



**REPUBLIC OF KENYA**

**COUNTY GOVERNMENT OF NYERI**

**COUNTY ASSEMBLY OF  
NYERI**

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**APPROVED COUNTY FISCAL  
STRATEGY PAPER, 2021**

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**BUILDING BACK BETTER: STRATEGY FOR  
RESILIENT AND SUSTAINABLE ECONOMIC  
RECOVERY**

**MARCH, 2021**

## FOREWORD

The CFSP, 2021 is prepared against a background of a contracting global economy occasioned by the outbreak and the rapid spread of the Covid-19 Pandemic during the year 2020. The Pandemic and the resultant containment measures have devastated global economies disrupting businesses and livelihoods. As a result, global economy is projected to contract by 4.4 percent in 2020 before rebounding to grow by 5.2 percent in 2021.

As a country we have not been spared by the negative impact of the Covid-19 Pandemic. The Pandemic and the resultant containment measures have adversely affected businesses and economic activities and as a result the national economy contracted by 5.7 percent in the second quarter of 2020 from a growth of 4.9 percent in the first quarter of 2020. This phenomenon is largely attributed to substantial contractions in the services and industry sub-sectors.

Nonetheless, there has been an improvement in economic activity in the third and fourth quarters of 2020, albeit at a slow pace, following reopening of the economy. Consequently, growth is projected to bounce back to 6.4 percent in 2021 from the projected 0.6 percent in 2020. This will largely depend on how the effect of the Pandemic unfolds.

As an agricultural based county the happenings at the global economy have direct impact on our enterprises as most of our products are exported or traded outside the county. In the FY 2019/2020 the county experienced significant drop of over 20.6% of own source revenue due to the effects of the Covid-19 containment measures.

There are high prospects of economic growth in FY 2021/2022 with expectation of increased own resources revenue and seamless transfer of funds from the National Treasury. The proposed policies contained in the CFSP, 2021 aims at stimulating economic recovery and safe guard livelihoods. Towards this, the Government will strengthen implementation of programmes and measures that ensure a more inclusive growth for all the people of Nyeri.

Further, the policies contained in this CFSP have been anchored in the CIDP 2018-2022, as prioritized in the ADP for Financial Year 2021/2022. In the last three years, evident development has been attained in different sectors in the county in the implementation of her strategic plans which have contributed immensely to stimulating the economy and improving the lives of our people.

As we embark on finalization of the budget estimates for the FY 2021/2022, we need to be cognizant of prevailing unfavourable business environment which have adversely affected revenue performance. It is worth to mention that the demand for additional resources during the FY 2020/2021 were at unprecedented levels which necessitated alignment of expenditures to the available fiscal space leaving most of the socio-economic activities in a limbo.

Further, we should critically review our existing programmes and policies to ensure that they are not only consistent with our development agenda but also informed by emerging realities brought about by the emergence of Covid-19 pandemic. Adequate funding must be availed for completion of ongoing projects while the raising wage bill should be a concern of every one of us and together we need to come up with measures to contain its continued pressure on the budget.

The culmination of the preparation of this CFSP was as a result of lengthy deliberations with all stake holders within and outside the county. Subsequently, the budget ceilings have been premised on the sustainability, affordability and the degree to which the programmes contribute towards reduction of poverty and inequality. I wish to emphasize the fact that resources are limited while at the same time, the Government is confronted with myriad of challenges including the management of the complex health sector.

I would like to thank H.E the Governor and the entire County Executive for overseeing the formulation of this document. Finally, I would wish to thank the general public who provided useful comments that contributed in reshaping the policy as we concluded the preparation of this document, through the open participation forums held across the county.

Tough times lie ahead but together we can create the desired change despite the scarcity of resources. We shall continue to observe prudence as we also explore other sources of funding of the county programmes.



**ROBERT THUO MWANGI**  
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## ACKNOWLEDGEMENT

The Nyeri County Fiscal Strategy Paper (CFSP), 2021 has been prepared in accordance with section 117 of the Public Finance Management Act 2012. This Strategy Paper outlines the current state of the economy, setting out the macroeconomic outlook over the medium term and broad strategic priorities and policy goals, with a summary of county spending plans that will guide the preparation of the budget for the Financial Year 2021/2022. This publication is intended to enhance understanding of County's public finances and hence guide public debate on economic planning and budgeting.

The County Government of Nyeri will continue to ensure prudent management of public resources for maximum benefit to the citizens. The Public views will be greatly taken into account, as they represented the actual needs of the county residents, as we come up with the financial year 2021/22 budget proposals. The Projects and programmes which will be budgeted for will be those which are in line with the national and county development agenda as outlined in the Medium Term Plan (MTP) III of vision 2030, the "big four" and the CIDP.

As we finalize the budget estimates for FY 2021/2022, the focus will be directed towards financing of the Flagship projects and completing the ongoing ones. This will invaluablely create employment and support the productive sectors for the benefit of all citizens. The county government will also continue to pursue equity in allocation of resources in recognition of the fact that wards have diverse needs and are at different levels of development.

The preparation of this County Fiscal Strategy Paper was a collaborative effort from an array of expertise of professionals and key stakeholders in the County. We are grateful for their inputs. We are also grateful to those who provided inputs during the various public participation forums conducted in the County. The contributions made have gone a long way to make this important policy document to reflect the aspirations of Nyeri people.

We are grateful for the timely provision of information by the departments and also for their inputs in the preparation of the CFSP, 2021. With limited resources, the County Government was confronted with significant expenditure demands including financing the Post Covid-19 Economic Stimulus Programme and other priorities including the national "Big Four". The county has ensured proper prioritization so as to focus on critical expenditures with the highest positive impact on the well-being of the citizens.

Immense appreciation goes to the County Executive Member for Finance and Economic Planning for the guidance provided during the entire period of preparation of this document. We are particularly grateful to the county departments and spending units for the incalculable contribution and input in the development of this policy document. Thanks to the core team in the Economic Planning unit who spent significant amount of time and energy consolidating and developing this policy document.



FRANCIS MARANGA KIRIRA  
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## LIST OF ABBREVIATIONS

ABMT	Appropriate Building Materials Technology
ADP	Annual Development Plan
BROP	Budget Review and Outlook Paper
AMS	Agriculture Machinery Station
CBD	Central Business District
CECM	County Executive Committee Member
CHVs	Community Health Volunteers
CIDP	County Integrated Development Plan
CRA	Commission on Revenue Allocation
DANIDA	Danish International Development Agency
EAC	East African Community
EAMU	East African Monetary Union
ECDE	Early Childhood Development Education
EDF	Enterprise Development Fund
GDP	Gross Domestic Product
GIS	Geographical Information System
ICT	Information and Communication Technology
IFAD	International Fund for Agricultural Development
IFMIS	Integrated Financial Management Information System
KCSAP	Kenya Climate Smart Agricultural Project
KDSP	Kenya Devolution Support Program
KEMSA	Kenya Medical Supplies Agency
KIBT	Kenya Institute of Business Training
KISP	Kenya Infrastructure Support Program
KUSP	Kenya Urban Support Program
MAWASCO	Mathira Water and Sanitation Company
MSMEs	Micro Small and Medium sized Enterprises
MTP	Medium Term Plan
MTEF	Medium Term Expenditure Framework
NDA	Net Domestic Assets
NFA	Net Foreign Assets
NEMA	National Environment Management Authority
NHIF	National Hospital Insurance Fund
NITA	National Industrial Training Authority
NMK	National Museum of Kenya
PFM	Public Finance Management
RMLF	Road Maintenance Levy Fund
SEA	Strategic Environmental Assessment
SGR	Standard Gauge Railway
THS	Transforming Health Systems
TWWDA	Tana Water Works Development Authority
TVET	Technical and Vocational Education and Training
UHC	Universal Health Coverage
UNOP	United Nations Office for Projects services

## TABLE OF CONTENTS

<b>ACKNOWLEDGEMENT</b> .....	<b>iv</b>
<b>LIST OF ABBREVIATIONS</b> .....	<b>v</b>
<b>TABLE OF CONTENTS</b> .....	<b>vi</b>
<b>ABOUT THE COUNTY FISCAL STRATEGY PAPER</b> .....	<b>xi</b>
<b>I. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK</b> .....	<b>12</b>
1.0 Overview .....	12
1.1 Recent Economic Developments .....	12
1.1.1 Global and Regional Economic Developments .....	12
1.1.2 Domestic Economic Developments .....	13
1.1.3 Inflation Rate .....	14
1.1.4 Kenya Shilling Exchange Rate .....	14
1.1.5 Interest Rates.....	14
1.1.6 Money and Credit .....	15
1.1.7 Balance of payments .....	15
1.1.8 Foreign Exchange Reserves .....	15
1.2 Fiscal performance .....	16
1.2.1 FY 2020/21 Budget.....	16
1.2.2 Revenue Performance .....	18
1.2.3 Expenditure Performance.....	18
1.3 Fiscal Policy .....	20
1.4 Economic Outlook.....	21
1.5 Risk to the Economic Outlook .....	22
<b>II BUILDING BACK BETTER: STRATEGY FOR RESILIENT AND SUSTAINABLE ECONOMIC RECOVERY</b> .....	<b>23</b>
2.0 Overview .....	23
2.1 Harnessing the “Big Four” Agenda for Job Creation.....	23
2.2 Conducive Business Environment for Employment Creation .....	24
2.3 Business Regulatory Reforms .....	24
2.4 Infrastructure Development for Inclusive Growth .....	24
2.4.1 Expansion of the Road Network .....	24
2.5 Stimulating Tourism Recovery, Sports, Culture, and Arts .....	25
2.6 Enhanced Budgetary Allocations to Strengthen Health Care System .....	25
2.7 Food and Nutrition Security .....	27
2.8 Engaged Citizenry .....	28
2.9 Public Service Management.....	29
2.10 Empowering Youth and Women for Employment Creation.....	30
2.11 Enhancing social protection for the vulnerable groups .....	30
2.12 Quality and Relevant Education.....	31

2.13	Environmental Conservation and Water Supply .....	32
2.14	Spatial Planning and Housing .....	33
2.15	Sustainable Management of Land for Social-Economic Development .....	34
2.16	Implementing the Post-Covid-19 Economic Recovery Strategy .....	35
2.17	Sanitation and Solid Waste management .....	36
2.18	Deepening Public Financial Management Reforms.....	37
<b>III. BUDGET FY 2021/22 AND THE MEDIUM TERM FRAMEWORK .....</b>		<b>37</b>
3.1	Fiscal Framework Summary .....	37
3.1.1	Revenue Projections.....	38
3.1.2	Expenditure Projections .....	38
3.1.3	Deficit Financing .....	38
3.1.4	Key Priorities for the 2020/2021 Medium Term Budget.....	38
3.1.5	Allocation Baseline Ceilings.....	39
3.1.6	Criteria for resource allocation. ....	39
<b>IV. DEPARTMENTAL ALLOCATION OF RESOURCES .....</b>		<b>40</b>
4.0	Introduction .....	40
4.1	Departmental Budgeting .....	40
4.2	Resources available .....	40
4.3	External Sources.....	41
4.4	Internal Sources.....	42
4.5	Allocation of Revenue among Departments .....	42
4.6	Fiscal Discipline .....	43
4.7	Equity in Allocation of Resources .....	43
<b>V. 2021/22 EXPENDITURE FRAMEWORK.....</b>		<b>44</b>
5.0	Resource Envelope.....	44
5.1	Spending Priorities .....	44
5.2	2020/21 Expenditure Estimates.....	45
5.3	Medium-Term Expenditure Estimates .....	46
5.4	Baseline ceilings.....	46
5.4.1	Recurrent expenditure projections .....	46
5.4.2	Development expenditure projections .....	47
<b>VI. CONCLUSION .....</b>		<b>47</b>
ANNEX I: OWN REVENUE SOURCES COLLECTED IN THE FIRST HALF OF THE FY 2020/2021		48
ANNEX II: SOURCES OF BUDGET FUNDING IN FY 2021/2022 .....		49
ANNEX III: HIGHLIGHTS OF THE PUBLIC PARTICIPATION ON PREPARATION OF THE CFSP, 2021 AND THE MTEF BUDGET 2021/2022-2023/2024 HELD IN ALL THE EIGHT SUB-COUNTIES HEADQUARTERS ON 23.02.2021 .....		50

**List of Tables and Figures**

Table 1: Sources of Revenue for the Supplementary Budget FY 2020/21 ..... 17  
Table 2: Cumulative Revenue Out-turn, July – December 2020..... 18  
Table 3: Recurrent Expenditure - July To December, 2020 ..... 18  
Table 4: Development Expenditure- July to December 2020..... 19  
Table 5: Approved Supplementary Budget Allocations by County Departments and Units,  
July 2020 – June 2021.....43  
Table 6: Proposed Budgetary Allocations for Financial Year 2021-2022.....46

APPROVED CFSP 2021



### **Legal Basis for the Publication of the County Fiscal Strategy Paper**

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

- 1) The County Treasury shall prepare and submit to County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by 28<sup>th</sup> February of each year.
- 2) The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
- 3) In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing their budget both for the coming financial year and over the medium term.
- 4) The county treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.
- 5) In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of -
  - (a) the commission of revenue allocation;
  - (b) the public;
  - (c) the interested persons or groups;
  - (d) Any other forum that is established by legislation.
- 6) Not later than fourteen days after submitting the County Fiscal Strategy Paper to the county assembly, the county assembly shall consider and may adopt it with or without amendments.
- 7) The County Treasury shall consider any recommendations made by the county assembly when finalizing the budget proposal for the financial year concerned.
- 8) The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the county assembly.

