	248,149,659	427,217,032	(179,067,373)	366,497,394	564,153,257	(197,655,863)	65%
4567	Infrastructure	348,105,666	376,551,736	(28,446,070)	655,372,916	2,236,916,209	(1,581,543,293)	1,003,478,582	2,613,467,945	(1,609,989,363)	38%
4575	Education, Vocational training, ICT and E-Government	405,446,220	444,227,690	(38,781,470)	375,251,380	968,439,747	(593,188,367)	780,697,600	1,412,667,437	(631,969,837)	55%
4569	Agriculture, Livestock and Fisheries	521,353,366	566,578,822	(45,225,456)	452,659,133	783,023,950	(330,364,817)	974,012,499	1,349,602,772	(375,590,273)	72%
4570	Land, Physical Planning and Housing	130,062,537	139,161,130	(9,098,593)	348,160,365	1,441,520,582	(1,093,360,217)	478,222,902	1,580,681,712	(1,102,458,810)	30%
4576	Youth, Culture, Gender, Sports and Social Services.	252,403,692	263,950,039	(11,546,347)	59,716,545	172,076,446	(112,359,901)	312,120,237	436,026,485	(123,906,248)	72%
4572	Water, Environment, Energy and Natural Resources	275,397,490	293,289,441	(17,891,951)	393,834,724	1,418,451,450	(1,024,616,726)	669,232,214	1,711,740,891	(1,042,508,677)	39%
4577	Nakuru Municipality	14,020,930	30,056,254	(16,035,324)	-	740,767,800	(740,767,800)	14,020,930	770,824,054	(756,803,124)	2%
4578	Naivasha Municipality	11,877,169	30,056,254	(18,179,085)	-	344,075,500	(344,075,500)	11,877,169	374,131,754	(362,254,585)	3%
4573	County Assembly	935,278,385	963,219,236	(27,940,851)	228,970,265	278,912,607	(49,942,342)	1,164,248,650	1,242,131,843	(77,883,193)	94%
	TOTAL	10,479,262,906	10,970,306,185	(491,043,279)	4,113,869,315	10,980,873,890	(6,867,004,575)	14,593,132,221	21,951,180,075	(7,358,047,854)	66%

Source: Draft Nakuru County Financial Statement Sept. 2019

County Debt Management

A special audit was carried out by the Office of the Auditor General that classified pending bills into ineligible and eligible pending bills. The ineligible pending bills audited as at June 2018 amounted to Ksh 2 billion. With the recommendation of the Auditor General the Pending Bills Committee was gazetted on 25th October 2019 to look into all the pending bills. The Committee analysed all the pending bills and have so far reclassified ineligible pending bills amounting to 762 million as eligible and cleared them for payment. The Pending Bills Committee is however still verifying pending bills worth Ksh. 812 million.

The County has prioritized payment of the pending bills as per the Presidential directive. During the FY 2019/20 a total of Kshs. 160 million was spent under debt resolution. An amount of Kshs 180 million has been allocated in the FY 2020/21 for the payment of the pending bills.

The County Treasury will continue to implement the recommendations of the Pending Bills Committee in order to clear the outstanding pending bills. This is in addition to the recommendations detailed in the County Medium Term Strategy Paper prepared and submitted to the County Assembly as envisaged in Section 123 of the PFM Act, 2012.

Over the medium term, the County Government will continue to maintain a balanced budget with the revenue estimates equal to the expenditure. This will be done by ensuring realistic revenue projections, adhering to the PFM Act, 2012.

Overall Balance and Financing

Reflecting the above performance in revenue and expenditure, overall fiscal balance on a commitment basis (including FIF) was Kshs 5.6 billion for FY 2019/20 against the revised approved budget of Kshs 21.9 billion. Overall fiscal surplus/Deficit and after adjustment to cash basis totalled (Kshs 2.1 billion). The

deficit was financed through the reduction of uncommitted projects with the fiscal balance accounting for the projects rolled over to financial year 2020/21.

Continuing in Fiscal Discipline and Responsibility Principles

During the year under review the County Government allocated 50.02 percent towards development expenditure thereby attaining the minimum 30 percent requirement set out in the PFM Act Section 107. There was a slowdown in execution of development budget where 37 percent of the total capital budget was absorbed in FY2019/20 compared 32 percent in FY 2018/19.

The actual expenditure on compensation was 41 percent. This is still higher than the recommended ratio of 35 percent as set out in the PFM Regulations. Over the medium-term expenditure on salaries and wages will rise further on account of SRC recommendations for job evaluation and court determinations.

The County Government has continued in its commitment to maintain debt at sustainable levels as per the County Medium Debt Strategy pursuant to Section 123 of the PFM Act. During the year under review the County Government serviced debt amounting to 160 million and will continue to monitor and encourage financial discipline across all Departments to avoid further accumulation of pending bills by spending units.

Revenue performance in FY 2019/20 achieved 91 percent of the targeted forecast. The County Government will therefore continue to be more rational while projecting future revenue particularly putting into consideration past revenue trends and evaluation of new potential revenue streams.

III. RECENT ECONOMIC DEVELOPMENTS AND FISCAL OUTLOOK

The global outbreak of the COVID-19 pandemic and the resultant containment measure to reduce the spread is the most *significant* occurrence in the recent economic development. global economy and the free movement of labour, goods and services has been fundamentally disrupted. The slowdown has led to contraction global economy by 4.9 percent in 2020 from an actual target of 2.9 percent in 2019.

The Kenya economy operates under the same global environment and as such the short-term to medium term effects of COVID-19 have significantly impacted on the national economy. The national economy has expanded by 4.9 percent in the first Quarter of 2020 against a projected target of 5.5 percent. The overall national economy outlook for 2020 is expected to grow by on 2.6 percent compared with 6.1 percent projection in the Budget Policy Statement (BPS 2020).

Observing the linkages of the County Economy with Nairobi region and northern corridor transport route, the lockdown measures in the Nairobi metropolitan region disrupted the flow of goods and services into Nakuru County. As such the County suffered from the slowdown in business activities in the transport related sectors.

Generally, all major sectors contributing to the County economy have been negatively affected by the immediate impact of the COVID-19 containment measures. This included the following; Agriculture tourism, transport, manufacturing, finance and insurance among other sectors.

Based on the national statistics the value agriculture sector exports (significant of which that comes from Nakuru County in form of cut flowers) in the revealed a slump in the growth in the first Quarter of 2020.

Table 9: Sectoral GDP Performance

Sectors	Real GDP Growth by Sector					Sector Contributions to Real GDP				
	2016Q1	2017Q1	2018Q1	2019Q1	2020Q1	2016Q1	2017Q1	2018Q1	2019Q1	2020Q1
Primary Sector	3.7	4.1	6.6	4.6	5.1	1.0	1.1	1.8	1.3	1.4
Agriculture	3.6	4.0	6.7	4.7	4.9	1.0	1.1	1.8	1.2	1.3
Mining & Quarrying	5.8	5.6	3.1	1.4	9.5	0.1	0.1	0.0	0.0	0.1
Secondary Sector (Industry)	4.7	4.4	4.6	4.9	4.1	0.8	0.8	0.8	0.8	0.7
Manufacturing	1.4	1.9	3.2	3.5	2.9	0.2	0.2	0.3	0.3	0.3
Electricity & Water Supply	10.3	8.2	6.1	7.8	6.3	0.2	0.2	0.2	0.2	0.2
Construction	9.2	7.9	6.7	6.1	5.3	0.4	0.4	0.3	0.3	0.3
Tertiary Sector (Services)	6.8	6.1	6.2	6.4	5.4	3.1	2.9	2.9	3.0	2.6
Wholesale & Retail trade	2.9	3.5	5.6	6.3	6.4	0.2	0.2	0.4	0.4	0.4
Accommodation & Restaurant	8.3	24.0	13.3	11.0	(9.3)	0.1	0.3	0.2	0.2	(0.1)
Transport & Storage	8.2	7.8	6.5	6.4	6.2	0.5	0.5	0.4	0.4	0.4
Information and Communication	10.8	13.4	13.2	10.2	9.8	0.4	0.5	0.5	0.4	0.4
Financial & Insurance	7.8	3.9	4.0	6.3	6.0	0.5	0.2	0.2	0.4	0.4
Public Administration	6.0	2.6	5.5	8.9	6.7	0.2	0.1	0.2	0.3	0.2
Others	6.8	5.4	5.1	4.8	4.7	1.3	1.1	1.0	0.9	0.9
of which Real Estate	9.6	6.5	5.2	4.8	4.3	0.7	0.5	0.4	0.4	0.3
Taxes on Products	2.2	4.1	6.1	4.7	3.4	0.2	0.4	0.6	0.5	0.3
GDP at Market Prices	5.0	5.2	6.2	5.5	4.9	5.0	5.2	6.2	5.5	4.9
of which Non-Agriculture	6.1	5.9	6.0	5.9	5.2	3.8	3.8	3.8	3.8	3.3

Source of Data: Kenya National Bureau of Statistics

The County economy has experienced significant hit from the effects of COVID-19 due to its strong linkages with the export market. The County experienced huge worker lay-off in the export-oriented sectors including cut flowers, tourism and hospitality among other. In this regard the County prepared a supplementary budget in order to address the immediate humanitarian initiatives that included supply of food rations to the affected target group mainly in the Naivasha region.

