

**REPUBLIC OF KENYA**



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**COUNTY GOVERNMENT OF NANDI**

**DEPARTMENT OF FINANCE AND ECONOMIC PLANNING**

**THE COUNTY TREASURY**

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**COUNTY FISCAL STRATEGY PAPER**

**2021**

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**“ACHIEVING SUSTAINABLE AND ALL-INCLUSIVE SOCIO-ECONOMIC  
TRANSFORMATION- THE BIG 4 AGENDA”.**

**FEBRUARY, 2021**

# Nandi County Fiscal Strategy Paper 2021

**To obtain copies of the document, please contact**

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The document is also available on the official county website [www.nandi.go.ke](http://www.nandi.go.ke)

## Foreword

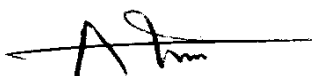
One of the key stages in the county budget cycle is the preparation of the County Fiscal Strategy Paper (CFSP). It sets out the county policy goals and strategic priorities that sets the basis for formulation of the County's annual budget estimates and the Medium Term projections by indicating the budget ceilings to various sectors of the county economy. This is an annual planning document that shows the various fiscal strategies that the County Government of Nandi intends to employ to meet its overall objective of transforming the livelihoods of its citizens.

The County priorities and goals outlined herein are derived from the County Integrated Development Plan (CIDP 2018-2022) as enunciated in the 2021/2022 Annual Development Plan(CADP 2021/2022) with emphasis on investment in: roads and infrastructure, accessible clean water, accessible quality health care, quality basic education, value addition and diversification of agriculture as well as promoting investor and business confidence necessary to encourage investment, economic growth for employment creation and poverty reduction. These priorities shall inform the basis for allocation of the scarce resources in the FY 2021/2022 estimates and over the Medium Term. This paper therefore links County Policy and Planning to Resource allocation(Budgeting) which is the main objective of the Medium Term Expenditure Framework.

As a build-up on the County Budget Review and Outlook Paper (CBROP) 2020 which analyzed the performance in the FY 2019/2020 financial year's budget, scanned the current year's fiscal environment and provided an outlook for the FY 2021/2022 and the medium term, this CFSP shows the allocation of resources in all sectors and departments.

The main sources of county revenue to fund the various sector priorities in the medium term, will be the equitable share(shareable revenue ), conditional grants-both domestic and foreign, and own source revenue to be realized from local revenue collection sources. In the FY 2021/2022 and over the medium term, the County Government proposes a series of measures to increase revenue and balance its fiscal spending with focus on strengthening the potential it is endowed with to stimulate economic growth and development.

Implementation of 2020/2021 is on course though disbursement of funds from the exchequer is not timely. The county will build on the economic gains made so far and through the policy goals set out in this CFSP; emphasis is to scale up our efforts on completing and operationalising all the existing projects; settle pending bills in totality in order to address the existing as well as emerging socio-economic challenges.



**CPA, ALFRED LAGAT**  
**CEC MEMBER FOR FINANCE AND ECONOMIC PLANNING**

## **Acknowledgement**

A lot of effort and dedication has been put to ensure the County Fiscal Strategy Paper (CFSP), 2021 is prepared and submitted on time, as required under the PFM Act, 2012 without which, actualization of this MTEF budgeting policy document would not have been possible. The document is expected to improve the understanding on how public finances are spent and shape the debate on economic and development matters in the County as we move towards sustaining economic prosperity for all the people of Nandi.

The preparation of this policy document was achieved through consultation and participatory process between the county treasury and all the sectors/departments as well as the key stakeholders in the county. We are grateful for their resourceful input that made this exercise successful. I also take this opportunity to appreciate Members of the County Assembly who have been championing the needs of the public during preparation of the County Integrated Development Plan (2018-2022) which forms the basis for the CFSP and the entire budgeting making process.

We are particularly grateful to the County Executive Committee Member for Finance and Economic Planning for his lead role, direction and guidance in developing this document. A technical team in the Finance and Economic Planning department spent a significant amount of time in drafting this paper. We appreciate their tireless effort towards this course.