### **Fiscal Responsibility Principles for the National and County Governments**

In line with the Constitution, the Public Finance Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. The PFM act, 2012, (Section 15) states that:

- 1) Over the medium term, a minimum of 30 percent of the national and county budgets shall be allocated to development expenditure
- 2) The national government's expenditure on wages and benefits for public officers shall not exceed a percentage of the national government revenue as prescribed by the regulations.
- 3) The county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly.
- 4) Over the medium term, the national and 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 Parliament for the National Government and the county assemblies for the County Governments.
- 6) Fiscal risks shall be managed prudently; and
- 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.

# ABOUT THE COUNTY FISCAL STRATEGY PAPER

The County Fiscal Strategy Paper (CFSP) is a county government policy document that sets out the broad strategic priorities and policy goals that will guide the county departments and entities in preparing their budgets, both for the following financial year and over the medium term. It looks at how the past and the present setting of the budget process can inform the future.

In the document, adherence to the fiscal responsibility principles, prudence and transparency in management of public resources, in line with the Constitution and the Public Finance Management (PFM) Act, 2012 are underlined.

Section 117 of the PFM Act, 2012, provides that the County Treasury shall prepare and submit to the County Executive Committee the CFSP for approval. Subsequently, the approved CFSP is submitted to the County Assembly, by the 28th of February each year. The County Assembly shall, not later than 14 days after the CFSP is submitted, table and discuss a report containing its recommendations and pass a resolution to adopt it with or without amendments. The County Executive Committee Member for Finance shall take into account resolutions passed by County Assembly in finalizing the budget for the FY 2021/22.

The County Fiscal Strategy Paper contains:

- (a) an assessment of the current economic situation including macroeconomic forecasts;
- (b) the financial outlook with respect to local revenue and expenditures for the next financial year and over the medium term;
- (c) the proposed expenditure ceilings for the Departments and units, including the County Assembly.
- (d) the fiscal responsibility principles and financial objectives over the medium-term.

The preparation of the CFSP was a consultative and all-inclusive process that involved engagement of all the stakeholders, taking into consideration the views of: County Governments departments; the public; and any other interested person.

# I. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

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## 1.0 Overview

1. In 2020, the Kenyan economy was adversely affected by the outbreak of Covid-19 Pandemic and its containment measures, which have not only disrupted the normal lives and livelihoods, but also to a greater extent businesses and economic activities. As a result, the national economy contracted by 5.7 percent in the second quarter of 2020 from a growth of 4.9 percent in the first quarter in 2020. The economy is therefore estimated to slow down to a growth of around 0.6 percent in 2020 from the earlier projection of 2.6 percent in the 2020 Budget Review and Outlook Paper (BROP). Economic growth is projected to recover to 6.4 percent in 2021 due to, in part, the lower base effect in 2020. In terms of fiscal years, economic growth is projected to grow by 3.5 percent in FY 2020/21 and further to 6.2 percent over the medium term.

2. The economy continues to register macroeconomic stability with low and stable interest rates and a competitive exchange rate that support exports. Year-on year overall inflation remained within the Government target range of  $5\pm 2.5$  percent. In December 2020 the inflation was at 5.6 from 5.8 percent in December 2019. This lower inflation was mainly supported by a reduction in food prices. The foreign exchange market has largely remained stable but partly affected by a significant strengthening of the US Dollar in the global markets and uncertainty with regard to the Covid-19 pandemic. Despite this, the current account deficit is estimated to improve to 5.1 percent in 2020 from 5.8 percent in 2019 mainly supported by an improvement in the trade balance.

## 1.1 Recent Economic Developments

### 1.1.1 Global and Regional Economic Developments

3. The outbreak and spread of the Covid-19 Pandemic and the ensuing containment measures have devastated global economies. As a result, the global economy is projected to contract by 4.4 percent in 2020 from a growth of 2.8 percent in 2019. This economic outlook is worse than the growth reported during the 2008 - 2009 global financial crisis. Advanced economies are projected to contract by 5.8 percent in 2020 from a growth of 1.7 percent in 2019. Significant contraction of the economy is projected in the United States (-4.3 percent), Japan (-5.3 percent) and the United Kingdom (- 9.8 percent). Growth in the Euro area is expected to contract by 8.3 percent in 2020 from a growth of 1.3 percent in 2019.

4. The emerging markets and developing economies are also projected to contract by 3.3 percent in 2020 from a growth of 3.7 percent in 2019. All major economies are projected to contract in 2020 except China which is projected to grow by 1.9 percent, a slowdown from a growth of 6.1 percent in 2019. The Sub-Saharan African region has not been spared the negative impact of the pandemic with the region projected to contract by 3.0 percent in 2020 from a growth of 3.2 percent

in 2019. The largest impact of the crisis on growth has been on tourism-dependent economies, while commodity-exporting countries have also been hit hard. Growth in more diversified economies will slow significantly, but in many cases will still be positive in 2020.

5. Growth in the East African Community (EAC) region is estimated to slow down to 1.0 percent in 2020 compared to a growth of 6.2 percent in 2019. This growth will be supported by positive growths in Kenya, Tanzania and Rwanda. Economic activities in Burundi and Uganda are expected to contract in 2020.

### **1.1.2 Domestic Economic Developments**

6. Prior to the outbreak of Covid-19 pandemic, Kenya's economy was strong and resilient despite the challenging global environment. The broad-based economic growth for 2018 and 2019 averaged 5.9 percent outperforming the 5.5 percent for the previous 5 years (2013 to 2017) and the average growth rate of 4.7 percent in the period 2008 to 2012.

7. In 2020, the Kenyan economy was adversely affected by the outbreak of Covid-19 Pandemic and the containment measures, which have not only disrupted the normal lives and livelihoods, but also to a greater extent businesses and economic activities. As a result, our economy is estimated to slow down to around 0.6 percent in 2020 from a growth of 5.4 percent in 2019. Looking ahead, the economy is projected to recover and grow by about 6.4 percent in 2021 and above 6.2 percent over the medium term.

8. The agriculture sector recorded an improved growth of 6.4 percent in the second quarter of 2020 compared to a growth of 2.9 percent in the corresponding quarter of 2019. The sector's performance was supported by a notable increase in tea production, cane deliveries, milk intake and fruit exports. The non-agriculture (service and industry) sectors were adversely affected by the Covid-19 pandemic during the second quarter of 2020. As a result, the sector contracted by 8.5 percent in the second quarter of 2020 down from a growth of 6.4 percent in a similar quarter in 2019. The sector's contribution to real GDP was - 5.6 percentage points in the second quarter of 2020 compared to a contribution of 4.3 percentage points in the same quarter of 2019.

9. Services sector contracted by 11.0 percent in the second quarter of 2020 compared to a growth of 6.8 percent in the same quarter in 2019. The decline was largely characterized by substantial contractions in Accommodation and Food Services (83.3 percent), Education (56.2 percent), and Transportation and Storage (11.6 percent). Growth in the service sub-sector was mainly supported by financial and Insurance, Information and communication and Public Administration. The Services sub-sector contributed -5.4 percentage point to real GDP growth in the second quarter of 2020 compared to the 3.3 percentage point contribution in the same quarter of 2019.

10. The industry sector contracted by 1.0 percent in the second quarter of 2020 compared to a growth of 5.4 percent in the same quarter of 2019. This was mainly due to a decline in activities in the electricity and water supply and manufacturing sub-sectors. The industry sector was

however supported by the construction sector which grew by 3.9 percent in the second quarter of 2020. The industry sector accounted for -0.2 percentage points of growth in the second quarter of 2020 compared to 0.7 percentage point contribution to GDP in 2019.

### **1.1.3 Inflation Rate**

**11.** Year-on-year overall inflation rate remained low, stable and within the Government target range of 5+/-2.5 percent since the end of 2017 demonstrating prudent monetary policies. The inflation rate was at 5.6 percent in December 2020 from 5.8 percent in December 2019. This lower inflation was supported by a reduction in food prices.

**12.** Core inflation (Non-Food-Non-Fuel) contribution to inflation remain low at 0.8 percent in December 2020 compared to 0.4 percent in December 2019 reflecting muted demand pressures in the economy on account of prudent monetary policies. However, the contribution of fuel inflation to overall year-on-year inflation rose to 1.7 percent in December 2020 from 0.6 percent in December 2019 on account of increasing international fuel prices.

**13.** The major driver of the overall inflation has been food inflation, but its contribution to overall inflation has declined from 4.5 percent in December 2019 to 2.9 percent in December 2020 on account of a reduction in food prices. Kenya's rate of inflation compares favorably with the rest of Sub-Saharan Africa countries. In December 2020, Kenya recorded a lower inflation rate than Burundi, Ghana, Nigeria, Zambia and Ethiopia.

### **1.1.4 Kenya Shilling Exchange Rate**

**14.** The foreign exchange market has largely remained stable but was partly affected by a significant strengthening of the US Dollar in the global markets and uncertainty with regard to the Covid-19 pandemic. In this regard, the Kenya Shilling to the dollar exchanged at Ksh 110.6 in December 2020 compared to Ksh 101.5 in December 2019.

**15.** Like most Sub-Saharan Africa currencies, the Kenya Shilling has remained relatively stable weakening by only 9.0 percent against the US Dollar. This stability in the Kenya Shilling was supported by increased remittances and adequate foreign exchange reserves.

### **1.1.5 Interest Rates**

**16.** Short-term interest rates remained fairly low and stable. The Central Bank Rate was retained at 7.00 percent on November 26, 2020 same as in April 2020 to signal lower lending rates in order to support credit access by borrowers especially the Small and Medium Enterprises, distressed by COVID-19 pandemic. The interbank rate declined to 5.1 percent in December 2020 from 6.0 percent in December 2019 in line with the easing of the monetary policy and adequate liquidity in the money market

17. The 91-day Treasury Bills rate was at 6.9 percent in December 2020 from 7.2 percent in December 2019. Over the same period, the 182-day Treasury Bills rate declined to 7.4 percent from 8.2 percent while the 364-day decreased to 8.3 percent from 9.8 percent.

### **1.1.6 Money and Credit**

18. Private sector credit grew by 8.1 percent in the 12 months to November 2020 compared to a growth of 7.3 percent in the year to November 2019. This was supported by recovery in demand with the improved economic activity following the easing of COVID-19 containment measures, and accommodative monetary policy.

19. Strong growth in lending was observed in the following sectors: agriculture (19.3 percent), consumer durables (18.8 percent), transport and communication (17.5 percent), manufacturing (10.0 percent), and real estate (9.1 percent). The operationalization of the Credit Guarantee Scheme for the vulnerable Micro Small and Medium sized Enterprises (MSMEs), will de-risk lending by commercial banks, and is critical to increasing credit to this sector.

### **1.1.7 Balance of payments**

20. The overall balance of payments position improved to a surplus of US\$ 1,217.2 million (1.2 percent of GDP) in the year to September 2020 from a deficit of US\$ 1,058 million (1.1 percent of GDP) in the year to September 2019. This was mainly due to an improvement in the current account balance.

21. The current account deficit stood at \$ 4,921.0 million (5.0 percent of GDP) in September 2020 from US\$ 5,009.1 million (5.3 percent of GDP) in September 2019. The improvement in the current account balance was mainly due to the improvement in the merchandise account balance and the Net primary income balance.

22. The balance in the merchandise account improved by US\$ 1,340.1 million to a deficit of US\$ (8,947.5) million in the year to September 2020 on account of a decline in imports and a marginal increase in exports. In the year to September 2020, exports grew by 2.8 percent primarily driven by tea exports, on account of increased production and an increased demand for tea from the UK. On the other hand, imports declined by 7.3 percent in the year to September 2020, as a result of reduction in the volume of oil importation and decline in the value of imported manufactured goods, particularly iron, steel, machinery and transport equipment such as vehicles, and SGR related imports.

### **1.1.8 Foreign Exchange Reserves**

23. The banking system's foreign exchange holdings remained strong at US\$ 12,585.0 million in September 2020 up from US\$ 13,083.3 million in September 2019. The official foreign exchange reserves held by the Central Bank was at US\$ 8,765.1 million (5.4 months of import cover) in

September 2020 compared with US\$ 9,441.6 million (5.8 months of import cover) in September 2019.

24. This fulfils the requirement to maintain reserves at minimum of 4.0 months of imports cover to provide adequate buffer against short term shocks in the foreign exchange market. Commercial banks holdings increased to US\$ 3,819.9 in September 2020 from US\$ 3,641.7 million in September 2019.

## 1.2 Fiscal performance

### 1.2.1 FY 2020/21 Budget

25. In the first half of the FY 2020/21, budget execution was hampered by revenue shortfalls and rising expenditure pressures. The shortfalls in revenues reflect the weak business environment and the adverse effect of Covid-19 Pandemic. However, the situation is slowly changing since revenues are progressively improving following the gradual reopening of the economy and the subsequent recovery of the businesses. **Meaning our revenue projections were unrealistic**

26. The County Treasury, in the month of December 2020, prepared a supplementary budget which was subsequently approved by the County Assembly. The supplementary budget focused on expenditure rationalization and prioritization to ensure that expenditures are on the most impactful programmes that yield the highest welfare benefits to the citizens of Nyeri.

27. The implementation of projects and programs started late due to the delay in release of funds by the National Treasury. Only a few projects were implemented in the first half of the FY 2020/21 C and most of them are commencing in this quarter. This means that the absorption of the development budget is very low, so far, and remains an area of concern.