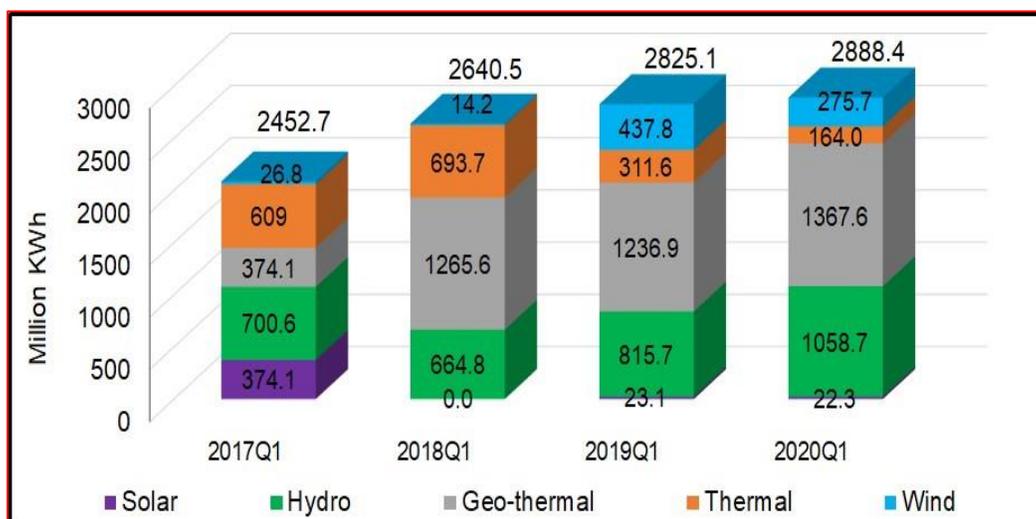
County Own Source Revenues (OSR) excluding Facility Improvement Fund (FIF) shrank by 25 percent up from Ksh 1.8 Billion in FY 2018/2019 to Ksh 1.35 Billion in 2019/2020. Nonetheless the FIF demonstrated strong resilience to rise by 13.4 percent from Ksh 957 million in FY 2018/2019 to Ksh 1.085 billion in 2019/2020 mainly on account of its direct linkage with health in the wake of COVID-19 response strategies.

In the period under review significant progress has been realised in the implementation of strategic national infrastructure within Nakuru County. This included the finalisation of Phase 2A of the Standard Gauge Railway, Establishment of the Naivasha Inland Container Terminal, approval for the

Construction of the Nakuru Airport. This critical infrastructure are expected to significantly but positively impact the local economy through increased

Nakuru County has significant geothermal energy potentials. So far the current geothermal (of 1236 million KWH) continues to contribute highest proportion on the national energy mix. Current geothermal productions (mainly exploited in Nakuru County) from approximately 27.6 percent in First Quarter of 2017 to approximately 47 percent in First Quarter of 2020. But despite the growing significance of the geothermal energy as a clean renewable energy, the County is still yet to benefit from this important natural resource as envisaged in the Energy Act 2019.

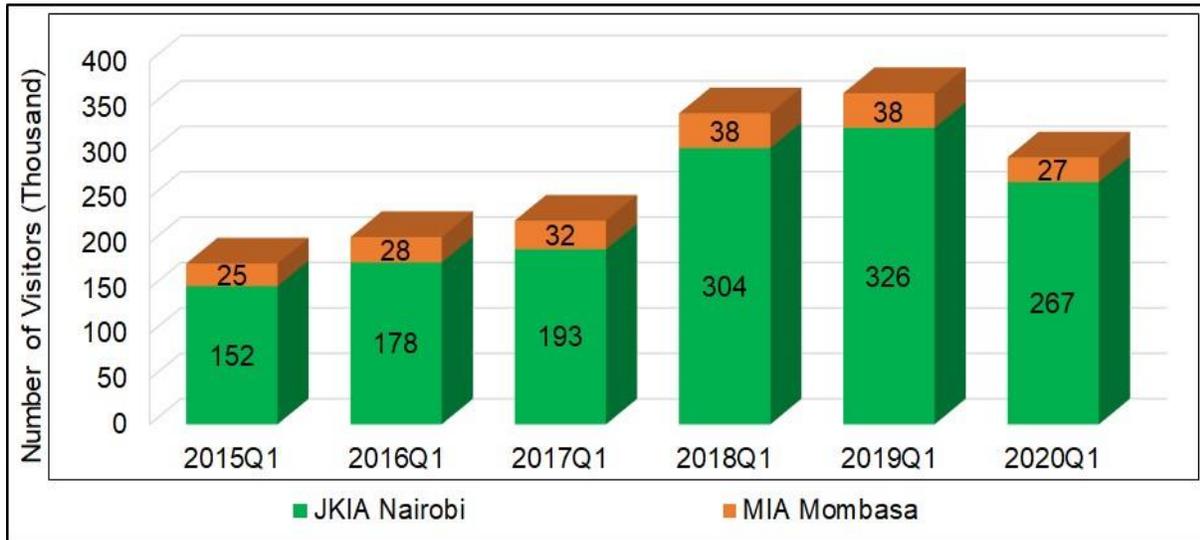
Figure 8: Local Electricity Generation



Source of Data: Budget Review and Outlook Paper 2020.

Observing the wide variety of flora and fauna, as well as national parks within Nakuru, the County is among the major destination in the national tourism circuit. As such the grounding of air transport and travel restriction occasioned by COVID-19 containment measures as well closure of hotels and restraints was a huge setback to the tourism sector which was on an upward trajectory before. Many livelihoods that depend on this sector were lost. From approximately 17,700 in First Quarter of 2015 to a high of 364,000 in First Quarter of 2020.

Figure 9: International Visitors Arrival



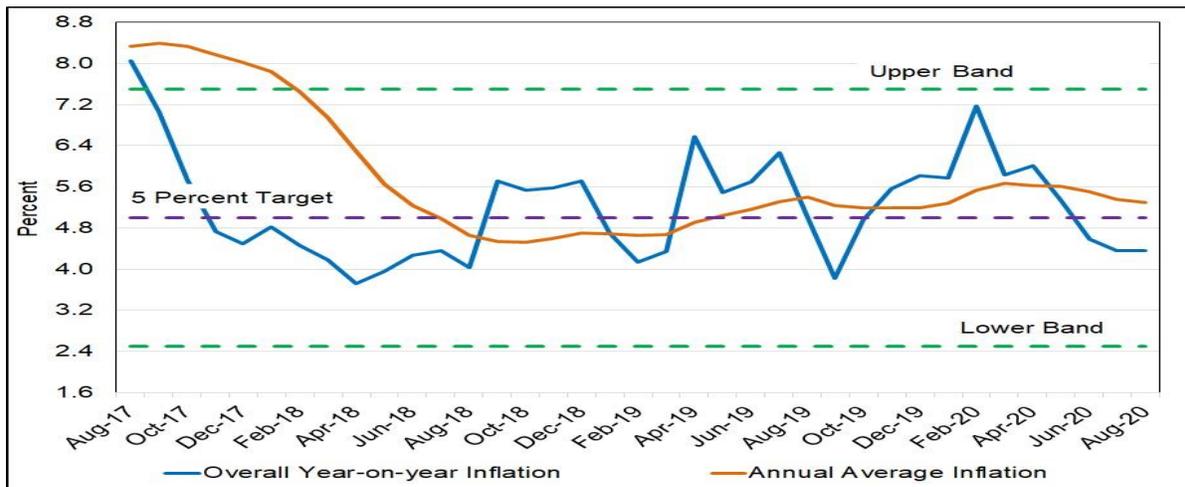
Source of Data: Kenya National Bureau of Statistics

Assessment of Macroeconomic Variability

Inflation Rate

The National inflation rate has a pointer on price variations locally and is an important consideration during arriving at final budget framework. Over the last 3-4 years have trends have revealed a stable inflation rate and within the medium-term target of 5 percent with a variability +/- 2.5. This subdued control of the rate of inflation demonstrates the continued effectiveness of the monetary policy of the Central.

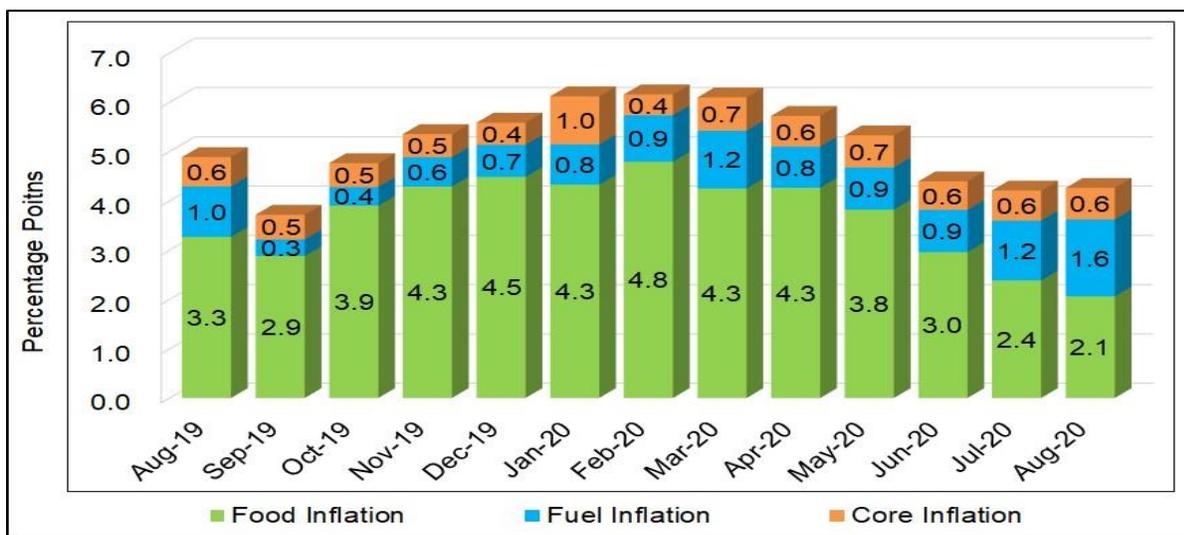
Figure 10: Inflation Rate (August 2017- August 2020)



Source of Data: Kenya National Bureau of Statistics

Further, food inflation emerged as the highest contributor of the general inflation rate. However, the consistency in favourable weather pattern over the past several seasons have continued to present an opportunity for improved food productivity. The declining demand for crude oil in the global market in the wake of COVID-19 and further focus in renewable energy potentials may have contributed to the declining significance of fuel inflation.