Whereas it is not possible to recognize everyone in this page, I would like to take this opportunity to thank the entire county staff and the members of the public for their contribution, without which the actualization of this MTEF budgeting policy document would not have been possible



**FELIX SAMBU**  
**CHIEF OFFICER, ECONOMIC PLANNING**

## **List of Abbreviations**

BPS	Budget Policy Statement
CBR	Central Bank Rate
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated development Plan
CADP	County Annual Development Plan
CRA	Commission on Revenue Allocation
ECDE	Early Childhood Development Education
ESP	Economic Stimulus Programme
FIF	Facility Improvement Fund
FY	Financial Year
ICT	Information and Communication Technology
IFAD	International Fund for Agricultural Development
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NHIF	National Hospital Insurance Fund
PFM	Public Finance Management
TOL	Temporary Occupation License

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# **CHAPTER ONE**

## **1.1 INTRODUCTION**

The Nandi County Fiscal Strategy Paper identifies the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for Financial Year 2021/2022 and over the Medium Term. It also contains the financial outlook with respect to County revenues and expenditures for the coming financial year as well as the respective sector ceilings. The policy document will continue to enhance Programme Based Budgeting (PBB) which is result oriented in management of County Development Initiatives. Economic policies, structural reforms as well as sector-based expenditure programmes that the county government intends to implement in the medium term are also outlined in the document. In order to achieve the broad goal of the County government's "Transformation agenda" the document has detailed development priorities as articulated in the County Integrated Development Plan (2018-2022), the approved County Annual Development Plan (2021/2022) and the Medium Term Plan III (2018-2022). The paper is also aligned to the national policies and objectives outlined in the 2021 Budget Policy Statement. This 2021 CFSP is prepared against a backdrop of anticipated recovery from the COVID-19 pandemic which has caused devastation through loss of life, loss of employment and more so decline in economic performance as county, national, regional and the global arena. Hence allocation of revenue and expenditure ceilings takes into account the execution of socio-economic re-engineering strategies to bring the economy to the economic recovery path.

The proposed fiscal framework will ensure continued fiscal discipline and provide support for sustained economic recovery and growth, broad-based development and employment as well as wealth creation that benefit all. The purpose of this paper therefore, is to guide county sectors, stakeholders and the general public to understand the fiscal situation on the proposed budget strategies on the coming fiscal year. It emphasizes on the operationalization of the ongoing county priority projects and programmes as well as socio-economic transformative measures to be implemented over the Medium Term.

## **1.2 LEGAL BASIS FOR THE PREPARATION OF THE COUNTY FISCAL STRATEGY PAPER**

This Fiscal Strategy Paper is prepared in accordance with section 117 of the Public Finance Management Act, 2012 which stipulates that:

- a) 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.
- b) The County Treasury shall align its County Fiscal Strategy Paper with the National objectives in the Budget Policy Statement
- c) In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the County Government in preparing its budget for the coming financial year and over the Medium Term.
- d) The County Treasury shall include in its 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.
- e) In preparing the Fiscal Strategy Paper , the County Treasury shall seek and take into account views of :
  - i. The Commission on Revenue Allocation (CRA)
  - ii. The Public
  - iii. Any interested persons or groups: and
  - iv. Any other forum that is established by legislation
- f) 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
- g) The County Treasury shall consider any recommendations made by the County Assembly in finalizing the budget proposal for the financial year concerned.
- h) The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the County Assembly.



### **1.3 RATIONALE FOR COUNTY FISCAL STRATEGY PAPER**

The basis for preparing the CFSP is to indicate:

- i. The mechanism for aligning the county with the national objectives as contained in the Budget Policy Statement.
- ii. The broad strategic priority areas that will guide the County Government in preparing the Budget for Financial Year 2021/2022.
- iii. Create a mechanism for engaging the public in prioritizing the development programs that meet their needs best.
- iv. Details of departmental ceilings for the medium term expenditure framework (MTEF) period for prudent resource allocation and consistency with the MTEF budgeting approach.
- v. Financial outlook with respect to County Government Revenues, Expenditures and borrowing for the coming Financial Year and over the Medium Term.

### **1.4 COUNTY GOVERNMENT FISCAL RESPONSIBILITY PRINCIPLES**

The Constitution of Kenya and the Public Finance Management (PFM) Act, 2012 Section 107 sets out the following fiscal responsibility principles to ensure prudence and transparency in the management of Public Resources;

- i. The County Government's recurrent expenditure shall not exceed the County government's Total Revenue
- ii. Over the Medium Term, a minimum of thirty percent of the county government's budget shall be allocated to the Development expenditure
- iii. The County Governments' 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 Executive Committee Member for Finance in regulations and approved by County Assembly.
- iv. The limit set under paragraph (iii) above, shall not exceed thirty five (35) percent of the county government's total revenue as set out in PFMA regulation 2015.
- v. Over the Medium Term, the government's borrowing shall be used only for the purpose of financing development expenditure and not for recurrent expenditure
- vi. The county debt shall be maintained at sustainable level as approved by County Assembly
- vii. The fiscal risks shall be maintained prudently; and

viii. 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.