28. It is also worth noting that significant number of projects and programmes planned for implementation in the FY 2019/20 were either complete but not paid for by the end that financial year, or were incomplete and therefore rolled over to the FY 2020/21. This gave rise to pending bills and commitments which are expected to be settled in the current financial year. The County Government will continue strengthening monitoring of projects and programmes both at the departmental and county level to ensure value for money and optimal benefit accrue to the people. In the current budget, the county treasury has allocated Kshs. 417 million for payment of pending bills arising from the FY 2019/2020. **Comment on recurrent pending bills**

**The concern however is the tendency to roll over projects from one year to the next thereby delaying implementation of key projects. Other projects have completely stalled but continue to tie up significant resources that had already been invested. From the cfsp 2021, there is no clear action plan on how this stalemate/situation will be remedied.**

**Operationalize**



29. The County Assembly approved the first supplementary budget for the FY 2020/21 in December 2020 to realign it with the County Allocation of Revenue Act, 2020, whose enactment was delayed by the stalemate on the revenue sharing formula for the counties, between the National Assembly and the Senate. The total approved supplementary budget estimates for the financial year is Kshs. 9,029,650,314 comprising of Kshs 5,849,238,370 for recurrent and Kshs 3,180,411,944 for development. These expenditures are financed by the locally collected revenue, the equitable share, conditional grants and transfers from other government entities as shown below;

**Table 1: Sources of Revenue for the Supplementary Budget FY 2020/21**

	Revenue Source	Revised Budget as per CARA 2020/21
<b>Equitable Share</b>	<b>Equitable Share</b>	<b>5,412,150,000</b>
Conditional Grants	County Referral Hospital	407,861,272
	Compensation for user fees foregone	13,701,379
	Rehabilitation of village polytechnics	48,949,894
	Road maintenance levy fund	151,875,577
	Kenya Climate Smart Agriculture Project (KCSAP)	312,177,550
	Kenya Devolution Support Program - Level 1 (KDSP)	45,000,000
	Kenya urban Support Program (KUSP-UDG)	236,639,100
	DANIDA	15,390,000
	Transforming Health Systems for Universal Health Care (THS - UCP)	28,800,000
	Agriculture Sector Development Support Programme (ASDSP)	11,958,572
	Covid -19 Grants	0
		<b>1,272,353,344</b>
Local Revenue	Own Source Revenue	1,000,000,000
<b>Balance brought forward</b>	<b>Balance brought forward</b>	
	Equitable Share	465,444,900
	Covid -19 Staff Allowances	63,150,000
	Covid -19 Grants	124,390,000
	DANIDA (Covid-19)	5,600,000
	Road maintenance levy fund	236,488,031
	Rehabilitation of village polytechnics	5,731,745
	Kenya Devolution Support Program (KDSP)- Level 2	151,856,472
	Kenya urban Support Program (KUSP-UIG)	38,652,260
	Kenya urban Support Program (KUSP-UDG)	239,169,397
	Transforming Health Systems for Universal Health Care (THS - UCP)	12,512,453
	Kenya Climate Smart Agriculture Project (KCSAP)	2,151,713
		1,345,146,970
<b>Approved Total Revenue</b>	<b>Approved Total Revenue</b>	<b>9,029,650,314</b>

*Source: Department of Finance and Economic Planning, 2020*

## 1.2.2 Revenue Performance

30. By end of December 2020, cumulative revenue receipts amounted to Kshs. 2,815,921,043.00, comprising of Kshs 2,498,124,429.00 from the national sources and Kshs 317,796,614.00 as local revenue. The amount of local Revenue collected during the first half of the FY 2020/21 was Kshs 317,796,614.00 as compared to Kshs 270,203,316.00 over the same period in the FY 2019/2020 which indicates an increase of 17.61 percent. The main sources of county own source revenue are market fees, cess, hospital and sanitation levies, parking fees, single business permit, liquor license and land rates.

**Table 2: Cumulative Revenue Out-turn, July – December 2020**

REVENUE SOURCE	AMOUNT RECEIVED AS AT 31.12.2020
Equitable Share	2,251,454,400.00
Level 5 Hospitals	0.00
Road Maintenance Fuel Levy Fund	38,406,868.00
User Fees Forgone	0.00
Development of Youth Polytechnics	0.00
Kenya Urban Support Program (UDG)	67,385,635.00
Kenya Devolution Support Program (KDSP)	0.00
Transforming Health Systems for Universal Health Care (THSUCP)	0.00
DANIDA	7,695,000.00
Agriculture Sector Development Support Programme (ASDSP)	0.00
Kenya Climate Smart Agriculture Project (KCSAP)	133,182,526.00
<b>TOTAL EXCHEQUER</b>	<b>2,498,124,429.00</b>
<b>LOCAL REVENUE</b>	<b>317,796,614.00</b>
<b>TOTAL REVENUE</b>	<b>2,815,921,043.00</b>

*Source: Department of Finance and Economic Planning, 2021*

**Upto date information on how the county government has performed . Is the coming years spending target realistic. Carry trend analysis of the previous years. Revenue of the previous year and two quarters.**

**County should provide clear quantifiable and realistic tax administration measures towards boosting revenue collection**

## 1.2.3 Expenditure Performance

31. Recurrent expenditure for the first half of FY 2020/21 was Kshs. 2,404,986,258 representing 41.12% of the approved supplementary budget. The department of County Public Service and Sanitation Management led in absorption at 73.26 percent while Office of the County Secretary absorbing the least at 17.62%.

**Table 3: Recurrent Expenditure - July To December, 2020**

Department/Entity	Approved Estimates	Cumulative Expenditure	Percentage of Absorption
County Assembly	706,085,232	344,869,301	48.84
Office of the Governor and Deputy Governor	123,352,337	35,079,924	28.44
Office of the County Secretary	353,492,272	62,297,468	17.62
Finance and Economic Planning	834,578,591	169,566,075	20.32
Lands, Physical Planning, Housing and Urbanization	44,272,583	31,179,504	70.43
Health Services	2,669,242,815	1,340,930,348	50.24
Gender, Youth and Social Services	65,909,974	21,592,247	32.76
County Public Service and Solid Waste Management	106,277,808	77,863,242	73.26
Agriculture, Livestock and Fisheries	301,270,924	113,165,213	37.56
Trade, Culture, Tourism and Co-Operative Development	54,238,810	23,033,445	42.47
Education and Sports	337,627,708	106,804,400	31.63
Water, Irrigation, Environment & Climate Change	77,910,989	27,713,715	35.57
County Public service Board	43,846,848	15,921,558	36.31
Transport, Public Works, Infrastructure and Energy	131,131,479	34,969,818	26.67
<b>TOTAL</b>	<b>5,849,238,370</b>	<b>2,404,986,258</b>	<b>41.12</b>

**32.** Development expenditure for the first half of FY 2020/21 was Kshs. 308,682,805 representing 9.71 percent of the approved supplementary budget. The department of County Public Service and Sanitation Management led in absorption at 16.93 percent. Most of the departments had not started absorbing their budgets by end of this period. This can be attributed by the delay in the release of funds by the National Assembly, due the National Assembly stalemate with the Senate on the sharing formula and thus the enactment of the CARA which firms the amount each county would receive.

**Table 4: Development Expenditure- July to December 2020**

Department/Entity	Printed Estimate	Actual Expenditure	Percentage of Absorption
County Assembly	50,000,000	0	0
Office of the Governor and Deputy Governor	10,000,000	0	0
Office of the County Secretary	8,200,000	0	0
Finance and Economic Planning	534,566,772	92,723,779	15.43
Lands, Physical Planning, Housing and Urbanization	600,960,757	6,457,650	2.05
Health Services	315,031,478	0	0
Gender, Youth and Social Services	60,900,000	4,772,565	11.50
County Public Service and Solid Waste Management	41,500,000	59,794,744	16.93
Agriculture, Livestock and Fisheries	353,149,184	0	0
Trade, Culture, Tourism and Co-Operative Development	41,850,000	0	0
Education and Sports	71,119,566	0	0
Water, Irrigation, Environment & Climate Change	53,375,059	0	0
County Public service Board	12,000,000	0	0
Transport, Public Works, Infrastructure and Energy	1,027,759,128	144,934,067	14.10
<b>TOTAL</b>	<b>3,180,411,944</b>	<b>308,682,805</b>	<b>9.71</b>

Low development budget absorption rate of 9.71 % the cfsp doest not suggest strategies to absorb the budget in the next half. More so on the departments that supports the big 4 Agenda of the national government

### 1.3 Fiscal Policy

**33.** Nationally, the fiscal deficit is expected to decline from 7.8 percent of GDP in FY 2019/20 to around 3.6 percent of GDP by FY 2024/25. On the other hand, expenditures as a share of GDP are projected to decline from 25.9 percent in the FY 2019/20 to 25.2 percent in the FY 2020/21 and further to 21.6 percent in the FY 2024/25. Further, revenues as a share of GDP are projected at 17.0 percent in FY 2019/20, 16.4 percent in FY 2020/21 and 17.7 percent in FY 2024/25.

**34.** In the medium term, the county government will continue with its prioritization policy on expenditure with a view of 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
- creation of employment opportunities and
- improving the general welfare of the people.

**35.** This will limit growth in public expenditures to ensure it attains its fiscal consolidation path over the medium term and it will ensure debt is maintained within sustainable levels.

**36.** To achieve this, the Government will continue to contain growth in recurrent expenditures and double its effort in local resource mobilization. Revenue performance will be strengthened by the on-going changes in the Finance Act, 2020 and the planned Post Covid-19 Economic Recovery Strategies.

**37.** Further, Performance management Unit and the Monitoring and Evaluation Unit continues to play a great role in enhancing efficiency in identification and implementation of priority projects. This takes into account the Government's efforts to increase efficiency, effectiveness, transparency and accountability of public spending in a bid to eliminate huge project costs, project duplications and improve working synergy among implementation actors for timely delivery of development projects.

**38.** The Government continues to implement initiatives to boost local revenue performance and enhance compliance. These revenue supporting initiatives will over the medium to long term help in revenue recovery and drive revenue performance. The initiatives include:

- Issuance of waivers on penalty and interests on land rates;
- Strengthening Audit function;
- Compliance level reviews with a focus on enforcement risk framework to support enforcement;
- Continuous Capacity building of revenue collection staff.
- Out of court settlement of revenue collection litigations.

## 1.4 Economic Outlook

### Global Growth Outlook

**39.** The growth of the world economy is projected to recover to 5.2 percent in 2021 from a contraction of 4.4 percent in 2020 mainly supported by a continuing strengthening in consumption and investment which is also expected to firm up. Growth in the advanced economies is projected to improve to 3.9 percent in 2021 compared to a contraction of 5.8 percent in 2020 supported by improved growths in the major economies particularly the United States and the United Kingdom. Growth in the Euro area is also projected to improve to 5.2 percent from a contraction of 8.3 percent in 2020.

**40.** The emerging markets and developing economies are also projected to improve to 6.0 percent in 2021 from a contraction of 3.3 percent in 2020. This recovery is well resonated in the forecasted growths of Emerging and Developing Asia and Europe, Latin America and the Caribbean, and Sub-Saharan Africa.

**41.** Consistent with forecast in the other regions, economic growth in the Sub-Saharan Africa region is expected to recover to 3.1 percent in 2021 as most of the economies in the region improves from the adverse effects of the Covid-19 Pandemic.

### Domestic Growth Outlook

**42.** The growth outlook for 2020 has been revised down from the initial projection of 2.6 percent in the 2020 Budget Review and Outlook Paper (BROP) following receipt of more recent indicators and taking into account the contraction of 5.7 percent in the second quarter and the World Economic Outlook figures released by the IMF. In this respect, economic growth for 2020 is now estimated at 0.6 percent and recover to 6.4 percent in 2021 due to in part, the lower base effect in 2020.

**43.** Looking ahead, economic growth is projected to slow down to 5.5 percent in 2022 (due to in part the uncertainty associated with the 2022 general elections) and recover to 6.1 percent by 2024. In terms of fiscal years, economic growth is projected to grow by 3.5 percent in FY 2020/21 and further to 6.2 percent over the medium term.

**44.** This growth outlook for the calendar year 2020 and the FY 2020/21 and the medium term, will be supported by the stable macroeconomic environment, ongoing investments in strategic priorities of the Government under the “Big Four” Agenda, the ongoing public investments in infrastructure projects, the Economic Stimulus Program being implemented and the planned Post Covid-19 Economic Recovery Strategy, turn around in trade as economies recover from Covid-19 Pandemic and expected promising weather that will support agricultural output. These factors will push up consumer demand and increase both public and private sector investment strengthening

the projected growth. The economic growth projections over the medium term are aligned to those of the Third Medium Term Plan (2018-2022) which is implementing Vision 2030.

## **1.5 Risk to the Economic Outlook**

**45.** Risks from the global economies relate to persistence of the Covid-19 pandemic and required lockdowns, voluntary social distancing and its effect on consumption, the ability of laid off workers securing employment in other sectors, rising operating cost to make work places more hygienic and safe, reconfiguration of disrupted global supply chains, extent of cross-border spill overs occasioned by weaker external demand and funding shortfalls.

**46.** On the domestic front, risks will emanate from weaker external demand, reduced tourist arrivals and containment measures due the Covid-19 pandemic. In addition, the economy will continue to be exposed to risks arising from public expenditure pressures, particularly wage related recurrent expenditures and the erratic weather related shocks that could have negative impact on energy generation and agricultural output leading to higher inflation that could slow down growth.