Figure 11: Main Contributors to Inflation

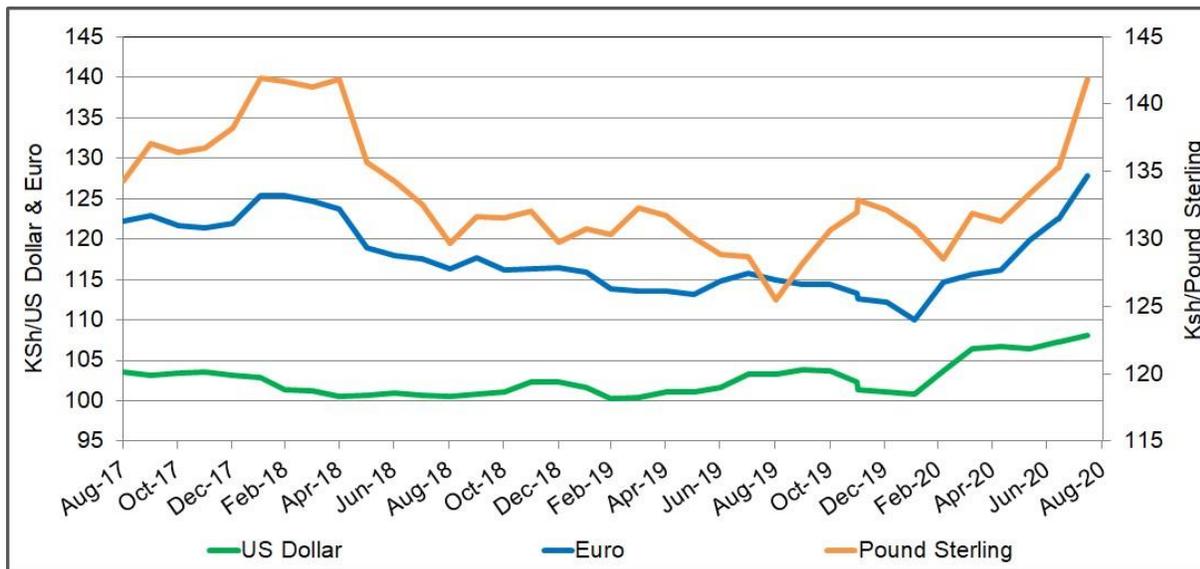


Source of Data: Kenya National Bureau of Statistics

Exchange Rate

Recently Forex Market has been dependent on diaspora remissions, improving exports and a strong CBK monetary policy outlook. However, and as expected, the volatility of the forex market has resulted from both endogenous and exogenous shocks of COVID-19 and a general strengthening of the US dollar. The Kenya Shilling has however remained stable among regional currencies. In this regard it expected to improve trade earnings from East African market and beyond. But reliance on imported goods and serviced by the County Government is likely to reduce the ability to maximize on economy on efficiency envisaged in the MTEF budget framework.

Figure 12: Kenya Shilling Exchange Rate

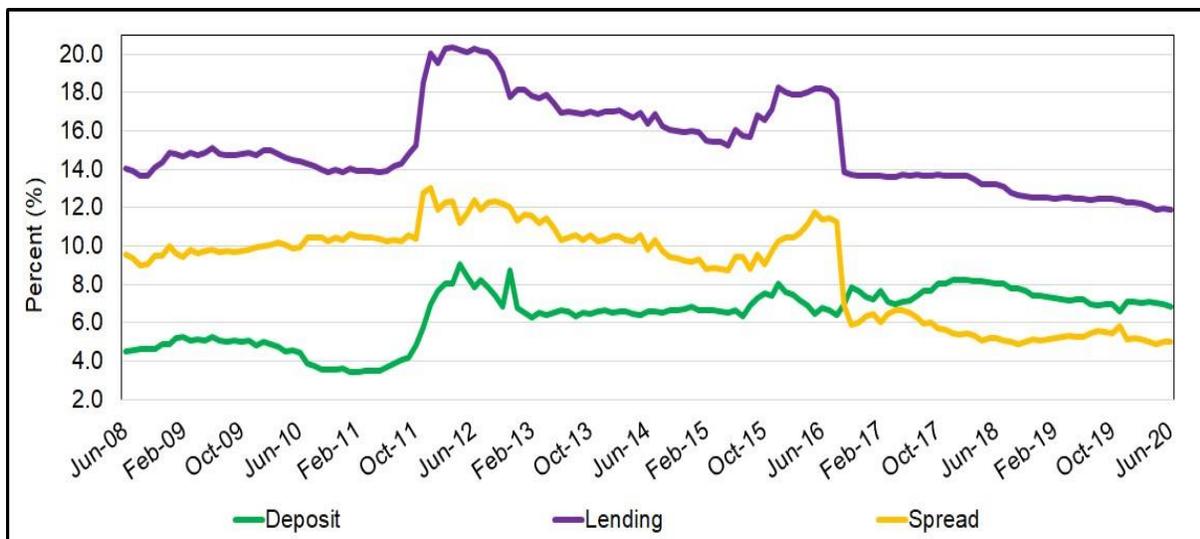


Source of Data: Central Bank of Kenya.

Interest Rates

The Central Bank lending rate has been maintained at 7.0 percent in the last two Quarterly Review by the Monetary Policy Committee. The general access to capital for investments by County business entities is largely dependent on the prevailing interest rates. Affordability to available credit schemes is critical for the recovery of the SMEs in order to realise envisaged recovery from the impacts of COVID-19 in the Medium term. The County Government has in the review period developed the Cooperative and the Enterprise Funding Act to further improve access to capital by County SMEs.

Figure 13: Commercial Bank Rates, Percent



Source of Data: Central Bank of Kenya Money and Credit

Medium Term Economic Outlook

Global and Regional Outlook

The global economy was significantly affected by adverse effects of COVID-19 containment measures. The global economies will contract by approximately 4.9 percent in 2020 up from 2.9 percent growth in 2019. The forecasted outlook reveals a strong recovery in the global economy in 2021 with a projected expansion of 5.4 percent buoyed by increased consumption and investment.

The major world economies in Asia, Europe and North America are expected to contract by about 10 percent in 2019 and strong recovery by approximately 6.1 percent in 2021. Sub-Saharan regional economies are expected to also strongly by approximately 3.4 percent in 2021. This positive global outlook is expected to favour Nakuru County export-oriented sectors like agriculture, transport and tourism.

National/Domestic Outlook

The national economy had demonstrated strong resilience in pre- COVID-19 period despite the unattractive global macro environment buoyed by a favourable weather conditions for Agriculture sector. GDP expanded by 4.9 percent in the Quarter of 2020.

Although the second Quarter performance is expected to suffer from the immediate effects of COVID19, the latest economic indicators point to direction of continued positive growth in Agriculture, which is one of the priorities in the national Big Four agenda. The national economic outlook envisages a strong recovery of with a projected national economic growth of 5.3 percent in 2021 and 5.9 over the medium-term period.

The County will continue to hedge expected national improvements in the productive sectors such as agricultures, construction and manufacturing. Further better performance of the national economy has a direct linkage in the

mobilisation of the nationally revenues which in turn impacts on the horizontal division of revenues.

Monetary and Fiscal Outlook

Observation from the recent economic developments has revealed the effectiveness of monetary policy amid a turbulent forex market and strong US dollar in the wake of COVID-19 disruptions. Lending in the local market has revealed consistency in the interest rate.

National monetary policy outlook reveals more stability in targets for inflation rate, on the basis of better agriculture sector performance and the subdued oil market prices. This outlook favours the County economic recovery strategy which is hedged on stability in the cost of capital and access to the same by SMEs and other business entities.

The implementation of the Ksh 53 billion National economic recovery stimulus package for COVID-19 by the National Government in the current fiscal year is further expected to inject the much-needed cash into the economy and further promote the recovery of the SMEs who are part of the target group ESP.

Current National Government development initiatives within Nakuru County include the operationalisation of Standard Gauge Railway (SGR) phase 2A, establishment of the Naivasha Inland Container Terminal and the development of the proposed industrial park, and the Construction of the phase one of the Nakuru Airport. The finalisations of these major development infrastructure are likely to stimulate local economy and create positive externalities that over the medium-term period. To this end the County will leverage on the multiplier effect of the National development interventions through creating synergies.

County Fiscal Outlook (Revenue and Expenditure)

The County Government fiscal framework will be guided by the projected recovery of the County economy and expected improvements in the national transfers as a result of the recently passed horizontal revenue allocation formula. In the current fiscal year, the County deviated from its stated financial objectives due to the disruptions of COVID-19.

Nakuru County projects that during the 2021/2022 national transfers to increase by Ksh. 2.5 billion a growth of approximately 24 percent based on the recent agreed County Allocation Revenue Bill 2020. On the other hand, the County Own Source Revenues are expected to slowly recover in 2021 and beyond but the County is also adopting a more cautious approach as 2022 planned elections approaches. Formulation of the County finance bill 2020 and beyond will largely focus promoting recovery of the most business promises in the recent developments.

Further FY 2021/2022 will mark the finalisation of ongoing investment in physical infrastructure and other flagship programmes/projects earmarked in the CIDP 2018-2022. This expansionary model in development of fiscal infrastructure is expected to increase access social infrastructure particularly in health and education.