### **1.5 OUTLINE OF THE COUNTY FISCAL STRATEGY PAPER FY 2021/2022.**

The paper covers the following broad areas; review of the fiscal performance of financial year 2019/2020; highlights of the recent economic developments and the economic outlook; broad strategic priorities & policies for the Medium Term and the Medium Term Expenditure Framework.

This County Fiscal strategy Paper is presented in five chapters. Chapter one presents the introduction with an overview, legal basis for the preparation of the CFSP, rationale, county government's fiscal responsibility principles and the paper outline.

Chapter two outlines the recent economic and fiscal developments within which the 2021/2022 budget will be prepared. It further presents an overview of the forward economic and fiscal developments and the macroeconomic outlook covering the global, national and county scenes with respect to the recent developments. Chapter three highlights the County strategic priorities and interventions.

In Chapter Four, the paper presents the fiscal policy and budget framework that will support planned growth over the medium and long term, while continuing to allocate the scarce resources optimally to support the county social-economic development.

Chapter Five presents the resource envelope and spending priorities for the proposed FY 2021/2022 MTEF Budget.

**CHAPTER TWO**  
**RECENT ECONOMIC DEVELOPMENTS AND MEDIUM-TERM POLICY**  
**OUTLOOK.**

**2.1 REVIEW OF RECENT ECONOMIC PERFORMANCE**

**2.1.1 Global and Regional Economic Developments.**

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 (**Table 1**). This economic outlook is worse than the growth reported during the 2008 - 2009 global financial crisis.

**Table 1 Global Economic Growth, Percent**

REGION / COUNTRY	ACTUAL	ESTIMATED	PROJECTED
	2019	2020*	2021**
WORLD	2.8	(4.4)	5.2
ADVANCED ECONOMIES	1.7	(5.8)	3.9
USA	2.2	(4.3)	3.1
EMERGING AND DEVELOPING ECONOMIES	3.7	(3.3)	6.0
CHINA	6.1	(1.9)	8.2
INDIA	4.2	(10.3)	8.8
SUB SAHARAN AFRICA	3.2	(3.0)	3.1
SOUTH AFRICA	0.2	(8.0)	3.0
NIGERIA	2.2	(4.3)	1.7
EAC-5	6.2	(1.0)	4.5
KENYA	5.4	(0.6)	6.4
<i>Estimate * Projection **</i>			
<b>EAC – 5 BURUNDI, KENYA, RWANDA, UGANDA, TANZANIA</b>			

*Source of Data: October 2020 WEO; \*\*\*Projections by the National Treasury*

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.

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

contact in 2020 except China which is projected to grow by 1.9 percent, a slowdown from a growth of 6.1 percent in 2019.

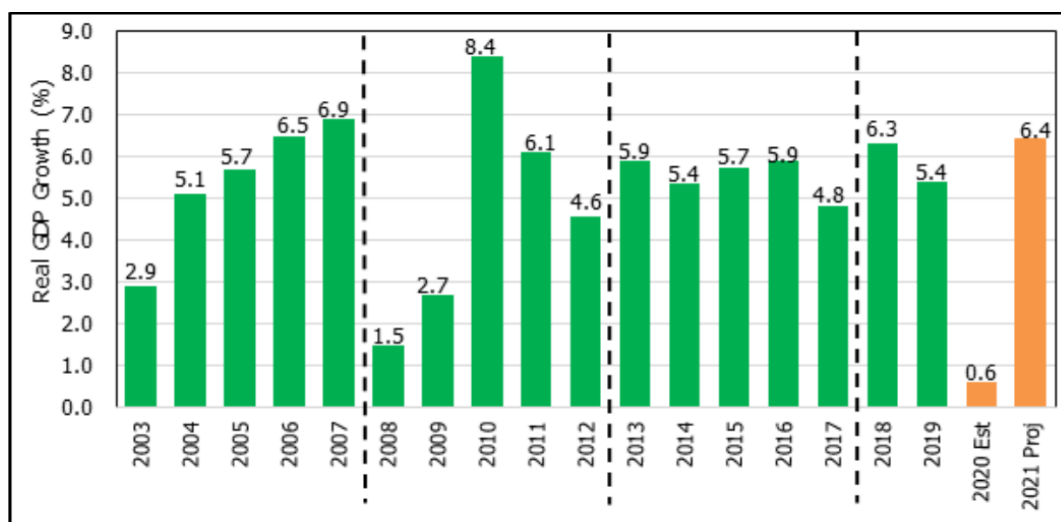
The Sub-Saharan African region has not been spared the negative impact of the pandemic with the region projected to contract by 3.0 percent in 2020 from a growth of 3.2 percent in 2019. The largest impact of the crisis on growth has been for tourism-dependent economies, while commodity-exporting countries have also been hit hard. Growth in more diversified economies will slow significantly, but in many cases will still be positive in 2020.