**47.** The Government is continually monitoring these risks and taking appropriate monetary and fiscal policy measures to preserve macroeconomic stability and strengthen resilience in the economy. To cushion the country against the downsides of the risks, the Government is implementing an Economic Stimulus Package to protect lives and livelihoods. Implementation of the “Big Four” Agenda will unlock better growth, and positively impact on the lives of people through jobs creation and poverty reduction. The Government is also planning to implement a Post Covid-19 Economic Recovery Strategy to return the economy on a stable growth path. Additionally, the expanded nature of our economy continues to offer resilience to any global challenges.

**48.** Kenya’s economic growth has remained strong and resilient amidst emerging global challenges, unfavorable weather conditions and elevated public expenditure pressures coupled by revenue underperformance.

**49.** The fiscal risks arise from assumptions that underlie fiscal projections, the dynamics of public debt, and operations of state corporations, contingent liabilities, financial sector vulnerabilities and natural risks. Emergence of these risks could make it difficult for the Government to actualize and sustain macroeconomic policies detailed in this BPS.

# II BUILDING BACK BETTER: STRATEGY FOR RESILIENT AND SUSTAINABLE ECONOMIC RECOVERY

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## 2.0 Overview

50. The Covid-19 pandemic has shocked global and local economies. The economic impact of the pandemic is already being felt across all sectors of the economy. Thus, CFSP 2021 is premised on the need to urgently overcome the immediate socio-economic challenges that the county faces today. The document is also guided by the desire to foster a conducive environment critical to return the economy back to our long term growth path, while at the same time, providing incentive for building a cohesive and prosperous county.

51. The CFSP 2021, therefore clearly states the priority economic policies and structural reforms as well as departmental expenditure programs to be implemented under the Medium Term Expenditure Framework for FY 2021/22– 23/24 in order to achieve the county government’s development goal of economic transformation for a shared prosperity.

52. The CFSP 2021, articulates measures that will stimulate growth, promote job creation, reduce poverty and enhance food security. To achieve these, the county government will:

- Roll out the Post-Covid-19 Economic Recovery Strategy
- Harnessing the implementation of the “Big Four” Agenda for job creation;
- Nurture a secure and conducive business environment by improving market infrastructure, enhancing security; improving business regulations;
- Fast track development of critical infrastructure in the country such as roads, lighting and water, among others, so as to reduce the cost of doing business as well as promote competitiveness;
- Transform economic sectors for broad based sustainable economic growth;
- Improve access to education and strengthen health care systems;
- Facilitate in strengthening systems in order to enhance service delivery; and
- Implement various structural reforms to enhance the efficiency of public service delivery while at the same time ensuring accountability for better fiscal stability, improved fiscal discipline and minimized corruption.

### 2.1 Harnessing the “Big Four” Agenda for Job Creation

53. The “Big Four” Agenda has been the Government’s economic development strategy which aims at liberating the urban poor from the ‘poverty of dignity’ caused by poor housing and inadequate services; transitioning the Kenyan youth from being ‘wage earners’ to ‘owners of capital’; building a holistic base of human capital that is food secure and health assured; and jump-

starting the shift from being a country of net consumption to one of production leading to creation of jobs and improved livelihoods. The Government is realizing this vision by implementing programmes under the four pillars and the enabling interventions.

## **2.2 Conducive Business Environment for Employment Creation**

**54.** The County government undertook initiatives to support Micro Small and Medium Enterprises (MSMEs), Traders and Local Manufacturers. The county granted several waivers to enable businesses cope during the pandemic period. The County suspended collection of fees charged on businesses and traders. These included the market and PSV parking fees.

**55.** Access to affordable credit is indeed among the major challenges that micro and small enterprises face, Enterprise Development Fund (EDF) Board has ensured that this fund is affordable. Currently the loan interest rate is 3% per annum on reducing balance down from 7%. This is in an effort to support businesses from the adverse economic effects brought about by the Covid 19 pandemic. Nyeri EDF interest rate is therefore lower than the Central Bank lending rate which is currently at 7%.

**56.** Moreover, the fund has enabled creation of employment through business expansion and technology acquisition, asset finance and has promoted self-employment. So far, 87 enterprises have benefited with loans worth Ksh. 28, 359,150. With the market friendly interest rates, it is anticipated that more citizens will benefit in the medium term. Similarly; EDF has invested in financial literacy for its beneficiaries as well as created a platform for shared learning and business linkages.

## **2.3 Business Regulatory Reforms**

**57.** On the legal and legislative framework in the management of county markets, the county government has developed a market management policy and it is now at the final stage of drafting a Market Management Bill which will help us to gazette the market areas in the County, improved market governance and bring dependability into the business environment within Nyeri County.

## **2.4 Infrastructure Development for Inclusive Growth**

### **2.4.1 Expansion of the Road Network**

**58.** To improve on road network connectivity that will ensure reliable transport of goods and services, the government has opened up 300 km of roads, graveled more than 630 km and upgraded 13 km into bitumen standard. To ensure seamless connectivity, seven-foot bridges have been constructed. The government has also planned to upgrade all graveled roads into bitumen standards particularly within our major town centers.



**59.** The county has also completed Mukurwe-ini and Mweiga bus parks that will greatly contribute to better management of our public sector transport sector in our towns. These were done at a cost of Shs.13.5M.

**60.** To ensure there is power connectivity and provide conducive business environment, the County Government spent Kshs. 12M on installation of high mast flood lights. The administration is proposing shifting this to installation of solar powered street lights for sustainability. So far, the County has lit 95 centers at a cost of Kshs. 25M through installation of streets lights which has greatly improved security of our people.

**61.** On green energy, 40 solar-powered street lights were installed at a cost of Ksh.16.7 million. Further, the County Government spent Shs.1M on construction of biogas infrastructure at Aguthi-Gaaki Ward. All this was done in an attempt to address the challenges of climate change.

## **2.5 Stimulating Tourism Recovery, Sports, Culture, and Arts**

**62.** Further, to develop and sustain our heritage, the County installed the Wangari Maathai Monument at the Nyeri Heroes Park to honor our departed heroine who is renowned for environmental conservation efforts. The County Government also installed the Field Marshall Dedan Kimathi Monument at Kahigaini Site in an effort to celebrate the Mau Mau heroes and heroines, the park was named ‘MAU MAU HEROES PARK’.

**63.** The County Government is committed to enacting the necessary legislations to stimulate the industry in the its efforts of promoting of tourism for increased economic growth in FY 2020/2021. Towards this the government will develop local tourism development and promotion policy as well as Nyeri County cultural and heritage policy.

**64.** In addition, the county will also develop the County tourism and heritage sites such as the Wangari Maathai Park to improve attraction and create a revenue stream for the county. To increase visitor numbers at tourist sites, the county has planned to develop the Ndomboche/ Kahuru falls site by constructing nature trails to the falls and the Mau Mau caves.

## **2.6 Enhanced Budgetary Allocations to Strengthen Health Care System**

**65.** The Constitution of Kenya, 2010, introduced major focus areas for the Health Sector, primarily captured under the Bill of rights in Chapter 4 which describes health as an economic and social right. In the wake of the Covid-19 Pandemic, the health of the people has become the most pivotal service and the main focus of both the county and national governments.

**66.** The County Government have embarked on a major infrastructure development program with the major one being the Naromoru Level four hospital which is a great milestone for the current administration and is nearing completion at 80% completion rate. This hospital is being constructed through the World Bank funded KDSP, which is performance based Program. We

have also embarked on the Construction of Mt Kenya Hospital Isolation Ward, renovation of the County Referral Hospital and other various health facilities.

**67.** The Health sector cannot reach its full potential without partnerships and collaboration with other development partners. In partnership with AMREF Health Africa team, the county launched a Covid-19 Emergency response project funded by the European Union. We distributed mama packs to health facilities across the county to be given to mothers delivering at health facilities. So far 1793 mama packs have been distributed in 6 sub counties.

**68.** Wheels of Life project was also launched which aims at assisting pregnancy related emergencies during curfew hours with the intention of reducing the mortality rate of pregnant mothers and newborn.

**69.** On healthy advocacy, communication and social mobilization on Covid-19 preventive measures the department sensitized members of the clergy across the 8 sub counties on Covid-19. Containment measures. The department also held commencement occasions for Nyeri Community Health Covid-19 Prevention Program done in all the 8 sub-counties. The Community Health Volunteers (CHVs) were equipped with reflector jackets, bags, first aid boxes, Covid -19 health messages, additional masks and sanitizers. COVID-19 re-sensitization of staff at Wambugu Agricultural Training Centre was also done. Sensitization was in preparation of the institution offering accommodation services to Health Care Workers working at Mt Kenya COVID-19 Isolation Centre. 13 staff at Wambugu ATC including the Principal, cooks, cateress, and support staff was sensitized.

**70.** On healthy score card the County has achieved commendable statistics on some key service delivery indicators: Fully Immunized Children Coverage stands at 99%; 4th Anti Natal Coverage 70%; Skilled Deliveries 99%; HIV patients on ARVs 99%; and HIV patients achieving viral suppression 97%.

**71.** Joint sensitization meetings were held on Cancer awareness to the County Health Management Team members. This was in collaboration with the National Cancer Institute. The Department of Health in conjunction with DMI (Diabetes Management Institute) trained 25 Community Health Extension Workers attached to health centers on management of Diabetes which will further be cascaded to Community Health Volunteers to guide in diabetes self-management and psychosocial support.

**72.** To enhance the county capacity in Human Resource, through the County Public Service Board, the county recruited one hundred and two (102) Health care workers across all cadres.

**73.** The county developed the County Covid-19 Contingency plan and a Ksh. 30M Covid-19 fund was provided in the FY 2020/21 budget. The county also received a Ksh 124.39M conditional grant for Covid-19 emergency preparedness. 48 TOTs were trained on Covid -19 supported by

MOH during the month of July 2020. 100% Health Care Workers sensitized on Covid-19 prevention, control and management. 99% of Community Health Volunteers (CHVs) were sensitized on Covid-19 prevention and control. The County has a 37-bed capacity isolation facility at Mt Kenya hospital - with a functional theatre and maternity. As part of the mitigation measures, we screened 968,628 persons coming to Nyeri.

**74.** To ensure adequate supply of the PPEs to Nyeri County citizens on time and at affordable rates, the County collaborated with Dedan Kimathi University and Nyeri National Polytechnic to produce face masks, PPEs and sanitizers.

## **2.7 Food and Nutrition Security**

**75.** Nyeri County is predominantly an agricultural based economy. In the year 2019/2020 we allocated 572 Million which forms about 6.5% of total budget to agriculture and the government is working towards allocating 10% as recommended by the Maputo Declaration on accelerated agricultural growth and transformation for shared prosperity and improved livelihoods.

**76.** The department has continued to nurture each value chain, with an aim of identifying the quick wins that can be addressed to transform the sector and also identify areas that require strategic, medium- or long-term interventions that will ensure the agriculture or agribusiness that is not just profitable, but also sustainable.

**77.** New value chains have been developed to enhance our traditional lines like coffee and tea. There is continued support to our dairy farmers with pedigree breed AI semen to increase the milk production, value addition has also been sustained through provision of coolers, backup generators and solar heating equipment. We have turned dairy farming into a great commercial enterprise earning our farmers over Kshs. 3.5 Billion annually with a total of 178,000 dairy cows and over 80% of the households keeping a dairy cow cumulatively producing 115 million litres annually. Potato commercial farming attracted over 10,000 farmers producing 83,766 Tones and earning Ksh. 1.37 Billion in 2019/2020. Apiculture – Bee keeping has also become popular on account of its cost effectiveness on land and labour. The hive population stands at 9,600 for the Kenya Top Bar, 6600 for Lang troth and 5400 for Log Hives earning farmer Ksh 3.1M annually.

**78.** To reduce poverty, promote food security and environmental stability as well as biodiversity conservation, the County Government continued with the greening program as a priority.

**79.** To contribute towards this program, the County Government established a fruit tree nursery at Wambugu ATC with a capacity of over 100,000 grafted avocado and grafted macadamia seedlings with the aim of providing quality seedlings to the farmers. This initiative will, not only improve the livelihoods of Nyeri farmers, but also enhance climate change mitigation, as it will act as a carbon sink. For the farmers to benefit from this initiative, the department is mobilizing farmer groups to form one marketing body for both avocado and macadamia and then linking them to exporters such as Kakuzi.

**80.** On coffee, low productivity of about 1.5Kg per tree continues to be a major setback that we must address. The low productivity is as a result of increased acidity in our soils, reduced use of correct fertilizers due to high cost, and generally poor agricultural practices. To address this, the County Government has purchased 3 soil-scanning machines. These gadgets offer services to individual farmers at sub county level with one of them permanently placed at Wambugu ATC where our farmers can access timely services at a highly subsidized rate of Ksh. 300 per sample compared to the current average of Kshs 1500 charged by private service providers.

**81.** Nyeri County is among the pilot counties for the coffee revitalization program spearheaded by the Ministry of agriculture, livestock, fisheries and cooperative development in collaboration with the county governments. This program will be undertaken through the National Agricultural and Rural Inclusive Project (NARIGP) funded by the World Bank. The program has five components that will help in reforming the coffee sector in the country. These components include; Increasing coffee production and productivity, improving efficiency of farmers' cooperative society through capacity building and provision of enterprise development grants to improve infrastructure, supporting research development and technology dissemination, supporting development of coffee markets, Project management and coordination.

**82.** The County Government has continued to partner with the National Government in the provision of subsidized fertilizers through the E- voucher System. The county is implementing a pilot programme on fertilizer e- voucher subsidy program in two wards i.e. Konyu and Karima ward. The process commenced with farmers' registration into the National Agriculture Information Management System. The coffee farmers in the two wards are accessing fertilizer at the nearest selected stockiest. Further, the department of Agriculture procured manure for coffee farmers in Mahiga ward under ward specific project worth Ksh 2 Million during FY 2019/2020

**83.** Locust invasion and the Covid-19 control measures have lately affected the progress of agricultural seasons, livestock sales, market functioning and income generating activities posing a threat to the county's food security position.