Further investment in other selected physical infrastructure (e.g. roads, transport, public works and market infrastructure) will lead into the realisation of the development transformation envisaged in the medium-term Integrated planning period (CIDP 2018-2022).

As explained above the County Government has received more than Ksh. 2.2 billion in form of conditional grants mainly from World Bank. The County remains upbeat that the favourable factors that include prudence in public resource management and creating an enabling environment for external development partnership in bridging the budget gaps.

Risk to Fiscal Outlook

- **Pending Bills;** the delivery of County public goods and services is largely achieved through prequalified suppliers and contractors. Over the recent period the County pending bills has continued to accumulate to approximately Ksh. 1.574 billion as at June 2020 partly due to system inefficiency. The failure to promptly meet the financial obligations to its suppliers and contractors exposes the County to reputational risk as a poor debtor to its suppliers.
- **Budget Credibility;** Over the period 2018/2019 -2019/2020 the County Government has record below per performance in budget execution resulting into carrying forward funds to subsequent financial years and delays in actualisation of planned development interventions. In this regard the realisation of the targets set in the approved estimates and the realisation of the stated financial objectives are put into question.
- **Wage bill Constraints;** the Public Financial Management (County Government) Regulations prescribe that allocations for County Salaries and Wages should not exceed 35 percent. However, the County wage bill has continued to rise in absolute terms to reach Ksh. 6.9 billion in FY 2020/2021 due to implementation of planned recruitments and employee promotions based on existing Collective Bargaining Agreement. If left unchecked, the continued rise in personnel expenditure will affect the County ability to meet its financial obligations in other core expenditure areas.
- **Political Risk;** the economic assumptions underpinning the Medium-Term Expenditure Framework (MTEF) and the fiscal forecast is further founded on stability in the political administration. The level of uncertainty and political mobilisation seen in past general elections may negatively affect fiscal forecast as the Country approach the 2022 general elections.

IV. RESOURCE ALLOCATION FRAMEWORK

Adjustment to 2020/21 Budget

The Medium-Term Expenditure Framework (MTEF) is aimed at ensuring efficiency and effectiveness in resource allocation and expenditure, improvement in revenue collection and mitigation measures undertaken to reduce the impact of COVID-19 pandemic to the Economy. Further, during this MTEF period the County Government will continue to advance the implementation of the Big Four Agenda, Medium Term Plan III and programmes and projects planned in the CIDP 2018-2022 as well as the Governor's manifesto.

The underperformance in both revenue collection and expenditure in the FY 2019/20 has implications on the financial objectives outlined in the County Fiscal Strategy Paper 2020 and the 2020/21 Budget. In this regard, the baseline for projecting both the revenue and expenditures for the FY 2020/21 and the medium term has changed given the outcome of actual revenue collection for FY 2019/20.

Owing to the prolonged effects of COVID 19 Pandemic that has forced closure of some businesses e.g. Bars, night clubs and restricted movement of goods due to enforcement of curfew, reduced incomes and loss of livelihoods has greatly affected revenue performance. Thus, the revenue projection has been revised downwards and reallocation done to more critical areas.

Given the OSR performance in FY 2019/20, the FY2020/21 projection for the local sources of revenue are projected at Kshs. 1.8 billion. However, the FIF has been increasing, thus the allocation to FIF has been revised upwards to 1.4 billion in the approved budget.

The expenditure projection for the FY2020/21 will be revised to reflect additional funding arising after the revision of CARA 2020 that was approved late after protracted delay in the Senate due to the deliberation on the third-generation formula for revenue sharing among Counties.

Medium-Term Expenditure Framework

The Government will continue with its policy of expenditure prioritization with a view to achieving the transformative development agenda which is anchored on provision of core services, ensuring equity and minimizing costs through the elimination of duplication and inefficiencies, implementation of the Constitution, creation of employment opportunities and improving the general welfare of the people. Realization of these objectives will have implications in the budget ceilings to be provided in this Budget Review and Outlook Paper. The following criteria will serve as a guide for allocating resources:

- i. Linkage of Programmes to the 'Big Four' Agenda either as drivers or enablers;
- ii. Linkage of the programmes with the objectives of Third Medium-Term Plan of Vision 2030;
- iii. Linkage of the programmes with the objectives of the CIDP 2018-2022 Annual Development Plan 2021/2022 and Integrated Development Plans for Urban areas 2019-2023;
- iv. The programmes should address the core mandates of the respective County entities and geared towards achievement of the Governor's Manifesto.
- v. The programmes should be cost effective and sustainable.

The Own Source Revenue (OSR) contributes to 12.3 percent of the total revenue receipts. During the medium term, the County Government will institute measures geared towards improved revenue collection. These will include; enactment of relevant revenue laws, fast tracking the finalization and implementation of the Valuation Roll, carry out revenue mapping and revamping the revenue collection system.

The table below provides the tentative projected baseline expenditure ceilings for the 2021/22-2023/24 MTEF, classified by Sectors for actualization of the strategies aforementioned.

Table 10: Medium Term Sector Ceilings 2021/22 - 2023/24

	SECTOR		APPROVED ESTIMATES FY2020/2021	CBROP TOTAL CEILINGS	PROJECTIONS		% of Total Expenditure (CBROP)		
				2021/2022	2022/2023	2023/2024	2021/2022	2022/2023	2023/2024
1	Agriculture Rural and Urban Development	Sub Total	2,308,795,775	1,323,684,054	1,456,052,459	1,601,657,705	7.6%	7.6%	7.6%
		Recurrent Gross	676,555,697	786,647,853	865,312,639	951,843,902	6.7%	6.7%	6.7%
		Development Gross	1,632,240,078	537,036,201	590,739,821	649,813,803	9.6%	9.6%	9.6%
2	Education	Sub Total	1,155,445,718	802,063,599	882,269,958	970,496,954	4.6%	4.6%	4.6%
		Recurrent Gross	466,163,766	619,552,105	681,507,315	749,658,047	3.6%	3.6%	3.6%
		Development Gross	689,281,952	182,511,494	200,762,643	220,838,908	1.1%	1.1%	1.1%
3	Social Protection, Culture and Recreations	Sub Total	408,279,638	472,988,453	520,287,298	572,316,028	2.7%	2.7%	2.7%
		Recurrent Gross	241,225,042	301,537,883	331,691,671	364,860,838	1.7%	1.7%	1.7%
		Development Gross	167,054,597	171,450,570	188,595,627	207,455,190	1.0%	1.0%	1.0%
4	Energy, Infrastructure and ICT	Sub Total	2,675,698,434	1,095,517,433	1,205,069,177	1,325,576,094	6.3%	6.3%	6.3%
		Recurrent Gross	403,606,020	505,741,207	556,315,328	611,946,861	2.9%	2.9%	2.9%
		Development Gross	2,272,092,414	589,776,226	648,753,849	713,629,233	3.4%	3.4%	3.4%
5	Environment Protection, Water and Natural Resources	Sub Total	1,404,784,151	530,506,623	583,557,285	641,913,014	3.1%	3.1%	3.1%
		Recurrent Gross	279,458,650	340,630,753	374,693,828	412,163,211	2.0%	2.0%	2.0%
		Development Gross	1,125,325,501	189,875,870	208,863,457	229,749,803	1.1%	1.1%	1.1%
6	General Economics and Commercial Affairs	Sub Total	362,868,747	377,340,294	415,074,324	456,581,756	2.2%	2.2%	2.2%
		Recurrent Gross	137,277,999	186,582,394	205,240,634	225,764,697	1.1%	1.1%	1.1%
		Development Gross	225,590,748	190,757,900	209,833,690	230,817,059	1.1%	1.1%	1.1%
7	Health	Sub Total	6,822,878,221	6,479,234,901	7,127,158,391	7,839,874,230	37.4%	37.4%	37.4%
		Recurrent Gross	5,278,845,780	5,631,966,274	6,195,162,901	6,814,679,192	32.5%	32.5%	32.5%
		Development Gross	1,544,032,440	847,268,627	931,995,489	1,025,195,038	4.9%	4.9%	4.9%
8	Public Administration and National/ Inter County Relations	Sub Total	4,865,730,580	6,223,749,760	6,846,124,736	7,530,737,209	36.0%	36.0%	36.0%
		Recurrent Gross	2,998,915,737	3,314,799,410	3,646,279,351	4,010,907,286	19.2%	19.2%	19.2%
		Development Gross	1,866,814,843	2,908,950,350	3,199,845,385	3,519,829,924	16.8%	16.8%	16.8%
TOTAL		Total Recurrent Gross	10,482,048,690	11,687,457,879	12,856,203,667	14,141,824,033	67.5%	67.5%	67.5%
		Total Development Gross	9,522,432,574	5,617,627,237	6,179,389,961	6,797,328,957	32.5%	32.5%	32.5%
		GRAND TOTAL	20,004,481,264	17,305,085,116	19,035,593,628	20,939,152,990	100.0%	100.0%	100.0%

Budget Framework FY2021/2022

Revenue Projections

Revenue forecast for FY 2021/22 including Appropriation In Aid will rise by approximately 19 percent to Ksh 17.305 billion compared to CFSP 2020 revenue forecast. This is in account of implementation of the third-generation revenue sharing formula. The national transfers in form of equitable share of revenue and conditional grants are projected to rise by 27 percent to Ksh 14.205 billion. Summaries for both own source revenue and national transfers forecast over the medium-term period have been presented in **Annex I** of this document.