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.

### ***Domestic Economic Developments***

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 (**Chart 1**).

**Chart 1 Trends in Kenya’s Economic Growth Rates, Percent**

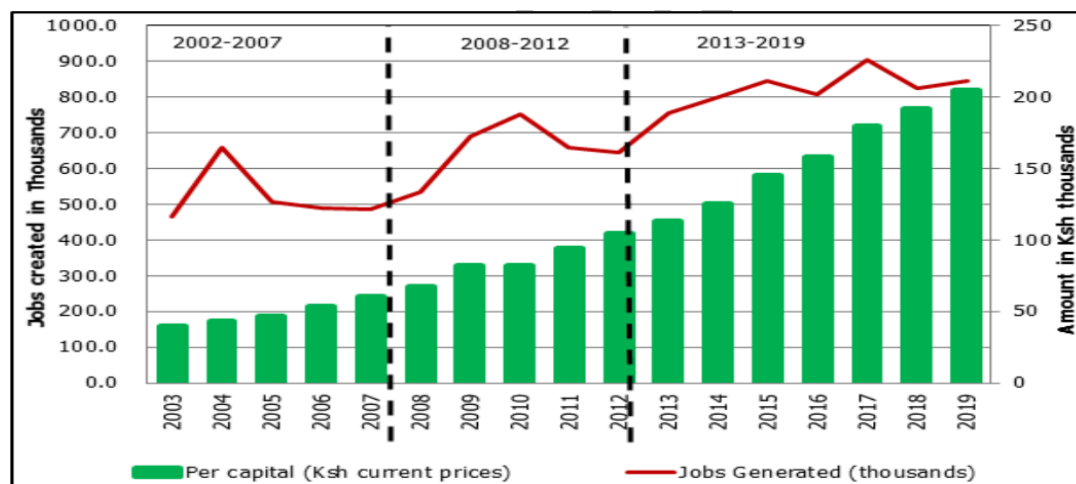


*Source of Data: Kenya National Bureau of Statistics*

In 2020, the Kenyan economy was adversely affected by the outbreak of Covid-19 Pandemic and the swift 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.

Per capita income rose from Ksh 113,539 in 2013 to Ksh 204,783 in 2019, a compounded annual growth rate of 11.5 percent. This enabled generation of around 827,000 new jobs per year in the period 2013 - 2019 up from 656,500 new jobs per year in the period 2008 -2012 (Figure 2).

**Figure 2: Trends in Income per capita and Job Created (2003 - 2019)**



**Quarterly GDP growth of 2020**

The economy grew by 4.9 percent in the first quarter of 2020 compared to a growth of 5.5 percent in the first quarter of 2019. The slowdown in quarter one was as a result of the decline in economic activities in most of the country’s major trading partners due to the uncertainty associated with the Covid-19 pandemic