**84.** The county emerged top in the implementation of the Kenya Climate Smart Agricultural Programmes (KCSAP) among 24 counties implementing the project in the country. Under (KCSAP) through the World Bank funding the County has been allocated Kshs 260 Million for funding Micro projects, Sub projects and Producer Organizations. Already 4 sub projects worth 195 Million, 3 Producer organizations and one private public partnership worth 115 Million have been approved by The World Bank. The County has been allocated Kshs 17 Million under Agriculture Sector Development Support Programme (ASDSP II) which is funded by Government of Kenya and Sweden International Development Agency (SIDA) for the capacity building of Value chain actors along Cow Milk, Indigenous Chicken and Irish Potatoes.

## **2.8 Engaged Citizenry**

**85.** Our harmonious relationship with the County Assembly of Nyeri has yielded dividends for

the citizens because it has made our budgets very participatory and timely in tandem with the PFM Act 2012 and all other relevant laws. The County Government is grateful to report that it has now fine-tuned and perfected our planning systems in conformity with the best practices in financial reporting. Nyeri County has also improved from position two in the previous year to position one in the World Bank funded Kenya Devolution Support Program for results. This achievement was a culmination of a systemic working relationship in all the departments and unparalleled leadership from H.E the Governor.

## **2.9 Public Service Management**

**86.** The County Government of Nyeri has a total of four thousand and fifty-two (4,052) employees. The employees fall under three categories: employees devolved from the National Government, those inherited from the defunct Local Authorities and employees engaged by the County Public Service Board.

**87.** In an effort to ensure that effectiveness of service delivery is maintained, the County Government of Nyeri places great value to the Human capital development, which is a fundamental for effective service delivery. Throughout the current administration there has been a sustained closing of the payroll by the 10<sup>th</sup> day of each month, thus the staff receive their salaries in good time. To enhance efficiency, the unit is undertaking an exercise to ensure all staff have acquired payroll numbers under the unified payroll system, so as to do away with manual payroll. The County strives to ensure that its staff members have a medical cover, work-injury and group life cover.

**88.** To enhance the management of the County Public Service, the County has embarked on adoption of ICT in its processes. This includes digitization of staff records and ensuring staff clearance forms are available in the website among others. This is a programme under the Kenya Devolution Support Programme (KDSP) under Key Result Area on Human Resource Management and Performance Management. The Department was able to purchase the equipment's necessary for the digitization exercise that has been operationalized. To date, we have managed to digitize about 70% of the files and this is still in progress, and the exercise is expected to be complete by the end of FY-2020/21.

**89.** The county's Wage bill remains to be a substantial challenge. However, it is important to note that the percentage has increased from 47.8% of the recurrent budget in FY 2018/2019 to 49% in FY 2019/2020. The administration will continue to develop and implement strategies to ensure that the County operates below or within the required percentage of 35%. One such strategy is the recently initiated voluntary early retirement a programme to allow those who wish to exit to do so honorably and thus reduce the pressure on the budget.

## **2.10 Empowering Youth and Women for Employment Creation**

**90.** The County Government is committed to building the capacity of our youth. There are two unique programs that have been very successful; the one-year internship program and the three months' industrial attachment.

**91.** Since the current government took over the leadership of this County in the year 2017, more than 571 attaches have benefited from the industrial attachment program. Currently, we are hosting a good number of attaches from various training Institutions. Each year, the Government strives to engage 200 youth for a one-year internship program in all areas of County operations, who are competitively selected through the County Public Service Board, and are then attached to a mentor.

**92.** The County Government has now engaged the third cohort of 192 interns, after successfully mentoring 151 in the first cohort in the FY 2018-19 and 185 in the second cohort in the FY 2019-20. The success of this program has been indicated by the number of interns who have secured employment even before completing the one-year cycle, both with the County Government and other organizations.

**93.** The intern earns a stipend of Ksh. 10,000, for Certificate holders, Ksh. 11,000, for Diploma holders and Ksh. 12,000, for Degree holders to enable them meet their basic needs. The County Government is looking forward to continuing with the program, and call upon other organizations, both public and private to initiate similar programs in order to meet the demand.

## **2.11 Enhancing social protection for the vulnerable groups**

**94.** The County mobilized resources through the Covid-19 Fund to support the vulnerable groups. In addition, our water companies were mobilized to provide free water for handwashing at designated points like markets, bus parks and informal settlements. The County Government through the Youth, Gender and Social Services department has made significant investments to ensure that the state of the county disaster preparedness is the best since devolution started. For social response, the department offered material support for disaster victims such as food stuffs, clothes, blankets, mattresses and household goods among others. In total during the year under review, it distributed food to the vulnerable members of society worth Kshs, 2 million and 752 iron sheets and 75.2 Kgs of roofing nails to support the rebuilding of houses razed during fire outbreaks belonging to vulnerable members of society. It also continues to create awareness on disaster prevention, management and safety at all levels.

**95.** Our Disaster preparedness has continued to improve. During the March to May rains that wreaked havoc in parts of the county, it facilitated the smooth relocation of over 120 affected persons to safe grounds across the county, including building houses through private sector support. In the year under review the Fire Department responded to **212** fires that were reported. It also responded to **18** rescues, mostly drowning. There are ongoing efforts to decentralize disaster management including firefighting by establishing more fire stations. In this regard the County Government has earmarked operationalizing a fire station in both Kieni west, and Othaya Sub

Counties at Kiawara and Othaya town respectively. The fire station at Othaya is almost complete and only requires minor renovations, branding and a shed for the fire engine.

**96.** In the last financial year, the County Government in partnership with NACADA embarked on the construction of a drugs and substance rehabilitation and treatment center at Ihururu in Dedan Kimathi ward, at a cost of Khs 19,960,485.40. The facility is expected to complement the rehabilitative and treatment efforts against drug and substance abuse currently being offered at Karia center. The facility is expected to accommodate approximately 85 patients at any given time to get the much-needed treatment and is expected to be operationalized this financial year.

**97.** The county also embarked on construction of other supporting facilities in the rehabilitation center such as the septic tank, staff houses and an ablution block at Kshs, 23,498,264 in order to support the smooth operations of the facility.

**98.** The County Government plans to establish a leather training center and a hub at Rukira Vocational Training center. Trainers of Trainers (TOTs) have already been trained and currently we are conducting a market survey to purchase leather equipment. It is envisaged that youth in the county will be able to produce leather products which can be competitive even at the international markets. During the last financial year, we commenced the procurement process for leather machines at a cost of a 7,972,922.00 and this financial year the county has provided ksh.3million towards the same. In the last financial year, the county government implemented a youth empowerment program in Iria-ini ward, Othaya Sub County, where youth groups benefited from business startup merchandise worth Ksh 1.5 million.

**99.** In the financial year 2020/2021, the county government has expanded the program to cover more sub counties as well including women groups with a budget of Ksh.26 million. This support is geared towards ensuring marginalized groups are supported for economic growth.

## **2.12 Quality and Relevant Education**

**100.** The Government have given special interest to TVETs in line with the national government agenda of equipping our youth with technical skills where it has invested Kshs. 6.7m in enhancing the infrastructure at Karatina, Gitero, Gathuthi and Nairutia Vocational Training Centers and an extra Ksh.1.4 million in tools and equipment.

**101.** Last financial year's bursary program was allocated Kshs. 100m towards the needy learners in special institutions, secondary Schools, Colleges, Vocational Training Centers and Universities. Government was able to disburse this money in a very timely manner just the second day after the education Cabinet Secretary had announced the resumption of schooling abruptly catching the concerned parents unprepared.

**102.** The County Government has taken ECDE education to another level in a bid to professionalize the service. The mantra is that each shilling spent during the formative years of

education has the highest return on investment. In order to get value for money on behalf of our children we have engaged on a program to retrain and retool our teachers. We have built model ECDE infrastructure, both classroom blocks and ablution facilities towards delivery of quality pre-primary education to our future generation.

**103.** In FY 2019/2020 the County built 9 new classroom blocks, 9 new ablution blocks, and renovated 11 old classrooms in a bid to improve the learning environment for our children throughout the 30 wards.

### **2.13 Environmental Conservation and Water Supply**

**104.** The County Government reorganized the department formerly known as Water, Environment and Natural Resources in February 2020 through an Executive order. It was renamed Water and Irrigation Services in order to shift focus to provision of clean and safe drinking water and support farmers in accessing irrigation water to boost food productivity. The department was further tasked to spearhead Climate Change matters in an executive order No.7 dated 7<sup>th</sup> October, 2020.

**105.** During the Financial year 2019/2020, the department completed six (6) masonry Water tanks of 225m<sup>3</sup> in 4 wards and (two) 2 of 150M<sup>3</sup> in two wards. It also procured pipes and fittings for 40 Community Water projects to cover 120 km under ward specific funding cutting across all wards.

**106.** Further a total 8 boreholes were drilled & equipped to reduce over reliance on surface water which is affected by the weather patterns. In addition, 14 boreholes were fitted with solar pumping system and three (3) intakes were constructed to completion.

**107.** Supply of treated water is one way of eradicating water borne diseases and for this reason we completed construction of two treatment plants with a capacity of 2000m<sup>3</sup> /day each for Narumoru and Titie. The two are awaiting electricity connection at a cost of Ksh. 7 Million this financial year to become operational. The Phase one of these plants costed Kshs 25.5m while Phase 2 was done at a cost of Kshs 30.83m.

**108.** The County Government is undertaking survey, mapping and identification of community forests and so far we have identified 5 community forests. The exercise is still ongoing to identify and reclaim the remaining community forests so as to address to effects of climate change through conversation.

**109.** The department has also been implementing projects funded under Kenya Climate Smart Agriculture Program (KCSAP) and other partners. A transfer of Ksh. 4 Million to Mathira Water and Sanitation. Company (MAWASCO) for pipeline extension has already been executed. Our 46 boreholes have increased water supply coverage from 65% three years ago to 80% by 2020 in rural areas and 80-90% in urban areas.



**110.** The County Government have received the support from the following Development partners;

- i. Upper Tana Natural Resources Management who undertook the following; Kahurukomu borehole, Ndiriti Aguthi borehole, Pipes for –Sagana Irrigation and Amboni Simbara pipes at a cost of Kshs. 21 million.
- ii. The National Irrigation Authority is undertaking Kaguyu irrigation project at a cost of Kshs. 52 Million, Riamukurwe Irrigation project at Kshs.96 Million, Changachicha –is under procurement while bill of quantities for the following are being prepared; Wangi /Kanuna, Kihuyo, Ihwa, Thunguma and NGK dam and pipeline.
- iii. The National Drought Management Authority is undertaking completion of the Gatwanyaga community borehole in Kieni East.
- iv. The Tana Water Works Development Authority (TWWDA) has drilled 6 boreholes and supplied 6Km Pipes for Naromoru Treatment Works

## **2.14 Spatial Planning and Housing**

**111.** The county Government through the department of Land and Physical planning embarked on the preparation of a County Spatial Plan. This is a 10-year Geographical Information System (GIS) based County Physical Development plan. The purpose of the plan is to sustainably guide Social, Economic and Infrastructural developments in the County. Stakeholder visioning workshops were done in all the 30 wards successfully.

**112.** The Situational analysis was carried out and the draft Plan has been completed and is awaiting stakeholder validation. The County Spatial Plan is in the final stages.

**113.** This year the focus will be on advancement of affordable and suitable housing especially in urban areas that are growing rapidly. The government has embarked on developing systems that will allow controlled and sustainable land use to secure the future of the county.

**114.** The Asian quarters a transport terminus is one of the county flagship projects funded under the Kenya Urban Support Program (KUSP) of the World Bank. The project is aimed at reducing congestion within the Nyeri Town CBD and boosting our urban economy. The first phase of the project is expected to cost Kshs 600m. The project comprises of 600 market stalls, 3 sanitation blocks, access roads, an office block, an elevated tank, a solid waste chamber and street lighting. The project is at various stages of completion;

- The Main works are 90 % complete
- The Cluster 1 roads 1 are 70 % complete.
- The Cluster 2 roads are 45% complete
- The Rehabilitation of Addis Ababa & Kartar Singh roads have been completed.

**115.** The County Government in collaboration with the National Government under Kenya Infrastructure Support Program (KISP) (lot 3 & 4) has finalized planning and surveying of colonial

villages. Fourteen (14) advisory plans for colonial villages have so far been finalized and approved by the County Assembly. The department is in the process of facilitating the registration of 1000 title deeds which include relating to the same. The department has considered 2,500 development applications (building plans, subdivision schemes, change/extension of users, and renewal/extension of leases) for approval.

**116.** There are various policies formulated and prepared bills that are awaiting approval and adoption. These include:

- The county physical and land use planning bill
- The county survey policy
- The housing policy
- The county outdoor advertisement policy
- The count street naming and address policy
- The solid waste management policy
- The traffic management by laws

### **2.15 Sustainable Management of Land for Social-Economic Development**

**117.** The County government has played a great role in resolution of boundary disputes, demarcation and alignment of boundaries. The department has achieved the following; Survey of 20 access roads in 12 wards, held public participation meetings geared towards building consensus on public land alienation and resolving ownership disputes. These include areas of Ngorano, Gitugi, and Mutonga. Survey works have been undertaken for the following centers, Mutonga, Ngorano, Kabero, Othaya, Nairutia police station to mention but a few. The GIS lab has been upgraded for purpose of data capture and storage.