Equitable share of revenue constitutes the largest share of total County receipts at 75 percent. Conditional grants are projected at Ksh. 1.228 billion. County own source revenues for FY2021/22 will be maintained at Ksh 3.1 billion. Facility Improvement Fund (FIF), a form of Appropriation in Aid, is projected at Ksh 1.3 billion in FY2020/2021 with local revenue projection standing at Ksh. 1.8 billion. The County's efforts through various economic stimulus initiatives and the Post Covid-19 Economic Recovery Strategy to stimulate and sustain economic activities, mitigate the impact of COVID-19 pandemic to the local economy and re-position the County on a steady and sustainable growth trajectory coupled with reforms in local revenue administration by the County Government are expected to strengthen local revenue performance.

Expenditure Projections

To achieve a balanced budget, the County Government has projected that overall expenditure will equal the forecasted County receipts for FY 2021/2022. In this regard the County Government total expenditure will stand at Ksh 17.305 billion in the FY 2021/2022. Compensation to employees will account for 37 percent of the total County budget approximately Ksh 6.5 billion. However, this proportion of the County wage bill is still way above the envisaged level of 35

percent of total revenues as recommended in section 25 of the PFM (County Government Regulations) 2015.

The marginal growth in County allocation for salaries and wages is mainly on account of reorganization of personnel component and inclusion of contractual and casual expenditure, natural rise in annual increments. The actual personnel allocations shall be firmed up after finalisation of the County personnel budget. Allocation for other recurrent expenditures will increase by approximately 12 percent. An emergency allocation of Ksh 70 Million has been provided for under Office of the Governor to cater for County unforeseen expenditure pursuant to Section 110 of the PFM Act 2012. Counterpart funding (shilling to shilling matching) of Ksh. 66m has also been provided for in Department of Education and Vocational Training for Vocation Training Centres to match the development Conditional allocation of Ksh. 66m as per current capitation and in keeping with the grant requirements.

The County allocation for development expenditure has risen from 30 percent to 32.4 percent in FY 2021/2022 excluding balances carried forward. Total County development expenditure will reach Ksh 5.617 billion up from Ksh 4.350 billion in the FY2020/2021 CFSP projections. Conditional grants will account for Ksh 1.273 billion of the development expenditure or 23 percent of the Development expenditure. Nakuru and Naivasha Municipalities have been allocated Ksh. 200m from exchequer releases for programmes and projects within the two Municipalities. This is to ensure programmes already in place are sustained even after the lapse of the UDG donor grant. The Nakuru County Revenue Allocation Act provides for allocation of not less than 45 of development excluding conditional grants. The proposed allocation to the 55 Wards in FY 2021/2022 has been set at Ksh. 1.7 billion which translates to 47% of the equitable share of development expenditure.

The expenditure allocations are available in **Annexes III to V**.

V. CONCLUSION AND NEXT STEP

The COVID-19 pandemic and the containment measures has led to contraction of the economy disrupting businesses including international trade and leading to loss of livelihoods for many people. The resultant effects of the pandemic have also seen a slow-down in business activities and by extension revenue collection. To cushion businesses and County residents from the adverse effects of Covid-19 Pandemic and stimulate economic recovery, the County will continue to implement measures and programmes geared towards economic recovery and business stimulation.

As budgetary resources are finite, it is critical that SWGs and Ministries prioritize their programmes within the available ceilings to ensure that uses of public funds are in line with County Government priorities. There is also need to ensure that current resources are being utilized efficiently and effectively before funding is considered for programmes. SWGs need to carefully consider detailed costing of projects, strategic significance, deliverables (output and outcomes), alternative interventions, and administration and implementation plans in allocation resources.

The policies and sector ceilings annexed herewith will guide the County Sector Working Groups and Line Ministries in preparation of the 2021/22 budget.

ANNEXES

ANNEX I: County Government of Nakuru Operations FY 2021/2022 - 2023/2024

IFMIS CODE	REVENUE SOURCE	APPROVED ESTIMATES	CBROP	PROJECTIONS		ANNUAL GROWTH	% GROWTH		
		2020/2021	2021/2022	2022/2023	2023/2024		2021/22	2022/23	2023/24
1520101	Property tax (Plot rent and Land rates)	289,390,000	289,390,000	303,859,500	319,052,475	-	0.0%	5.0%	5.0%
1520201	Trade License	330,000,000	330,000,000	346,500,000	363,825,000	-	0.0%	5.0%	5.0%
1550101	Market Fees	87,220,000	87,220,000	91,581,000	96,160,050	-	0.0%	5.0%	5.0%
1590112	Building Approval	90,000,000	90,000,000	94,500,000	99,225,000	-	0.0%	5.0%	5.0%
1520325	Cess	50,000,000	50,000,000	52,500,000	55,125,000	-	0.0%	5.0%	5.0%
1530301	Royalties	184,460,000	184,460,000	193,683,000	203,367,150	-	0.0%	5.0%	5.0%
1580401	Stock/ Slaughter fees	25,000,000	25,000,000	26,250,000	27,562,500	-	0.0%	5.0%	5.0%
1560101	House Rent	50,000,000	50,000,000	52,500,000	55,125,000	-	0.0%	5.0%	5.0%
1590132	Advertising	100,000,000	100,000,000	105,000,000	110,250,000	-	0.0%	5.0%	5.0%
1550221	Parking fees	300,000,000	300,000,000	315,000,000	330,750,000	-	0.0%	5.0%	5.0%
1420223	Liquor Licensing	72,150,000	72,150,000	75,757,500	79,545,375	-	0.0%	5.0%	5.0%
1530331	County Park Fees	750,000	750,000	787,500	826,875	-	0.0%	5.0%	5.0%
1530331	Water And Sewerage			-	-	-			
1580111	Health fees and charges	100,350,000	100,350,000	105,367,500	110,635,875	-	0.0%	5.0%	5.0%
1540105	Other Fees and Charges	120,680,000	120,680,000	126,714,000	133,049,700	-	0.0%	5.0%	5.0%
	Sub Total Local Sources	1,800,000,000	1,800,000,000	1,890,000,000	1,984,500,000	-			
1580211	Facility Improvement Fund	1,400,000,000	1,300,000,000	1,339,000,000	1,379,170,000	(100,000,000)	-7.1%	3.0%	3.0%
	SUB TOTAL (AIA & Local Sources)	3,200,000,000	3,100,000,000	3,229,000,000	3,363,670,000	(100,000,000)	-3.1%	4.2%	4.2%
9910201	Balance in County Revenue Fund	5,624,403,839				(5,624,403,839)	-100.0%		
1580211	Balance in Facility Improvement Fund (FIF) Account	202,942,308				(202,942,308)			
1310101	Donor Grants (DANIDA)	29,790,000	29,790,000	32,769,000	36,045,900	-	0.0%	10.0%	10.0%
1310102	Loans and Grants CRA			-	-	-		0.0%	0.0%
1310101	Symbiocity Programme								
1330203	Kenya Devolution Support Program (KDSP) Level I	45,000,000	45,000,000	49,500,000	54,450,000	-	0.0%	0.0%	0.0%
1330203	Kenya Devolution Support Program (KDSP) Level II			-	-	-	0.0%	0.0%	0.0%

IFMIS CODE	REVENUE SOURCE	APPROVED ESTIMATES	CBROP	PROJECTIONS		ANNUAL GROWTH	% GROWTH		
		2020/2021	2021/2022	2022/2023	2023/2024		2021/22	2022/23	2023/24
1310102	World bank National Agricultural and Rural inclusive growth Projects (NARIGP)	198,441,600	198,441,600	218,285,760	240,114,336	-		0.0%	0.0%
1310102	Agricultural Sector Development Support Projects (ASDSP)	14,171,667	14,171,667	15,588,834	17,147,717	-		0.0%	0.0%
1330104	Conditional Allocation to compensate Forgone user fees	38,723,265	38,723,265	42,595,592	46,855,151	-	0.0%	0.0%	0.0%
1330302	Conditional Fund -Kenya Urban Support Project (KUSP) - Urban Development Grant			-	-	-		0.0%	0.0%
1330399	Conditional Fund -Kenya Urban Support Project (KUSP) - Urban Institutional Grant			-	-	-		0.0%	0.0%
1330104	Conditional Fund -Leasing of Medical Equipment	132,021,277	132,021,277	145,223,405	159,745,745	-	0.0%	0.0%	0.0%
1330104	Conditional Fund -Free Maternal Health			-	-	-			
1330102	Road Maintenance Fuel Levy Fund (RMFLF)	290,544,581	290,544,581	319,599,039	351,558,943	-	0.0%	10.0%	10.0%
1330104	Conditional Allocation For Level 5 Hospital	373,872,832	373,872,832	411,260,115	452,386,127	-	0.0%	10.0%	10.0%
1310102	World Bank THS-UC Conditional allocation	40,080,000	40,080,000	44,088,000	48,496,800	-			
9910201	Conditional Allocation for Rehabilitation of Youth Polytechnics	66,289,894	66,289,894	72,918,883	80,210,772				
9999999	C.R.A Equitable Share	9,748,200,000	12,976,150,000	14,273,765,000	15,701,141,500	3,227,950,000	33.1%	10.0%	10.0%
	SUB TOTAL	16,804,481,264	14,205,085,116	15,625,593,628	17,188,152,990	(2,599,396,148)	-15.5%	40.0%	40.0%
	GRAND TOTAL	20,004,481,264	17,305,085,116	18,854,593,628	20,551,822,990	(2,699,396,148)	-13.5%	44.2%	44.2%
	Allocation For Ward Projects								
	Total Development Budget	9,522,432,574	5,617,627,237	6,179,389,961	6,797,328,957	(3,904,805,336)	-41.0%	10.0%	10.0%
	<i>Less Development Conditional Grant</i>	1,519,339,019	1,273,500,869	1,400,850,955	1,540,936,051	(245,838,150)	-16.2%	10.0%	10.0%
	<i>Debt Resolution</i>	180,000,000	500,000,000	550,000,000	605,000,000	320,000,000	177.8%	10.0%	10.0%
	<i>Ongoing Projects</i>	6,308,328,347		-	-	(6,308,328,347)	-100.0%	0.0%	0.0%
	<i>Nakuru & Naivasha Municipalities</i>		200,000,000	220,000,000	242,000,000	200,000,000	100.0%	10.0%	10.0%
	Equitable Allocation	1,514,765,207	3,644,126,369	4,008,539,005	4,409,392,906	2,129,361,161	140.6%	10.0%	10.0%
	<i>County Assembly HQ Development</i>	200,000,000	80,000,000	88,000,000	96,800,000	(120,000,000)	-60.0%	0.0%	0.0%
	<i>Flagship HQ development</i>	498,765,207	1,944,126,369	2,050,539,005	2,255,592,906	1,365,361,161	0.0%	0.0%	-
	45% of Equitable Allocation for Ward Projects	816,000,000	1,700,000,000	1,870,000,000	2,057,000,000	884,000,000	108.3%	10.0%	10.0%