**(Table 2). Table 2: Sectoral Real GDP Growth Rates, Percent**

Sectors	Sector Growth (%)									
	2018				2019				2020	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>Primary Industry</b>	6.6	5.8	6.6	3.7	4.6	3.0	2.5	3.8	5.1	6.5
Agriculture, Forestry and Fishing	6.7	5.9	6.8	3.9	4.7	2.9	2.4	4.0	4.9	6.4
Mining and Quarrying	3.1	3.5	3.2	1.2	1.4	5.0	3.4	0.3	9.5	10.0
<b>Secondary Sector (Industry)</b>	4.6	5.1	6.2	6.7	4.9	5.4	4.7	4.0	4.1	(1.0)
Manufacturing	3.2	3.9	5.1	5.2	3.5	4.0	3.2	2.3	2.9	(3.9)
Electricity and Water supply	6.1	8.3	8.1	9.5	7.8	7.3	6.4	6.4	6.3	(0.6)
Construction	6.7	5.6	7.3	7.7	6.1	7.2	6.6	5.7	5.3	3.9
<b>Tertiary sector (Services)</b>	6.2	6.0	6.6	8.0	6.4	6.8	6.7	6.8	5.4	(11.0)
Wholesale and Retail trade	5.6	6.5	7.3	7.9	6.3	7.8	6.1	6.4	6.4	(6.9)
Accommodation and Restaurant	13.3	15.1	15.5	21.5	11.0	12.1	9.9	9.0	(9.3)	(83.3)
Transport and Storage	6.5	6.6	8.5	11.8	6.4	7.6	7.6	9.2	6.1	(11.6)
Information and Communication	13.2	11.7	9.8	10.6	10.2	7.8	8.1	9.4	9.7	4.3
Financial and Insurance	4.0	3.5	5.1	8.5	6.3	5.2	8.1	6.6	6.2	4.2
Public Administration	5.5	6.1	7.1	8.1	8.9	8.7	8.4	6.2	6.7	5.7
Others	5.1	5.0	4.9	4.8	4.8	5.8	5.6	5.2	4.6	(19.2)
of which Real Estate	5.2	4.5	3.8	3.1	4.8	6.0	5.5	5.1	4.3	2.2
Education	5.3	5.2	5.5	7.0	4.3	6.0	6.0	5.5	5.3	(56.2)
Health	4.1	3.4	5.3	4.5	5.4	6.2	5.5	6.2	5.8	10.3
Taxes less subsidies	6.1	6.0	6.2	4.3	4.7	4.0	4.2	4.5	3.4	(14.2)
<b>Real GDP</b>	6.2	6.0	6.6	6.5	5.5	5.3	5.2	5.5	4.9	(5.7)
of which Non-Agriculture	6.0	6.0	6.6	7.5	5.9	6.4	6.2	6.0	5.2	(8.5)

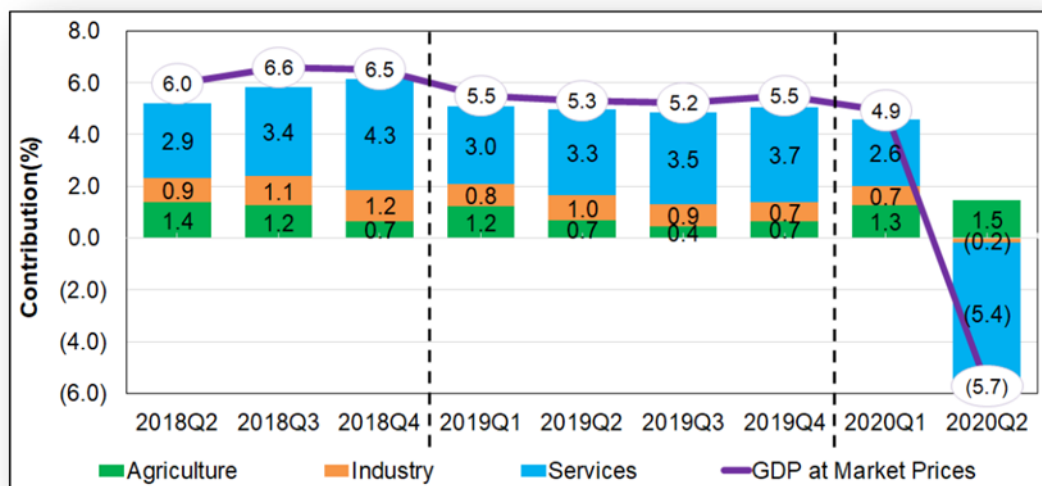
**Source of Data: Kenya National Bureau of Statistics**

The economy further contracted by 5.7 percent in quarter two of 2020 from a growth of 5.3 percent in the same quarter in 2019. The poor performance in the quarter was to a large extent negatively affected by measures aimed at containing the spread of the Covid-19. As a result, the performance of most sectors of the economy contracted in

the second quarter of 2020. However, the economy was supported by improved performance of Agriculture, Forestry and Fishing activities), Health Services and Mining and Quarrying activities.

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 sector’s contribution to GDP growth was at 1.5 percentage points in the second quarter of 2020 compared to 0.7 percentage points over the same period in 2019 (**Figure 3**).