**118.** In conformity with Kenya Urban Support Programme directive the Nyeri Municipality Board was sworn in February 2019 and has embarked on implementation of the delegated functions by the county executive committee. Pursuant to the Urban Areas & Cities Act, 2011(amended in 2019) and Nyeri Municipal Charter, 2018, Nyeri town was elevated to Municipal status (Municipality of Nyeri). This led to the formation of Nyeri Municipal board which is domiciled in the department of Lands, Housing, Physical Planning & urbanization.

**119.** The Nyeri Municipal Charter has all the functions that the municipal board is supposed to perform as per Urban Areas & Cities Act (2011), however, due to capacity inadequacy the functions will be delegated gradually.

**120.** Currently the board has the following functions: Garbage collection & Sanitation, Beautification & Streets naming, Traffic Management and Actualization of ISUDP. The board has been in collaboration with various county departments in order to continuously oversee the municipal projects.

**121.** To operationalize the Municipal services, the County Government seconded eighty (80) staff to the municipal board as follows; The Municipal Manager, The Municipal Engineer, The Municipal Planner, three (3) Public Health Officers, The Social Welfare Officer, ten (10) Traffic Marshals/enforcement officers, four (4) drivers and fifty-nine (59) sanitation workers. To address the challenges of urban areas management the board has developed the Municipality Integrated Development Plans (IDeP) 2019-2022, Solid Waste Management Plan & Policy, The Traffic Management By-laws among many other instruments.

**122.** The Nyeri Integrated Urban Development Plan is a 20-year development plan that provides the legal framework on project planning and development control in Nyeri Municipality. It is the development plan informing the KUSP project currently under implementation and others in next financial year's budget.

**123.** In the year 2020/2021 the department have prioritized the following projects:

- The Preparation of Narumoru Integrated Urban Development Plan and SEA Report
- The Preparation of a strategic environmental assessment (SEA) for the county spatial plan.
- The Planning and surveying of 25 trading centres.
- The Fencing of county housing estates of Mukurweini and Mweiga
- The Upgrading of liquid waste management system within Mweiga estate.
- The Construction of high-rise developments at Blue Valley (Densification).
- The Awareness creation on Appropriate Building Materials Technology (ABMT) in the 8 sub-counties to help in actualization of the President Uhuru Kenyatta Big four agendas on housing.

## **2.16 Implementing the Post-Covid-19 Economic Recovery Strategy**

**124.** Having acknowledged that Covid-19 Pandemic wreaked havoc to our economy, the County Government embarked on developing an elaborate economic recovery strategy. We collaborated with KIPPRA and the Tony Blair Institute through a consultative process to come up with a comprehensive strategy that is unique for Nyeri County situation.

**125.** To this end, six (6) pillars have been identified that include the boosting private sector activity; policy, legislation and institutional reforms; the strengthening County government's preparedness and response to pandemic and disasters; enhancing ICT capacity for business continuity, human capital development and exploiting key agricultural value chain commodities.

**126.** The crisis offered an opportunity to address the County's structural issues and identification of areas with potential for economic growth and participate in national and global value chains:

- i) Agro - processing for value addition with important areas of focus include; Irish potatoes, coffee, tea, beef, dairy, leather and textile production and processing, and horticulture.
- ii) The textile and wearing apparel sectors can be enhanced to provide PPEs for use within the County and potentially for the export market.

- iii) Mining and extraction activities of clay, sand, aggregate, gravel and natural building stones.

**127.** In strengthening the private sector, efforts targeted at improving the business environment in the County include:

- i) Initiating and strengthening self-sustaining funds dedicated and easily accessible to Micro and Mediums Enterprises in the County; promoting tailor made financial literacy programmes for Micro and Medium Enterprises and establishing a framework for micro-leasing for the Micro and Medium Enterprises.
- ii) Provision of machines and safety gear should be prioritized to improve the working environment of artisans within the county. In addition, enhancement and promotion of local manufacturing of affordable tools and machinery for the Micro and Medium Enterprises including reverse engineering and mainstreaming the needs of People with Disabilities.
- iii) Providing access to affordable energy in collaboration with the national government and other stakeholders.
- iv) Collaboration with relevant stakeholders and institutions such as Kenya Institute of Business Training (KIBT) and National Industrial Training Authority (NITA) to provide entrepreneurial training and technical training, apprenticeship and certification programmes to MSEs.
- v) Developing appropriate road infrastructure especially the county roads while collaborating with the private sector through Public Private Partnerships' to get financing of the projects

## **2.17 Sanitation and Solid Waste management**

**128.** Sanitation and Solid waste management over the years has posed a challenge due to rapid population growth resulting from rural -urban migration and the upsurge caused by displaced persons from other parts of the neighboring counties. There has also been a notable change in trends of characteristics of waste, requiring innovative measures in management.

**129.** In the provision of sanitation services, the department has increased its waste management trucks through procurement of two trucks, one side loader truck and two skip mounted loaders. This adds to the previous five trucks procured last financial year. This increases the fleet to eleven and a total number of (27) skip containers.

**130.** The department has fenced off two of its waste dumping sites that is Karindundu in Karatina, and Gikeu in Othaya. We also have a proposed transfer station that is Blue Valley in Nyeri Central which is also fenced. The department is currently in the process of procuring land as a proposed sanitary landfill. The Sanitation and waste management have proven to be a major problem for the Government and all stakeholders need to come together in charting the way forward towards solving this matter once and for all.

**131.** In July 2019, sanitation services within the Municipality of Nyeri were delegated to the Nyeri Municipal Board with a view to improve efficiency and align the function with Urban Areas and Cities Act, 2011 (amended in March 2019). The County undertook to increase refuse collection efficiency by seconding three (3) Public Health Officers, Four (4) drivers and fifty-nine (59) sanitation workers to the Municipal Board.

**132.** To address the challenge of garbage collection the board has developed a Solid Waste Management plan & policy. To enhance efficiency, the department of Environment and Sanitation purchased skips and litter bins that are placed in strategic points within the Nyeri CBD, estates and highways. This has tremendously improved solid waste management within the municipality. An average of 292 tons of garbage is collected weekly and 1,169 tons monthly within the municipality by three (3) vehicles and two skip loaders. To increase efficiency in refuse collection, designated dumping sites were mapped and hotspots identified. This information is used to allocate resources and establish collection routes.

### **2.18 Deepening Public Financial Management Reforms**

**133.** In its effort to ensure efficiency and effectiveness of public spending, the Government will continue to strengthen expenditure control through fiscal measures and prudent public financial management reforms. To facilitate the attainment of the “Big Four” Agenda priority projects, the Government will focus on implementation and completion of ongoing projects and programmes as set out in the agenda with no new projects being undertaken. As a measure of accountability, the government will adhere to strict project timelines to avoid cost escalations so as to enable redirecting of resources to other fundamental and critical sectors of the economy.

## **III. BUDGET FY 2021/22 AND THE MEDIUM TERM FRAMEWORK**

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### **3.1 Fiscal Framework Summary**

**123.** The FY 2020/2021 Budget framework will continue with the fiscal consolidation policy to strengthen our debt sustainability position. Through the fiscal consolidation approach, all county departments and entities will have to adopt efficiency in allocation of resources and ensuring value for money to promote sustainability and affordability. This will ensure efficiency not only in revenue administration but also in how revenues are utilized.

**124.** The fiscal framework for the FY2020/2021 Budget is based on the National and County Government’s development priorities considering the macroeconomic factors as set out in Chapter I and Chapter II. The county will continue enhancing prudence in utilization of resources to guarantee sustainable economic growth and development.

**125.** These policies will enhance smooth implementation of the projects and programs as well as promoting economic activities in the county. The fiscal framework will also ensure resources

allocated for development activities are aligned to the county priorities for optimal benefit to the county citizenry.

### **3.1.1 Revenue Projections**

**126.** The Own Source Revenue in FY 2021/22 is projected at Kshs 1 billion similar to the projection in FY 2020/2021. This revenue is expected to be enhanced by the Finance Act, 2020 and recent recruitment of enforcement officers. The automation of all revenue streams through the Revenue Management System, NyeriPay, has also helped to boost revenue collection. Leakage in revenue has greatly reduced since the process of payment is completely cashless.

### **3.1.2 Expenditure Projections**

**127.** The Annual Development Plan 2021/22 outlines priority development programmes and projects that were identified for implementation during the FY 2021/22. The projects and programmes are aimed at providing solutions to the development challenges facing the County in order to achieve its medium term vision of “A wealthy County with happy, healthy and secure people”. These projects and programmes will guide in preparation of the budget estimates for the same period.

### **3.1.3 Deficit Financing**

**128.** The county expenditures will be restrained to guarantee debt sustainability and intergenerational equity in line with the Constitution of Kenya, 2010, Section 107 of the PFM Act, 2012 and Regulation 25 of the PFM (County Governments) Regulations, 2015. The law sets out the Fiscal Responsibility Principles which the County Governments have to adhere to and enforce through the County Treasury.

**129.** In the Financial Year 2021/2022 we will have a balanced budget where only pending bills and possible carry overs from FY 2020/2021 will be settled through the vote on budgetary reserves. This may result from shortfall in the current projected revenue collection and late disbursement of funds by the National Treasury forcing the County Treasury to seek ways of addressing the outcomes of the deficit.

**130.** The County Treasury remains devoted in strengthening the fiscal policy to reduce possibilities of deficit. This will be achieved through strengthening revenue mobilization, widening revenue base, conducting revenue potential study, containing unproductive expenditures and leakages during the medium term period.

### **3.1.4 Key Priorities for the 2020/2021 Medium Term Budget**

**131.** The aspirations of Nyeri people are outlined in the CIDP (2018-2022) and the Annual Development Plan (2021/22). In order to achieve these aspirations, the Medium-Term Budget

2021/22 – 2023/24 will take into consideration the need to optimize use of the scarce resources during the planning period clearly focusing on priority programmes aimed at economic recovery.

**132.** In this regard the county government will develop a framework for better quality services based on strong links between resources, budgeting, monitoring and clear expectations for delivering planned outcomes. The Government will continually endeavor to ensure that public spending leads to high quality outcomes. Consequently, the medium-term spending programme will continue to focus on the quality of public spending, taking into consideration, sustainability, affordability and strict prioritization of the projects and programmes.

### **3.1.5 Allocation Baseline Ceilings**

**133.** The baseline estimates mirror the current departmental and entities spending levels in their programmes. In the recurrent expenditures, non-discretionary expenditures take first charge. These include payment of salaries and gratuity for employees, medical and motor vehicle insurance covers, water and electricity bills among others.

**134.** Development expenditures have been allocated out on the basis of the flagship projects in the CIDP 2018-2022, ADP 2021-2022 and public views collected during public participation on CFSP. The following criteria was used in apportioning development budget:

- ***On-going projects:*** emphasis should be given to completion of on-going capital projects and in particular infrastructure projects with high impact on poverty reduction, equity and employment creation.
- ***Donor funds:*** priority will be given to adequate allocations for donor funds (Conditional grants) and counter funding by the county government.
- ***Post-Covid 19 Recovery:*** Further, Consideration will be given to interventions supporting Post-Covid 19 recovery.
- ***Strategic policy interventions:*** on this, priority should be given to policy interventions covering the entire county on matters of social equity and environmental conservation.

### **3.1.6 Criteria for resource allocation.**

**135.** In finalization of the Medium-Term Budget 2021/2022 – 2023/2024, there will be thorough scrutiny to curtail spending on non-productive areas and ensure resources are directed to priority projects and programmes. Any additional resources will be used to fund key county strategic priorities which includes;

- Projects and Programmes identified during the public participation forums for the FY 2021/2022 budget and subsequent ones over the medium term.
- Areas aimed at improving food security, improving infrastructure and other social economic enablers of development as outlined in the CIDP 2018-2022.

- Initiatives focusing on economic recovery and enhancement of job creation especially for the youth.

## **IV. DEPARTMENTAL ALLOCATION OF RESOURCES**

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### **4.0 Introduction**

**136.** The Constitution of Kenya 2010 and the PFM Act 2012 demands collection and consideration of views of the public and other stakeholders to inform the choice of projects and programmes to be implemented in a specific financial year. The preparation of this County Fiscal Strategy Paper, 2021 takes into account the above requirements. The public participation forums provided a platform for project prioritization considering the scarcity of resources against the many competing needs.

**137.** The County Integrated Development Plan (2018-2022) and the Annual Development Plan FY 2021/22 outlines the County Government's transformative agenda and are the basis for preparation of this document. However, it is important to note that significant changes have occurred in E-procurement and IFMIS processes. These changes demand capacity building of the technical personnel to equip them with necessary skills to implement and efficiently operate with the system updates and changes for optimal service delivery.

**138.** Due to the emerging challenges, there is dire need for continuous training and capacity building in budget making process, resource allocation, and prioritization of projects. Further, there is need to identify and train staff at departmental levels on monitoring, evaluation and reporting on budget and projects implementation.

### **4.1 Departmental Budgeting**

**139.** The County Executive Committee Member in charge of Finance and Economic Planning will issue guidelines to the county departments and spending units on the preparation of FY 2021/22 budget with specific ceilings as adopted by the County Assembly. The departments are expected to prepare their budgets within the approved ceilings. Each department is expected to plan, formulate, execute and report on their budgets. The FY 2021/22 budget for the County will therefore be prepared in line with the Public Finance Management Act, 2012 and its attendant regulations of 2015.