IFMIS CODE	REVENUE SOURCE	APPROVED ESTIMATES	CBROP	PROJECTIONS		ANNUAL GROWTH	% GROWTH		
		2020/2021	2021/2022	2022/2023	2023/2024		2021/22	2022/23	2023/24
	Expenditure:								
	Current Expenditure:								
	Compensation to Employees	6,928,317,971	6,552,588,959	7,142,321,966	7,785,130,942	(375,729,012)	-5.4%	0.0%	0.0%
	Use Of Goods And Services	3,061,444,434	3,879,434,672	4,228,583,793	4,609,156,334	817,990,239	26.7%	0.0%	0.0%
	Grants And Other Transfers	285,525,715	1,255,434,247	1,355,868,987	1,464,338,506	969,908,532		0.0%	0.0%
	Other Recurrent	206,760,571		-	-	(206,760,571)	0.0%	0.0%	0.0%
	Sub Total:	10,482,048,690	11,687,457,879	12,726,774,746	13,858,625,783	1,205,409,189	11.5%	0.0%	0.0%
	Capital Expenditure:								
	Acquisition Of Non-Financial Assets	5,274,805,716	2,144,126,369	2,548,750,469	3,076,604,994	(3,130,679,348)	-59.4%	0.0%	0.0%
	Capital Grants To Governmental Agencies	4,247,626,857	1,773,500,869	1,950,850,955	2,145,936,051	(2,474,125,989)	-58.2%	0.0%	0.0%
	Other Development		1,700,000,000	1,870,000,000	2,057,000,000	1,700,000,000	0.0%	0.0%	0.0%
	Sub Total:	9,522,432,574	5,617,627,237	6,369,601,425	7,279,541,045	(3,904,805,336)	-41.0%	0.0%	0.0%
	Grand Total:	20,004,481,264	17,305,085,116	19,096,376,170	21,138,166,827	(2,699,396,148)	-13.5%	0.0%	0.0%
	DEFICIT/ SURPLUS	-	0						
	PERCENT OF TOTAL BUDGET								
	Current Expenditure:	52%	68%	67%	66%				
	Capital Expenditure:	48%	32%	33%	34%				

ANNEX II: Trend in Growth of Equitable Share of Revenue

EXCHEQUER RECEIPTS TRENDS	ALLOCATION	GROWTH	% GROWTH
2013/2014 (Base Year)	5,936,875,619	5,936,875,619	100%
2014/2015	7,082,152,961	1,145,277,342	19%
2015/2016	8,116,330,943	1,034,177,982	15%
2016/2017	8,757,624,645	641,293,702	8%
2017/2018	9,271,400,000	513,775,355	6%
2018/2019	9,451,400,000	180,000,000	2%
2019/2020	10,476,150,000	1,024,750,000	11%
2020/2021 (CARA Bill, April 2020)	9,748,200,000	(727,950,000)	-7%
2021/2022 (CBROP 2020 Projected Growth)	12,976,150,000	3,227,950,000	33%

Annex III: Total Expenditure Sector Ceilings for the Period 2021/2022 - 2023/2024

	SECTOR	SUB SECTOR	APPROVED ESTIMATES FY 2020/2021	CBROP CEILINGS 2021/2022	PROJECTIONS	
					2022/2023	2023/2024
1	Agriculture Rural and Urban Development					
1.1		Agriculture, Livestock and Fisheries				
		Compensation to Employees	409,988,511	424,390,396	466,829,435	513,512,379
		Use of Goods & Maintenance	131,130,908	200,741,334	220,815,468	242,897,015
		Development Gross	469,395,549	355,835,977	391,419,575	430,561,532
		Sub Total	1,010,514,967	980,967,707	1,079,064,478	1,186,970,926
1.2		Lands, Physical Planning and Housing				
		Compensation to Employees	100,266,520	101,269,185	111,396,103	122,535,714
		Use of Goods & Maintenance	35,169,758	60,246,938	66,271,632	72,898,795
		Development Gross	1,162,844,530	181,200,224	199,320,246	219,252,270
	Sub Total	1,298,280,808	342,716,346	376,987,981	414,686,779	
	SUB TOTAL (SECTOR)	2,308,795,775	1,323,684,054	1,456,052,459	1,601,657,705	
2	Education					
2.1		Education				
		Compensation to Employees	279,814,072	282,612,212	310,873,434	341,960,777
		Use of Goods & Maintenance	99,437,886	200,365,624	220,402,186	242,442,405
		Development Gross	366,477,896	58,110,800	63,921,880	70,314,068
		Sub Total	745,729,854	541,088,636	595,197,500	654,717,250
2.2		Vocational Training				
		Compensation to Employees			-	-
		Use of Goods & Maintenance	86,911,808	136,574,268	150,231,695	165,254,865
		Development Gross	322,804,056	124,400,694	136,840,763	150,524,840
	Sub Total	409,715,864	260,974,962	287,072,458	315,779,704	
	SUB TOTAL (SECTOR)	1,155,445,718	802,063,599	882,269,958	970,496,954	
3	Social Protection, Culture and Recreation					
3.1		Youth, Sports, Culture and Social Services.				
		Compensation to Employees	125,826,266	128,205,628	141,026,191	155,128,810
	Use of Goods & Maintenance	115,398,776	173,332,254	190,665,480	209,732,028	

	SECTOR	SUB SECTOR	APPROVED ESTIMATES FY 2020/2021	CBROP CEILINGS 2021/2022	PROJECTIONS	
					2022/2023	2023/2024
		Development Gross	167,054,597	171,450,570	188,595,627	207,455,190
		Sub Total	408,279,638	472,988,453	520,287,298	572,316,028
		SUB TOTAL (SECTOR)	408,279,638	472,988,453	520,287,298	572,316,028
4	Energy, Infrastructure and ICT					
4.1		Infrastructure				
		Compensation to Employees	148,057,021	149,537,591	164,491,350	180,940,485
		Use of Goods & Maintenance	216,980,499	306,041,117	336,645,229	370,309,751
		Development Gross	2,240,633,129	534,665,526	588,132,079	646,945,286
		Sub Total	2,605,670,649	990,244,234	1,089,268,657	1,198,195,523
4.2		ICT and E-Government				
		Compensation to Employees			-	-
		Use of Goods & Maintenance	38,568,500	50,162,500	55,178,750	60,696,624
		Development Gross	31,459,285	55,110,700	60,621,770	66,683,947
		Sub Total	70,027,785	105,273,200	115,800,520	127,380,571
		SUB TOTAL (SECTOR)	2,675,698,434	1,095,517,433	1,205,069,177	1,325,576,094
5	Environment Protection, Water and Natural Resources					
5.1		Water, Environment, Energy and Natural Resources				
		Compensation to Employees	233,101,636	240,482,652	264,530,917	290,984,009
		Use of Goods & Maintenance	46,357,014	100,148,101	110,162,911	121,179,202
		Development Gross	1,125,325,501	189,875,870	208,863,457	229,749,803
		Sub Total	1,404,784,151	530,506,623	583,557,285	641,913,014
		SUB TOTAL (SECTOR)	1,404,784,151	530,506,623	583,557,285	641,913,014
6	General Economics and Commercial Affairs					
6.1		Trade, Industry, Marketing and Tourism				
		Compensation to Employees	69,465,834	70,160,493	77,176,542	84,894,197
		Use of Goods & Maintenance	67,812,165	116,421,901	128,064,091	140,870,501
		Development Gross	225,590,748	190,757,900	209,833,690	230,817,059
		Sub Total	362,868,747	377,340,294	415,074,324	456,581,756
		SUB TOTAL (SECTOR)	362,868,747	377,340,294	415,074,324	456,581,756