**Figure 3: Economic Performance (Contribution to GDP)**



*Source of Data: Kenya National Bureau of Statistics*

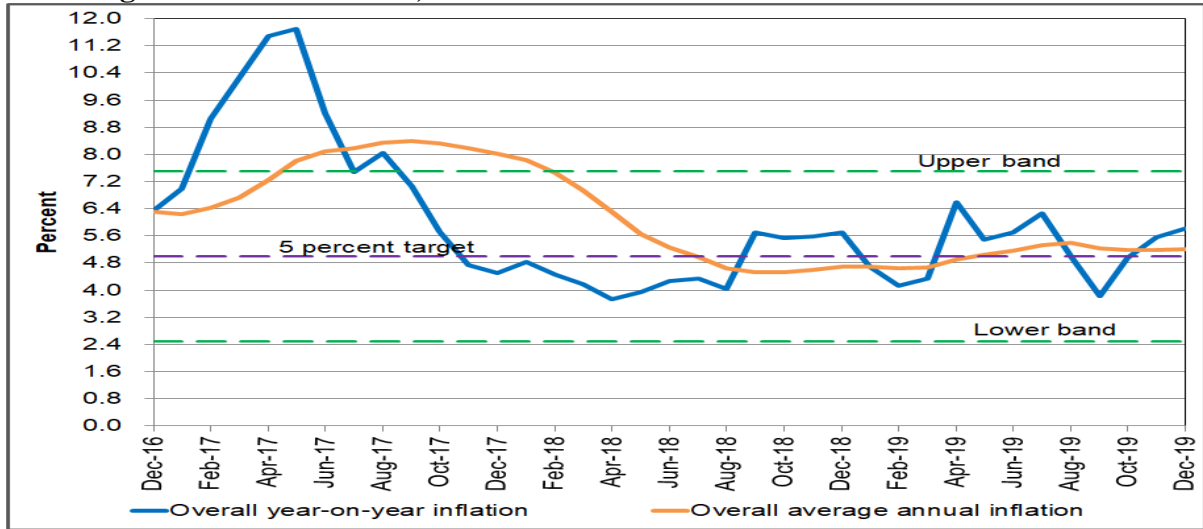
The non-agriculture (service and industry) sectors was adversely affected by the Covid-19 pandemic during the second quarter of 2020. As a result, the sector contracted by 8.5 percent in the second quarter of 2020 down from a growth of 6.4 percent in a similar quarter in 2019. The sector’s contribution 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.

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.

### ***Inflation Rate***

Year-on-year overall inflation rate remained low, stable and within the Government target range of 5+/-2.5 percent since end 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 (Figure 4).

**Figure 4: Inflation Rate, Percent**



*Source of Data: Kenya National Bureau of Statistics*

### **2.1.3 County Economic Situation**

In 2020, the County economy was adversely affected by the outbreak of Covid-19 Pandemic and the swift containment measures, which have not only disrupted the normal lives and livelihoods, but also to a greater extent businesses and economic activities.

The fiscal and economic assumption underlying the 2020/21 budget entail post covid economic recovery situation nationally leading to better economic situation within the county coupled within improved collection of revenue from local sources and timely releases of funds by the national treasury. The updated Fiscal Economic framework is optimistic, given that the local revenue collection trend has improved after the lifting of the containment measures. Despite the several challenges that still exist, the County Government will continue with its policy of expenditure rationalization with a view to provide more funds to core services, priority development programs and disaster preparedness in the future.

Fiscal consolidation and economic growth is a parameter that influences national government transfer to the counties. The global market is largely progressing to recovery in the coming year having been largely affected by the significant uncertainty with regard to the Covid-19 pandemic. This anticipated stability reflects strong inflows resilient and improved receipts from tea and other cashcrop exports which are drivers of economy in Nandi County.

The Low and stable performance of interest rates at the national level implies ample liquidity in the money market hence ease of doing business. This has directly affected the county economic growth in terms of Small and Medium Enterprises, accommodation and restaurants and the general growth of the private sector.

Unemployment still poses a great challenge to the youth and a good proportion of the population, which worsened with the contraction of the economy due to COVID -19 scares where most businesses shut down and ended up downsizing and pay cuts. The county government through post Covid Recovery and re-engineering strategy is looking into partnerships with private sector through PPP to create enabling environment to ease doing business for youth and the vulnerable groups as well as upscale investment in ICT and digital infrastructure through ICT n data centre development to encourage online and other digital businesses.



As a form of Economic Stimulus Program, the county government is doubling allocation to County Youth Service as a form of Kazi mtaani to engage more youth on government programs to earn a living.

.The County's performance is largely dependent on the formulation and implementation of prudent policies to guide service delivery.

**Major Initiatives implemented by the county government for the period 2018/2019-2020/2021.** The county government has implemented various development initiatives across the departments that are geared towards economic empowerment and sustainable economic growth of residents.