### **4.2 Resources available**

**140.** In line with the government's commitment to spend within its means and adhere to the austerity measures instituted by the National Treasury, the County Treasury projects a total budget



of Kshs 8,144,994,227 for the 2021/22 financial year as provided for in the Budget Policy Statement, 2021. This translates into a 12.41 per cent decline as compared with the FY 2020/21 revised estimates. This downward trend can partly be attributed to the inclusion of balance brought forward from the FY 2019/20, reduction in allocation for conditional grants that has been converted to unconditional allocations to be disbursed to the Counties as part of their equitable revenue share. The four conditional allocations are: - the Road Maintenance Levy Fund (RMLF); the grant to level-5 hospitals; the compensation for user fees foregone and the rehabilitation of village polytechnics grants.

**141.** Conversion of the four conditional allocations to Counties' equitable revenue share as proposed above has several advantages. Firstly, it will afford the Counties more autonomy to budget and prioritize allocation of resources. Secondly, it will achieve a more consolidated approach to funding of devolved functions, while also enabling better tracking of performance and attribution of 2021 Budget Policy Statement outcomes. Thirdly, it will help to address a number of challenges which are currently being experienced including suboptimal absorption of conditional allocations (which arises due primarily to difficulties faced by many Counties in adhering to the underlying conditions); and, failure by Counties to allocate sufficient resources in areas receiving supplemental funding by the National Government through conditional allocations.

**142.** In addition, the fact that the approved third basis for allocation of the share of national revenue among the County Governments is now effectively linked to devolved functions (specifically with weighted parameters for health, roads and agriculture) means that it is now possible to achieve policy objectives of some conditional grants directly through the equitable share. In health and agriculture for instance, the new parameters to be used in distributing the equitable revenue share among Counties closely resemble those currently being used to distribute sectoral conditional allocations. In addition, the approved revenue distribution criteria contain a parameter, 'population' with a weight of 18% which is specifically designed to reflect costs of 'other County Services' including village polytechnics.

**143.** Currently, besides the composite of equal share, the allocation criteria for the rehabilitation of village polytechnics conditional grant is also based on total trainee enrolment in the respective county governments, which is similar to the use of population parameter in the Third Basis for Revenue Sharing among Counties. This means that village polytechnics being a devolved function, and also a composite of the population parameter of the formula should be directly financed from each County's equitable share of revenue. The budget will be funded through external and internal revenue sources.

### **4.3 External Sources**

**144.** This will consist the equitable share of revenue raised Nationally and loans & grants from the National Government entities and donors. It will also include transfers from National Government Ministries and Agencies channeled through the County Revenue Fund.

**145.** In financial year 2021/22, the county expects to receive Kshs 6,228,728,555 as equitable share from the consolidated fund as proposed in the Budget Policy Statement, 2021. In addition, the County Government expects to receive Loans & grants from the national government as contemplated under Article 202(2) of the Constitution. The anticipated amount is Kshs. 916,265,672 from loans and grants.

#### **4.4 Internal Sources**

**146.** These are the own source of revenues from specific county revenue raising measures through imposition of land rates, parking fees, entertainment taxes, as well as any other tax and user fees and charges as authorized to impose. In the FY 2021/22 budget the local revenue is projected at Kshs 1 Billion, the same amount estimated in the FY 2020/2021.

#### **4.5 Allocation of Revenue among Departments**

**147.** Departmental allocation for recurrent and development spending during FY 2020/21 is provided in table 5 below;

**Table 5: Approved Supplementary Budget Allocations by County Departments and Units, July 2020 – June 2021**

DEPARTMENT	RECURRENT	% OF TOTAL	DEVELOPMENT	% OF TOTAL	TOTAL	% OF TOTAL
Office of the Governor and Deputy Governor	123,352,337	2.11	10,000,000	0.31	133,352,337	1.48
Office of the County Secretary	353,492,272	6.04	8,200,000	0.26	361,692,272	4.01
Finance and Economic Planning	834,578,591	14.27	534,566,772	16.81	1,369,145,363	15.16
Lands, Physical Planning, Housing and Urbanization	44,272,583	0.76	600,960,757	18.90	645,233,340	7.15
Health Services	2,669,242,815	45.63	315,031,478	9.91	2,984,274,293	33.05
Gender, Youth and Social Services	65,909,974	1.13	60,900,000	1.91	126,809,974	1.40
County Public Service and Solid Waste Management	106,277,808	1.82	41,500,000	1.30	147,777,808	1.64
Agriculture, Livestock and Fisheries	301,270,924	5.15	353,149,184	11.10	654,420,108	7.25
Trade, Culture, Tourism and Co-Operative Development	54,238,810	0.93	41,850,000	1.32	96,088,810	1.06
Education and Sports	337,627,708	5.77	71,119,566	2.24	408,747,274	4.53
Water, Irrigation, Environment & Climate Change	77,910,989	1.33	53,375,059	1.68	131,286,048	1.45
County Assembly	706,085,232	12.07	50,000,000	1.57	756,085,232	8.37
County Public service Board	43,846,848	0.75	12,000,000	0.38	55,846,848	0.62
Transport, Public Works, Infrastructure and Energy	131,131,479	2.24	1,027,759,128	32.32	1,158,890,607	12.83
<b>TOTAL</b>	<b>5,849,238,370</b>	<b>100.00</b>	<b>3,180,411,944</b>	<b>100.00</b>	<b>9,029,650,314</b>	<b>100.00</b>

*Source: Department of Finance and Economic Planning, 2021*

## 4.6 Fiscal Discipline

**148.** PFM Act, 2012 requires that a county government budget be balanced. This will be the case for the FY 2021/2022 Budget. Prudent measures will be taken to reduce appropriations and increase revenues with minimal effects on public service delivery. This necessitates a tight balancing act to ensure optimal allocation of the available funds to the most deserving priorities and ensure that the quality of spending is enhanced within the context of the Public Finance Management Act, 2012.

**149.** As highlighted in the Nyeri County Finance Act, 2020, the County Government will continue expanding the revenue base and opening up more revenue streams. This combined with other strategies will reduce over reliance on external sources of revenues from the National Government and development partners thereby releasing more resources to capital projects and programmes.

## 4.7 Equity in Allocation of Resources

**150.** The fiscal strategy will be guided by current events which have compressed the economy, the ADP 2021/2022 and the realities of the FY 2020/2021 actual revenue collections and expenditures. In this view, the 2021 fiscal strategy paper has been designed to continue addressing these specific challenges by focusing on critical infrastructural development and human capital such as education and health as a means of promoting long-term economic growth and scale up investments in the county's priority areas. Critical consideration continues to be given to underdevelopment areas in resource allocation to ensure overall fairness.

# V. 2021/22 EXPENDITURE FRAMEWORK

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## 5.0 Resource Envelope

**151.** The resource envelope that is applied for the setting of departmental ceilings and allocations is based on the fiscal and budget framework outlined in Section IV and was based on the proposed county allocations as indicated in the Budget Policy Statement, 2021. In this resource envelope, the Equitable share from national government is expected to finance nearly 78.76 percent of the total county budget for FY 2021/2022.

**152.** The percentage of income received from the National Government as equitable share is projected by the formulae determined by the Commission on Revenue Allocation (CRA). However, it is important to note the ratio of equitable share relative to the Own Source Revenue for FY 2021/22 remains high. In this regard, it is imperative for the County Government to be more committed in developing strategies to improve the performance of local revenue over the medium term. In financing the FY 2021/22 budget, the county's own revenue collection is projected to be 12.28 percent of the entire budget.

**153.** The difference between the budgetary estimates and the equitable share will be funded through the county own generated revenue, loans and grants. The County will also strengthen its resolve to increase its local revenue collection as an approach to meet the expanding and strained budgetary needs. Further, the county will continue engaging and partnering with the private sector and development partners to fund some of the development activities during the financial year FY 2021/22.

**154.** The County Government envisions a balanced budget that will be fully funded by the resource envelop in order of priority as outlined in this document. The resource basket will therefore be sourced from the revenue collected from local sources, equitable share, loans and grants.

## 5.1 Spending Priorities

**155.** The County has developed the second-generation County Integrated Development Plan (CIDP) for the period 2018-2022 and Annual Development Plan 2020-2021 in which the county residents were involved in all inclusive consultative forums to identify and prioritize strategic development agendas and programmes. These programmes are also guided by the Medium-Term Plan (MTP) III of the Kenya's vision 2030, and the National's "big four" agenda. The following criteria was used in appropriating of capital projects:

- **Ongoing projects:** Emphasis was given to completion of ongoing capital projects and in particular infrastructure projects with high impact on poverty reduction, equity, and employment creation.

- **Roll over projects:** These are projects earmarked to be undertaken in the financial year 2020/21 but they didn't start due to various challenges faced in that financial year.
- **Counterpart funds:** priority was also given to adequate allocations for donor counterpart funds which is the portion that the Government must finance in support of the projects financed by development partners;
- **Post-Covid 19 Recovery;** Consideration was further given to interventions supporting Post-Covid 19 recovery.
- **County flagships:** These are projects that are considered to have a huge impact or a multiplier effect cutting across multiple wards and departments and that require a significant proportion of the county appropriation.
- **County newly proposed projects:** Proposals from the public participation and the departments were also considered in the determining of the departmental allocations.
- **Strategic policy thrusts and interventions:** Further priority was given to policy intervention covering the entire County for social equity and environmental conservation.

**156.** The above projects and policy interventions as contained in the planning documents have high impact on poverty reduction, investment, equity, employment and wealth creation. In addition, the Constitution and the PFM Act, 2012 requires the national and county governments to promote budgetary transparency, accountability and effective financial management of their respective jurisdictions. Therefore, inefficient and wasteful public expenditure will continue being eliminated at all costs in order to promote public trust in public spending.

**157.** In finalizing the preparation of the 2021/22 MTEF budget, the County Government will continue to undertake austerity measures aimed at minimizing expenditure on the non-productive areas and programmes and ensuring that resources are allocated optimally to priority programmes that have immense impact accruing to the intended beneficiaries.

## **5.2 2020/21 Expenditure Estimates**

**158.** In the process of budget implementation, several challenges that emerged during the first half of the FY 2020/21. They included the stalemate in approval of third formula generation which would subsequently affect and delay enactment of County Allocation Revenue Act (CARA) between the National Assembly and the Senate and subsequent delay in disbursement of funds. This had a greater effect on absorption of funds affecting implementation of planned programme and projects.

**159.** Further, there were changes in the introduction of a new PPDA 2015 regulations in the procurement process. In addition, the introduction of the ward specific projects and programme is also posing a challenge where the projects identified for implementation keeps mutating and continuous shifting of priorities, also unimplemented ward specific some changed from the previous priorities thus delaying implementation in the long run.

## 5.3 Medium-Term Expenditure Estimates

160. The table below shows the projected baseline ceilings for the FY 2021/22 budget estimates classified by county departments and spending units.

**Table 6: Proposed Budgetary Allocations for Financial Year 2021-2022**

Department/Entity/Unit	2020/2021 BUDGET						2021/2022 BUDGET		
	APPROVED BUDGET			REVISED BUDGET			PROPOSED CEILINGS		
	RECURRENT	DEVELOPMENT	TOTAL(Kshs)	RECURRENT	DEVELOPMENT	TOTAL (Kshs)	RECURRENT	DEVELOPMENT	TOTAL(Kshs)
Office of the Governor and Deputy Governor	124,752,337	20,000,000	144,752,337	123,352,337	10,000,000	133,352,337	113,083,962	20,000,000	133,083,962
Office of the County Secretary	283,353,266	26,000,000	309,353,266	353,492,272	8,200,000	361,692,272	310,932,648	40,000,000	350,932,648
Finance and Economic Planning	520,873,496	72,000,000	592,873,496	834,578,591	534,566,772	1,369,145,363	758,122,903	242,795,683	1,000,918,586
Lands, Physical Planning, Housing and Urbanization	43,122,583	342,300,000	385,422,583	44,272,583	600,960,757	645,233,340	49,379,640	363,000,000	412,379,640
Health Services	2,500,492,815	361,219,026	2,861,711,841	2,669,242,815	315,031,478	2,984,274,293	2,575,080,164	170,614,815	2,745,694,979
Gender, Youth and Social Services	64,909,974	52,700,000	117,609,974	65,909,974	60,900,000	126,809,974	56,164,024	25,000,000	81,164,024
County Public Service and Solid Waste Management	110,727,808	64,500,000	175,227,808	106,277,808	41,500,000	147,777,808	109,385,107	81,500,000	190,885,107
Agriculture, Livestock and Fisheries	201,270,924	352,297,472	553,568,396	301,270,924	353,149,184	654,420,108	244,766,843	475,580,826	720,347,669
Trade, Culture, Tourism and Co-Operative Development	51,538,810	75,150,000	126,688,810	54,238,810	41,850,000	96,088,810	50,245,025	152,426,956	202,671,981
Education and Sports	280,495,963	86,900,000	367,395,963	337,627,708	71,119,566	408,747,274	349,394,783	58,500,000	407,894,783
Water, Irrigation, Environment & Climate Change	76,410,989	45,149,171	121,560,160	77,910,989	53,375,059	131,286,048	75,724,101	255,553,519	331,277,610
County Assembly	706,085,232	50,000,000	756,085,232	706,085,232	50,000,000	756,085,232	676,085,232	50,000,000	726,085,232
County Public service Board	42,546,848	5,000,000	47,546,848	43,846,848	12,000,000	55,846,848	34,048,187	5,000,000	39,048,187
Transport, Public Works, Infrastructure and Energy	73,712,576	856,244,954	929,957,530	131,131,479	1,027,759,128	1,158,890,607	131,131,479	1,027,759,128	1,158,890,607
<b>Total</b>	<b>5,080,293,621</b>	<b>2,409,460,623</b>	<b>7,489,754,244</b>	<b>5,849,238,370</b>	<b>3,180,411,944</b>	<b>9,029,650,314</b>	<b>5,475,568,506</b>	<b>2,669,425,722</b>	<b>8,144,994,228</b>

Source: Department of Finance and Economic Planning, 2021

## 5.4 Baseline ceilings

### 5.4.1 Recurrent expenditure projections

161. The total recurrent budget for FY 2021/2022 will be Kshs 5.475 billion as compared to Kshs 5.84 billion in FY 2020/21 revised Budget estimates, representing a significant decrease by 6.2%. The recurrent estimates account for approximately 67.23% of the total county budget which consist of all non-discretionary expenditures such as payment of statutory obligations, namely, wages, salaries, pension, payee and utilities, taking first charge.