	SECTOR	SUB SECTOR	APPROVED ESTIMATES FY 2020/2021	CBROP CEILINGS 2021/2022	PROJECTIONS	
					2022/2023	2023/2024
7	Health					
7.1		Health Services				
		Compensation to Employees	3,954,645,387	3,953,803,596	4,349,183,956	4,784,102,352
		Use of Goods & Maintenance	1,324,200,393	1,678,162,678	1,845,978,945	2,030,576,840
		Development Gross	1,544,032,440	847,268,627	931,995,489	1,025,195,038
		Sub Total	6,822,878,221	6,479,234,901	7,127,158,391	7,839,874,230
	SUB TOTAL (SECTOR)	6,822,878,221	6,479,234,901	7,127,158,391	7,839,874,230	
8	Public Administration and National/ Inter County Relations					
8.1		Office of the Governor and Deputy Governor				
		Compensation to Employees	94,514,968	114,279,201	125,707,121	138,277,833
		Use of Goods & Maintenance	220,390,824	238,139,554	261,953,509	288,148,860
		Development Gross	98,954,766	86,511,000	95,162,100	104,678,310
		Sub Total	413,860,558	438,929,755	482,822,730	531,105,004
8.2		County Treasury				
		Compensation to Employees	496,164,176	517,523,577	569,275,934	626,203,528
		Use of Goods & Maintenance	379,990,138	525,469,597	578,016,557	635,818,213
		Development Gross	667,050,485	2,419,056,500	2,660,962,150	2,927,058,365
		Sub Total	1,543,204,800	3,462,049,674	3,808,254,641	4,189,080,106
8.3		Public Service, Training and Devolution				
		Compensation to Employees	519,706,712	531,640,789	584,804,868	643,285,355
		Use of Goods & Maintenance	185,496,696	220,523,053	242,575,358	266,832,894
		Development Gross	51,888,289	113,891,950	125,281,145	137,809,260
		Sub Total	757,091,697	866,055,792	952,661,371	1,047,927,508
8.4		County Public Service Board				
		Compensation to Employees	33,661,028	33,997,639	37,397,403	41,137,143
		Use of Goods & Maintenance	34,483,762	42,500,000	46,750,000	51,425,000
		Development Gross	1,810,000	9,490,900	10,439,990	11,483,989
		Sub Total	69,954,790	85,988,539	94,587,393	104,046,132

	SECTOR	SUB SECTOR	APPROVED ESTIMATES FY 2020/2021	CBROP CEILINGS 2021/2022	PROJECTIONS	
					2022/2023	2023/2024
8.5		County Assembly				
		Compensation to Employees	458,466,236	-	-	-
		Use of Goods & Maintenance	524,753,000	1,000,000,000	1,100,000,000	1,210,000,000
		Development Gross	271,189,290	80,000,000	88,000,000	96,800,000
		Sub Total	1,254,408,526	1,080,000,000	1,188,000,000	1,306,800,000
8.6		Nakuru Municipality				
		Compensation to Employees	2,319,802	2,343,000	2,577,300	2,835,030
		Use of Goods & Maintenance	25,090,888	45,520,000	50,072,000	55,079,200
		Development Gross	529,825,868	148,399,090	163,238,999	179,562,899
		Sub Total	557,236,558	196,262,090	215,888,299	237,477,129
8.7		Naivasha Municipality				
		Compensation to Employees	2,319,802	2,343,000	2,577,300	2,835,030
		Use of Goods & Maintenance	21,557,704	40,520,000	44,572,000	49,029,200
		Development Gross	246,096,145	51,600,910	56,761,001	62,437,101
		Sub Total	269,973,651	94,463,910	103,910,301	114,301,331
	SUB TOTAL (SECTOR)		4,865,730,580	6,223,749,760	6,846,124,736	7,530,737,209
	TOTAL	Total Compensation to Employees	6,928,317,971	6,552,588,959	7,207,847,855	7,928,632,641
		Total Use of Goods & Maintenance	3,553,730,719	5,134,868,920	5,648,355,812	6,213,191,393
		Total Development Gross	9,522,432,574	5,617,627,237	6,179,389,961	6,797,328,957
		GRAND TOTAL	20,004,481,264	17,305,085,116	19,035,593,628	20,939,152,990

Annex IV: Total Recurrent Expenditure Ceilings for the Period 2021/2022 - 2023/2024

VOTE	Source of Funding	APPROVED ESTIMATES 2020/2021	CBROP CEILINGS 2021/2022	PROJECTIONS	
				2022/2023	2023/2024
Office of the Governor and Deputy Governor	Gross Allocation	314,905,792	352,418,755	387,660,630	426,426,694
	Local Revenue	47,235,869	88,104,689	96,915,158	106,606,673
	CRA Equitable Share	267,669,923	264,314,066	290,745,473	319,820,020
County Treasury	Gross Allocation	876,154,314	1,042,993,174	1,147,292,491	1,262,021,741
	Local Revenue	124,673,147	249,498,294	274,448,123	301,892,935
	Conditional Grant	45,000,000	45,000,000	49,500,000	54,450,000
	CRA Equitable Share	706,481,167	748,494,881	823,344,369	905,678,805
County Public Service Board	Gross Allocation	68,144,790	76,497,639	84,147,403	92,562,143
	Local Revenue	10,221,719	19,124,410	21,036,851	23,140,536
	CRA Equitable Share	57,923,072	57,373,229	63,110,552	69,421,607
Public Service, Training and Devolution	Gross Allocation	705,203,408	752,163,842	827,380,226	910,118,249
	Local Revenue	105,780,511	188,040,960	206,845,057	227,529,562
	CRA Equitable Share	599,422,897	564,122,881	620,535,170	682,588,687
Health	Gross Allocation	5,278,845,780	5,631,966,274	6,195,162,901	6,814,679,192
	Local Revenue	578,356,171	919,071,726	1,010,978,898	1,112,076,788
	AIA	1,129,483,399	910,000,000	1,001,000,000	1,101,100,000
	Conditional Grant	293,654,577	345,434,247	379,977,672	417,975,439
	CRA Equitable Share	3,277,351,633	3,282,399,020	3,610,638,922	3,971,702,814
Trade, Industry, Marketing and Tourism	Gross Allocation	137,277,999	186,582,394	205,240,634	225,764,697
	Local Revenue	20,591,700	46,645,599	51,310,158	56,441,174
	CRA Equitable Share	116,686,299	139,936,796	153,930,475	169,323,523
Infrastructure	Gross Allocation	365,037,520	455,578,708	501,136,578	551,250,236
	Local Revenue	54,755,628	113,894,677	125,284,145	137,812,559
	CRA Equitable Share	310,281,892	341,684,031	375,852,434	413,437,677

VOTE	Source of Funding	APPROVED ESTIMATES 2020/2021	CBROP CEILINGS 2021/2022	PROJECTIONS	
				2022/2023	2023/2024
Education, Vocational Training, ICT and E-Government	Gross Allocation	504,732,266	669,714,604	736,686,065	810,354,671
	Local Revenue	54,213,659	120,856,178	132,941,795	146,235,975
	Bursary & Counterpart Funding	143,307,875	186,289,894	204,918,883	225,410,772
	CRA Equitable Share	307,210,732	362,568,533	398,825,386	438,707,924
Agriculture, Livestock and Fisheries	Gross Allocation	541,119,419	625,131,730	687,644,903	756,409,394
	Local Revenue	81,167,913	156,282,933	171,911,226	189,102,348
	CRA Equitable Share	459,951,506	468,848,798	515,733,678	567,307,045
Lands, Physical Planning and Housing	Gross Allocation	135,436,278	161,516,123	177,667,735	195,434,509
	Local Revenue	20,315,442	40,379,031	44,416,934	48,858,627
	CRA Equitable Share	115,120,836	121,137,092	133,250,801	146,575,882
Youth, Culture, Sports and Social Services.	Gross Allocation	241,225,042	301,537,883	331,691,671	364,860,838
	Local Revenue	36,183,756	75,384,471	82,922,918	91,215,210
	CRA Equitable Share	205,041,285	226,153,412	248,768,753	273,645,629
Water, Environment, Energy and Natural Resources	Gross Allocation	279,458,650	340,630,753	374,693,828	412,163,211
	Local Revenue	41,918,798	85,157,688	93,673,457	103,040,803
	CRA Equitable Share	237,539,853	255,473,065	281,020,371	309,122,408
County Assembly	Gross Allocation	983,219,236	1,000,000,000	1,100,000,000	1,210,000,000
	Local Revenue	147,482,885	250,000,000	275,000,000	302,500,000
	CRA Equitable Share	835,736,351	750,000,000	825,000,000	907,500,000
Nakuru Municipality	Gross Allocation	27,410,690	47,863,000	52,649,300	57,914,230
	Local Revenue	4,111,603	11,965,750	13,162,325	14,478,558
	Conditional Grant	-	-	-	-
	CRA Equitable Share	23,299,086	35,897,250	39,486,975	43,435,673

VOTE	Source of Funding	APPROVED ESTIMATES 2020/2021	CBROP CEILINGS 2021/2022	PROJECTIONS	
				2022/2023	2023/2024
Naivasha Municipality	Gross Allocation	23,877,506	42,863,000	47,149,300	51,864,230
	Local Revenue	3,581,626	10,715,750	11,787,325	12,966,058
	Conditional Grant	-	-	-	-
	CRA Equitable Share	20,295,880	32,147,250	35,361,975	38,898,173
SUB TOTAL		10,482,048,690	11,687,457,879	12,856,203,667	14,141,824,033

Annex V: Total Development Expenditure Ceilings for the Period 2021/2022 - 2023/2024

VOTE	Source of Funding	APPROVED ESTIMATES 2020/2021	CBROP CEILINGS 2021/2022	PROJECTIONS	
				2022/2023	2023/2024
Office of the Governor and Deputy Governor	Gross Allocation	98,954,766	86,511,000	95,162,100	104,678,310
	Local Revenue	14,843,215	21,627,750	23,790,525	26,169,578
	CRA Equitable Share	84,111,551	64,883,250	71,371,575	78,508,733
County Treasury	Gross Allocation	667,050,485	2,419,056,500	2,660,962,150	2,927,058,365
	Local Revenue	100,057,573	54,764,125	60,240,538	66,264,591
	Debt Resolution		500,000,000	550,000,000	605,000,000
	Ward Allocation		1,700,000,000	1,870,000,000	2,057,000,000
	CRA Equitable Share	566,992,913	164,292,375	180,721,613	198,793,774
County Public Service Board	Gross Allocation	1,810,000	9,490,900	10,439,990	11,483,989
	Local Revenue	271,500	2,372,725	2,609,998	2,870,997
	CRA Equitable Share	1,538,500	7,118,175	7,829,993	8,612,992
Public Service, Training and Devolution	Gross Allocation	51,888,289	113,891,950	125,281,145	137,809,260
	Local Revenue	7,783,243	28,472,988	31,320,286	34,452,315
	CRA Equitable Share	44,105,046	85,418,963	93,960,859	103,356,945
Health	Gross Allocation	1,544,032,440	847,268,627	931,995,489	1,025,195,038
	Local Revenue	126,961,965	35,803,875	39,384,263	43,322,689
	AIA	162,000,000	390,000,000	429,000,000	471,900,000
	Conditional Grant	535,619,340	314,053,127	345,458,439	380,004,283
	CRA Equitable Share	719,451,135	107,411,625	118,152,788	129,968,066
Trade, Industry, Marketing and Tourism	Gross Allocation	225,590,748	190,757,900	209,833,690	230,817,059
	Local Revenue	33,838,612	47,689,475	52,458,423	57,704,265
	CRA Equitable Share	191,752,136	143,068,425	157,375,268	173,112,794