### **Agriculture and Co-operative Development**

The department of Agriculture and Cooperative Development embarked on a number of programmes that are geared towards increasing agricultural productivity and in a bid to improve household food security, nutrition and commercialization of agriculture through value addition. The following interventions were undertaken;

- a) Increased total land coverage under avocado from 578Ha in 2018 to 790 Ha in 2019. This was achieved by distributing 46,000 avocado seedlings (to be planted on 212Ha of land) by farmers identified through Common Interest Groups (CIG) in all the sub counties. However, the target in the ADP of 20,000 avocado seedlings to cover 250 Ha of land was not met due to procurement constraints of the planned 10,000 seedlings to be planted on an additional 125 Ha of land.
- b) A total of 500 bags of certified Irish potato seeds budgeted for in FY 2018/19 were received and distributed to farmers identified through Nandi Potato cooperative society in the year under review. However, the department did not meet the annual target of purchasing and distributing 2,000 certified Irish potatoes bags in the ADP due to budgetary constraints.
- c) Increased land coverage under Macademia from 31Ha in 2018 to 125Ha in 2019. This was attained through distribution of 17,000 seedlings received as a support from the National Government State Department of Agriculture to organized farmer groups identified by WAOs and SCAOs in consultation with the respective Members of the County Assembly (MCAs).

- d) Subsidized A.I services which has since been embraced by the county residents that has seen increase in milk productivity across the county.
- e) Construction of Nandi Cooperative Creameries (NCC) at Kabiyet as one of the county's flagship projects is at completion stage with installation of processing machines ongoing and is expected to take off soon. This coupled with the construction of a milk cooler at each ward now at 97% completion, shall see real transformation of dairy sector as the county's economic mainstay. This is supported by the ongoing construction of new as well as rehabilitation of cattle dips across the county

### **Impact**

Due to these initiatives, there has been a significant increase in modern and diversified farming techniques by farmers resulting in increased productivity, food security and improved livelihoods of the residents.

### **Health and Sanitation**

- a) In the period under review, the County department of Health and Sanitation recorded a reduction in maternal mortality rate from the baseline of 362/100000 in FY 2018/2019 to 360/100000 in FY 2019/2020. The following factors contributed to the reduction:
  - Completion and operationalization of 14 new health facilities namely; Kosoiywo, Kamamut, Kapnyarwat, Boi, Ndubeneti, Chepkemel, Mosombor, Tamboiyo, Kibonze, Chepyegoris and Kabutie. This has improved access to health care in the county and especially by expectant mothers.
  - The recruitment and deployment of more nurses and other health care workers that aid in skilled birth delivery across the county
- b) The County immunization rate recorded slight decline from 67.5% to 62.2% due to outbreak of COVID-19 in the country. On the other hand, the county Infant Mortality Rate recorded a reduction from the baseline of 39/1000 in 2018/2019 to 38/1000 in the year under review. This is due to the increase in the number of facilities offering basic immunizations and essential services across the county.
- c) To ensure improved quality of care, the department of Health and Sanitation increased its workforce by employing more staff. Additionally, from the National government through the Universal Health Care Program (UHCP) saw an increase in workforce by about 200 staff. This has consequently led to an increase in the Doctor-Patient and Nurse-Patient ratios from

3:100,000 in 2018/2019 to 4:100000 in 2019/2020 and 46:100,000 in 2018/2019 to 57:100000 in 2019/2020 respectively.

- d) The County HIV prevalence rate remained constant at 2% in 2018/2019 and 2019/2020 subject to review upon release of the Kenya Population Based HIV Impact Assessment report, 2018.
- e) In a bid to improve referral services in the county, the department acquired and commissioned 10 additional ambulances in the year under review. The ambulances are currently offering the services.
- f) The department targeted to establish two Intensive Care Units (ICUs) by the year 2022. The first unit was budgeted for in FY 2019/2020 is integrated in the Newborn Unit under the new KCRH Complex whose construction is ongoing while the other is under the Chepterwai Hospital Complex. However, due to the COVID-19 pandemic, the county moved swiftly under the emergency fund program to set up two ICU units. A seven-bed and 8-bed ICU units are complete in KCRH and Nandi Hills hospitals respectively.
- g) On uninterrupted power supply in health facilities, the department planned to have at least 10 health facilities installed with standby generators and power upgrade through a dedicated grid from the KPLC sub-station by 2022. Towards this end, three hospitals have had standby generators installed. These are Kaptumo, Mosoriot and Chepterwai. In total therefore, the county has five hospitals connected to uninterrupted power supply and this includes KCRH and Nandi Hills hospital.
- h) The department targets to improve and operationalize three morgues by the end of the CIDP period. However, this was not budgeted for during the period under review. Hence, the county has only two morgues, one in Nandi Hills County Hospital completed in 2018/19 FY and another at KCRH.