162. The county wage bill is worrying as it has risen to 49.5 percent of the total allocation thereby leaving very little amount for other operations and maintenance especially after considering the utilities and bills. The allocation for operations and maintenance is also further compounded by the 30 percent requirement for development and the allocations for conditional grants.

### 5.4.2 Development expenditure projections

**163.** On the other hand, 32.77% percent of the total budget estimate is reserved for funding planned development projects and programmes in line with the PFM Act, 2012. The development expenditure is shared out on the basis of the County priorities as outlined in the CIDP (2018-2022) and the Annual Development Plan for FY 2021/22, consideration of ongoing projects and programmes, the views of the public and other stakeholders and the county flagship projects.

## VI. CONCLUSION

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**164.** In conclusion, the county treasury will continue working closely with the National Treasury, the Office of the Controller of Budget and other relevant agencies to enhance performance of its functions. Further, the county government will continue to build the capacity of its personnel to ensure adherence with the fiscal responsibility principles to guarantee value for money and efficiency in resource management and utilization.

**165.** The ceilings set in this strategy paper will guide in the formulation of the FY 2021/2022 county budget. In addition, this document is prepared at a time when the county is trying to recover from the effects of the global Covid-19 pandemic and its containment measures that altered normalcy and led to closure of businesses and loss of livelihood. This means that the resources are constrained to meet the competing needs. It is therefore necessary for all county entities and spending units to allocate the available resources in order of priority to eliminate possible wastage in attainment of maximum social and economic benefits to Nyeri citizens.

## ANNEX I: OWN REVENUE SOURCES COLLECTED IN THE FIRST HALF OF THE FY 2020/2021

ACCOUNT DESCRIPTION	APPROVED TARGET FY 2020/2021	ACHIEVEMENT 1 <sup>ST</sup> HALF 2020/2021	PERFORMANCE 2020/21
	Kshs	Kshs	%
Liquor Licence	53,878,795.00	15,612,249.00	28.98
Commission 3%	5,500,000.00	3,069,780.05	55.81
Co-operative Audit	2,500,000.00	210,620.00	8.42
Agricultural Mechanisation Station	1,155,400	354,330	30.67
Wambugu Agricultural Training Centre	9,500,000.00	2,269,325.00	23.89
Veterinary Charges	12,276,000.00	5,589,992.00	45.54
Nyeri Slaughter House	480,000.00	390,000.00	81.25
Kiganjo Slaughter House	120,000.00	80,000.00	66.67
Sale of Fertilizer/Lime	3,000,000.00	923,000.00	30.77
Coffee License	-	250,700.00	100
Gura Fishing Camp	24,000		0.00
Weights and Measures	3,000,000.00	1,894,913.00	63.16
Business Permits (e-SBP)	120,000,000.00	25,811,953.00	21.51
Market Entrance/Stalls/Shop Rents	37,000,000.00	24,795,361.30	67.01
Ambulant Hawkers Licences (Other than BSS Permits)	1,800,000.00	762,150.00	42.34
Impounding Charges/Court Fines, penalties, and forfeitures	2,800,000.00	895,165.00	31.97
Application Fee	17,000,000.00	6,246,377.00	36.74
Central Kenya show annual permit	500,000.00	-	0.00
Hospital Services	250,000,000.00	59,847,377.00	23.94
Public Health	17,131,050.00	5,277,190.00	30.80
Burial Fees	100,000.00	51,100.00	51.10
Public Toilets/ Use of public toilets	600,000.00	160,510.00	26.75
Refuse Collection Fee	42,331,880.00	12,111,336.30	28.61
Miscellaneous Income	8,000,000.00	1,474,592.00	18.43
Document Search Fee	500,000.00	318,500.00	63.70
Parking Fees	46,000,000.00	16,687,791.00	36.28
Enclosed Bus Park	79,806,070.00	36,579,631.00	45.84
Parking Clamping/Penalties/Offences fees	7,016,000.00	1,945,130.00	27.72
Land Rates	85,854,800.00	16,740,273.27	19.50
Other Property Charges			0
Ground Rent - Current Year	6,000,000.00	1,062,625.88	17.71
Ground Rent - Current Year/Temporary Occupation License (TOL), New Occupation, Space Rent, Retainers fees	3,500,000.00	1,495,110.85	42.72
Plot Transfer Fee/Business Subletting / Transfer Fee	1,105,000.00	365,000.00	33.03
Cess (Quarry, Produce, Kaolin, e.t.c.)	51,950,000.00	29,837,811.00	57.44
Housing Estates Monthly Rent	32,582,000.00	16,910,256.01	51.90



ACCOUNT DESCRIPTION	APPROVED TARGET FY 2020/2021	ACHIEVEMENT 1 <sup>ST</sup> HALF 2020/2021	PERFORMANCE 2020/21
Approvals (Extension of users, Pegging for Kiosk, Subdivision, transfer, Amalgamation, survey, Occupation cert, boundary dispute e.t.c.)	9,565,800.00	3,578,099.00	37.41
Sign Boards & Advertisement Fee	30,998,425.00	6,517,791.60	21.03
Buildings Plan Approval Fee	15,572,000.00	4,995,853.00	32.08
Buildings Inspection Fee	3,818,570.00	3,285,000.00	86.03
Right-of-Way / Way-Leave Fee (KPLN, Telkom, e.t.c.)	10,510,010.00	2,998,780.00	28.53
Consent to Charge Fee/Property Certification Fee (Use as Collateral)	2,000,000.00	960,400.00	48.02
Sales of Council's Minutes / Bylaws	406,000.00	264,500.00	65.15
Benevolent Fund	1,646,000	-	0.00
Debts Clearance Certificate Fee	2,457,200.00	863,000.00	35.12
Fire-Fighting Services	17,500,000.00	3,633,500.00	20.76
Social Hall Hire, IFAD Hall	285,000.00	30,000.00	10.53
Stadium Hire/Hire of Grounds (Kamukunji, Whispers park)	1,700,000.00	643,541.00	37.86
Nursery Schools Fee (KRT)	115,000.00	6,000.00	5.22
Nursery Schools Fee (Kingongo)	207,000.00	-	0.00
Nursery Schools Fee (Nyakinyua)	208,000.00	-	0.00
<b>TOTAL LOCAL SOURCES</b>	<b>1,000,000,000</b>	<b>317,796,614.00</b>	<b>31.78</b>

Source: Directorate of Revenue, 2021

## ANNEX II: SOURCES OF BUDGET FUNDING IN FY 2021/2022

No.	Description	Total in Kshs
1.	Equitable Share	6,228,728,555
2.	Loans and Grants	916,256,672
3	Estimated Local Revenue	1,000,000,000
	<b>Estimated total amount for budgeting</b>	<b>8,144,985,227</b>

### **ANNEX III: HIGHLIGHTS OF THE PUBLIC PARTICIPATION ON PREPARATION OF THE CFSP, 2021 AND THE MTEF BUDGET 2021/2022-2023/2024 HELD IN ALL THE EIGHT SUB-COUNTIES HEADQUARTERS ON 23.02.2021**

- There was a general feeling that flagships projects should be distributed in all sub-counties and not concentrated in some areas. For instance, Mukurweini residents felt that apart for the bus termini nothing much has been done as flagships and they requested for Mukurweini hospital to be provided with an admin block, a triage and other related amenities.
- The members of the public also felt that despite roads being done in many areas, the parts of the roads connecting wards and sub-counties were left out due to lack of ownership. There is therefore need to consider when awarding roads in such areas.
- The participants were concerned about the fate of ongoing and incomplete projects and there was a general consensus that they should be considered first to avoid the possibility of stalled projects and white elephants
- There was a concern over increasing cases of mental health issues and some participants recommended mental health matters to be allocated a dedicated budget. Further, on health there was a general call for equipping, staffing and provision of adequate medical commodities to reduce suffering and out of pocket expenditure for citizen.
- In Othaya, the stakeholders proposed the that the Community Health volunteers to be provided with PPEs especially during this era of Covid-19 to safeguard their health as they serve. Further, to address the challenge of garbage and waste management in the county, the participants proposed that the county government should consider recycling waste and management in a way that it can even generate revenue and income.
- It was also proposed for the county government to come up with better projects for the youth to guarantee their empowerment. This should also include mentorship programmes to encourage the young people away from engagement in drug and substance abuse.
- In Mukurweini, the participants proposed that the county government should consider mapping, improving and exploiting various tourist attraction sites across the county. Notably there are various unmentioned sites like Maingirano in mukurweini that has a great scenic. There are also other tourist attraction sites like the Sister Irene Nyatha burial site at Gikondi which, if well tapped, can be a source of revenue to the county.
- Rumukia Coffee Factory made a request for funding to a tune of Kshs. 160 million which was spearheaded by the new interim committee after claims of mismanagement of resources that threatened collapse of its operation.

- The participants also felt that the county government should support special need schools with basic facilities and equipment. This will ensure that such cases are arrested and treated in time to reduce their escalation.
- In Tetu sub-county, the participants were keen on revamping of the fish farming so as to take advantage of the already existing fish processing plant. They proposed for restocking of the fishponds in existing dams and individual farms which will also provide an alternative source of food and livelihood.
- In Mathira East, the participants were elated about the works done on Pakoni Market. The stakeholders therefore requested for construction of sheds and cabro in the market so that it can adequately serve the traders. Further, the participants were concerned with the status of Karatina Town Hall where the forum was being held since it is highly dilapidated. It was therefore proposed for renovation, fencing and construction of ablution block to make it habitable.
- In Nyeri town there was a proposal for construction of a bridge to connect Nyeri Town with Kingóngó since there are high traffic snarl up when there is a blockade at Chania. Secondly, a concern was raised on the disaster occurrences where people frequently drown at Kanoga Dam. It was therefore proposed that divers should be trained to mitigate against such eventualities. Further, the dam could also be provided with boats and other sporting activities to make them favorable and habitable thereby reducing the risks.
- In addition, residents of kamakwa requested for increase of dumpsites and the frequency of garbage collection which is a need cutting across many areas of the county.

## **PRIORITY PROJECTS AND SPECIFIC REQUESTS**

### **Health Services**

- An issue concerning staffing, equipping and provision of drugs in some dispensaries and Health centres was raised. Also construction of laboratories, maternity and consultation rooms which will help in timely provision of services. Mental health is also an issue that need to be embraced in the county since mental cases are on the rise. For the upcoming Naromoru Level 4 Hospital, the stakeholders requested the county to purchase at least one ambulance when the hospital opens. More Community health workers are required while remuneration of the existing ones need to be addressed.

### **Agriculture, Livestock and Fisheries**

- Provision of subsidized fertilizer, manure and seeds to the farmers. Completion of ongoing projects including irrigation schemes will in turn increase productivity. There is need for soil testing in order to correctly advise the farmers on necessary measures to take to enhance production. AI services need to be improved and also undertake employment of more extension officers.

## **Education and Sports**

- There is urgent need for renovation of ablution blocks in the ECDEs. Construction, renovation and equipping of ECDE and youth polytechnics. Renovated and equipped youth polytechnics will increase the technical skills which are on demand in the job market. Youth groups requested for sports equipment and renovation of stadiums for recreation activities, they are of the opinion that this will keep them away from anti-social activities.

## **Trade, Culture, Tourism and Cooperative Development**

- Construction of sheds at Karatina Market ground floor to keep off the sun and rains from destroying the traders' products. There is an urgent need to address the Pakoni Market thorough construction of market sheds and fencing of the market. In most of the county markets, construction of sheds is paramount. There was also a request to install security lights, ablution blocks, fencing and roofing of the county markets. Creation and development of tourist sites across the county and establishment of recreation parks in our major towns. The members also requested for revival of the Ceramic Plant at Mukurweini.

## **Transport, Infrastructure, Public Works and Energy**

- The stakeholders requested for continuous tarmacking, murraming and fixing of culverts on the roads to make movement easier during rainy seasons. Installation of more street lights and 'High mast' would help in security matters and help traders work till late hours in the evening. Drainage system in most of our towns is also a major concern.

## **Water and Irrigation**

- The stakeholders requested for drilling and equipping of more boreholes and installing water pipes so as to distribute the water to the public who have suffered from walking long distance to fetch water. They also advocated for afforestation across the county to enable the county achieve the desired forest cover.

## **Gender Youth and Social Services**

- Members of the public requested for fire engine and hydrants at Naromoru, Othaya, Mweiga and other major towns so as to safeguard their property in case of fire incidents although there are notable efforts by the county. Construction of social halls with ICT hubs to empower youths and also offer a platform to fight mental issues in the community which has become rampant and need to be addressed to help them share their experiences and vision. There is also need for establishment of a rescue training center and equipping of the same.