VOTE	Source of Funding	APPROVED ESTIMATES 2020/2021	CBROP CEILINGS 2021/2022	PROJECTIONS	
				2022/2023	2023/2024
Infrastructure	Gross Allocation	2,240,633,129	534,665,526	588,132,079	646,945,286
	Local Revenue	292,513,282	61,030,236	67,133,260	73,846,586
	Conditional Grant	290,544,581	290,544,581	319,599,039	351,558,943
	CRA Equitable Share	1,657,575,266	183,090,709	201,399,780	221,539,758
Education, Vocational Training, ICT and E-Government	Gross Allocation	720,741,237	237,622,194	261,384,413	287,522,855
	Local Revenue	98,167,701	42,833,075	47,116,383	51,828,021
	Conditional Grant	66,289,894	66,289,894	72,918,883	80,210,772
	CRA Equitable Share	556,283,641	128,499,225	141,349,148	155,484,062
Agriculture, Livestock and Fisheries	Gross Allocation	469,395,549	355,835,977	391,419,575	430,561,532
	Local Revenue	38,517,342	35,805,678	39,386,245	43,324,870
	Conditional Grant	212,613,267	212,613,267	233,874,594	257,262,053
	CRA Equitable Share	218,264,939	107,417,033	118,158,736	129,974,609
Lands, Physical Planning and Housing	Gross Allocation	1,162,844,530	181,200,224	199,320,246	219,252,270
	Local Revenue	244,197,351	45,300,056	49,830,061	54,813,068
	CRA Equitable Share	918,647,179	135,900,168	149,490,184	164,439,203
Youth, Culture, Sports and Social Services.	Gross Allocation	167,054,597	171,450,570	188,595,627	207,455,190
	Local Revenue	25,058,190	42,862,643	47,148,907	51,863,797
	CRA Equitable Share	141,996,407	128,587,928	141,446,720	155,591,392
Water, Environment, Energy and Natural Resources	Gross Allocation	1,125,325,501	189,875,870	208,863,457	229,749,803
	Local Revenue	168,798,825	47,468,968	52,215,864	57,437,451
	CRA Equitable Share	956,526,676	142,406,903	156,647,593	172,312,352
County Assembly	Gross Allocation	271,189,290	80,000,000	88,000,000	96,800,000
	Local Revenue	40,678,393	20,000,000	22,000,000	24,200,000
	CRA Equitable Share	230,510,896	60,000,000	66,000,000	72,600,000

VOTE	Source of Funding	APPROVED ESTIMATES 2020/2021	CBROP CEILINGS 2021/2022	PROJECTIONS	
				2022/2023	2023/2024
Nakuru Municipality	Gross Allocation	529,825,868	148,399,090	163,238,999	179,562,899
	Local Revenue	100,427,241	37,099,773	40,809,750	44,890,725
	Conditional Grant	51,600,910	-	-	-
	CRA Equitable Share	377,797,717	111,299,318	122,429,249	134,672,174
Naivasha Municipality	Gross Allocation	246,096,145	51,600,910	56,761,001	62,437,101
	Local Revenue	51,680,190	12,900,228	14,190,250	15,609,275
	Conditional Grant	-	-	-	-
	CRA Equitable Share	194,415,955	38,700,683	42,570,751	46,827,826
SUB TOTAL		9,522,432,574	5,617,627,237	6,179,389,961	6,797,328,957

Annex VI: Sector Composition and Sector Working Groups for MTEF Budget 2021/2022 - 2023/2024

CLASSIFICATION OF FUNCTIONS OF GOVERNMENT (COFOG)	SECTOR	SECTOR COMPOSITION (S)
General Public Services	Public Administration and National /Inter County Relations	Office of the Governor and Deputy Governor
		County Public Service Board
		Finance and Economic Planning
		Public Service, Training & Devolution
		County Assembly
		Nakuru Municipality
Recreation, Culture and Social Protection	Social Protection, Culture and Recreation	Dept. of Gender, Culture, Social Services
		Dept. of Youth & Sports
Education	Education	Dept. of Education
		Dept. of Vocational Training
Economic Affairs	Agriculture Rural and Urban Development	Agriculture, Livestock and Fisheries
		Lands physical planning and housing
	General Economics and Commercial Affairs	Trade, Tourism, Industry and Cooperatives
		Energy Infrastructure and ICT
Environment Protection	Environment Protection Water and Natural Resources	Roads, Public Works and Transport
		ICT and E-Government
Health	Health	Water, Environment, Energy and Natural resources
Macro Working Group	Macro Working Group	County Health Services
		Department of Finance and Economic Planning

Annex VII: Nakuru County Budget Calendar for the FY2021/2022

	ACTIVITY	RESPONSIBILITY	DEADLINE
1	Performance Review and Strategic Planning	County Treasury	July-Aug 2020
	1.1 Develop strategic plans	Departments	"
	1.2 Prepare Annual Development Plans	"	"
	1.3 Expenditure review	"	"
	1.4 Preparation of Annual Work plans	"	"
2	Develop and Issue County Budget Guidelines	County Treasury	30th Aug 2020
3	Annual Development Plan submitted to County Assembly	County Treasury	1st Sept. 2020
4	Launch of Sector Working Groups	County Treasury	4th Sept. 2020
5	Determination of Fiscal Framework	Macro Working Group	15th Sept. 2020
	5.1 Estimation of Resource Envelop	County Treasury	"
	5.2 Determination of policy priorities	"	"
	5.3 Preliminary Resource allocation to Sectors, Assembly & Sub Counties	"	"
	5.4 Draft County Budget Review and Outlook Paper (CBROP)	"	21st Sept. 2020
	5.5 Submission and approval by County Executive Committee	"	30th Sept. 2020
	5.6 Tabling of CBROP to County Assembly	"	9th Oct. 2020
	5.7 Capacity building on MTEF Programme Based Budget and Sector Reports	"	12th-16th Oct 2020
6	Preparation of County Budget Proposals	Line Ministries	
	6.1 Draft Sector Report	Sector Working Group	23rd Oct. 2020
	6.2 Submission of Draft Sector Report to County Treasury	Sector Working Group	30th Oct. 2020
	6.3 Review of draft Sector Report Proposals	Macro Working Group	9th -13th Nov 2020
7	Stakeholders/Public Participation	Treasury/Departments	November 2020
8	The 2020/2021 Supplementary Budget		
	8.1 Develop and issue guidelines on the 2020/21 Revised Budget	County Treasury	November 2020
9	Draft Budget Estimates/ County Fiscal Strategy Paper (CFSP)	Macro Working Group / Departments	
	9.1 Preparation and consolidation of County Personnel Budget	PSTD/County Treasury	11th-15th Jan. 2021
	9.2 Public Sector Hearing on CFSP 2021	Macro Working Group	18th-22nd Jan. 2021
	9.3 Submission of Draft Budget Estimates and Final Sector Reports	Departments	31st Jan. 2021
	9.3 Budget hearings on Draft Budget Estimates	Macro Working Group	8th-12th Feb. 2021
	9.4 Submission of Draft CFSP & Debt Paper to County Executive Committee for approval	County Treasury	19th Feb. 2021

	ACTIVITY	RESPONSIBILITY	DEADLINE
	9.5 Submission of CFSP to County Assembly for approval	County Treasury	28th Feb. 2021
	9.6 Submission of Debt Management Strategy Paper to County Assembly for approval	County Treasury	28th Feb. 2021
10	Preparation and approval of Final Departments' Programme Budgets		
	10.1 Issue final guidelines on preparation of 2021/22 County Budget	County Treasury	15th March, 2021
	10.2 Public Participation for identification of Ward based projects	County Treasury	22nd – 26th, March 2021
	10.3 Submission of Departmental Budget proposals to County Treasury	Line Departments	31st March, 2021
	10.4 Consolidation of the Departmental Budget Estimates and uploading to IFMIS Hyperion System	County Treasury	12th – 23rd April, 2021
	10.5 Submission of Original Budget Estimates for County Government to County Executive	County Treasury	26th April, 2021
	10.6 Submission of Original Budget Estimates for County Government to County Assembly	County Treasury	30th April, 2021
	10.7 Review of Original Budget Estimates by Departmental Committees	County Assembly	May, 2021
	10.8 Report on Original Budget by Budget and Appropriations Committee (County Assembly)	County Assembly	24th May, 2021
11	11.1 Preparation of Annual Cashflow	County Treasury	2nd-8th June 2021
	11.2 Submission of Annual Cashflow to Controller of Budget	County Treasury	15th June, 2021
	11.3 Submission of Appropriation Bill to County Assembly	County Treasury	15th June, 2021
	11.4 Resolution of County Assembly on Estimates and Approval	County Treasury	24th June, 2021
	11.5 Budget Statement	County Treasury	24th June, 2021
	11.6 Appropriation Bill Passed	County Assembly	30th June, 2021