### **Impact**

The expansion of infrastructure in various health facilities and employment of more health workers in the county has increased access to quality health care. Acquisition of standby generators has ensured steady power supply and uninterrupted service delivery in the facilities.

## **Administration, Public Service and e-Government**

- a) To improve efficiency in service delivery the department in collaboration with the World Bank in FY 2018/19 enhanced town and urban areas sanitation in Kapsabet Municipality through extension of the sewer line by 1.5km.
- b) To achieve improved solid waste management, the department acquired five waste receptacles in FY 2018/2019 and were distributed to major urban areas including Kapsabet, Nandi hills, Mosoriot , kabiyet, Baraton and Kaptumo .
- c) Construction of six kilometer non-motorized transport facilities (Namgoi Trading Centre to Law Courts on Kapsabet boy's side and from public work offices –Kamobo on St. Peters Side; Athletic racing track from Kapsabet bible college –Lode School academy/Marcle School) funded in FY 2018/19 were ongoing at final stages of implementation.
- d) In order to improve urban and town centers security in the County, construction of street lights and seven high mast floodlights in Major Street and urban areas was ongoing funded by the County Government in collaboration with the World Bank in FY 2018/19. The earmarked sites for the High masts namely Chepterit Girls cross roads, Chepterit Trading Centre, Baraton Trading Centre, Namgoi Trading Centre, Chebarbar Trading Centre, Kapsabet Market, Jua kali Centre are complete and awaiting connection to the main grid lines. The Security Lighting done in the following areas Nandi Primary-Amai River, CITAM Road-2.5km and Kamobo – Kamobo Primary School/ Teldet DICECE- Kamatargui, AIC Singorwa – Chepsegeny River, Namgoi- Kamatargui are also at their final stages.
- e) To improve disaster preparedness and risk management the County Government was able to respond to emergencies on time due to a functional disaster response unit and availability of information on disaster prone areas. 21 sites had been mapped as prone to landslides, floods and lightening.
- f) To enhance Service Delivery through Information Communication Technology (ICT), the county constructed and equipped a data center and a Call Center in FY 2018/2019 to manage public complaints/compliments.The centers are operational.

## **Impact**

As a result of major investments in urban infrastructure a robust growth has been realized in the jua kali sector, transport sector and retail trade. The county supplier system has allowed for continuous pre-qualification of suppliers and promotes transparency and accountability in service delivery.

### **Trade, Investment and Industrial Development,**

The department is a link between production and consumption. The department registered improved performance in implementation of projects that are aimed at increased access to goods and services. The progress made under trade development include: construction of fresh produce markets in Kobujoi and Maraba trading centres which are now operational, establishment of a bus park/stage in Mosoriot, construction of 3 ablution blocks in Kabiyet, Maraba and Nandi Hills to improve market sanitation, construction to completion of market stalls in 4 markets namely Kaptumo, chemursoi, kabiyet and Baraton with works ongoing in another 2 markets in the county. Other achievements in the section include construction to completion of 14 boda boda shades across the county.

The department has further promoted fair trade practices in the county by calibrating and verifying weight and measures instruments. Calibration and verification of instruments has enhanced consumer protection and improved fairness in business community. In addition, technical training for one officer has been facilitated on trade fairs practices especially calibration of instruments at the factories. Further weight and measures standards have been supplied and a workshop is yet to be equipped

Progress has been registered in the industrial development section with the establishment of a textile and apparel unit in Mosoriot. Upon completion, the unit under construction is expected to expand employment opportunities to the residents of the county and attract investors. Other achievements recorded in the section include ongoing establishment of an incubation centre in Kapsabet and construction of jua kali shades.

### **Impact**

The initiatives have improved market accessibility and increased incomes and local revenues. The economic blocs will give the county the opportunity to pull resources together towards development of the tourism circuits, value addition processes and optimize on their respective county niche products.

## **Transport and Infrastructure**

In the period under review, the department improved rural access, infrastructure and mobility in the county by gravelling 115.5 Kms and grading 399.5 Kms using the county machinery hired machinery and road maintained under the Road Maintenance Levy Fund (RMLF) Programme;

In a bid to enhance connectivity, the County department of transport and infrastructure in the FY 2019/2020, opened up 96.1 kms of new roads, and installed 1008 Meters of culverts. Further, the department designed and supervised 200 projects;

Departmental annual planned targets for road graveling of 1200KM, grading of 1500KM and opening up of 300KM had not been fully realized due to reallocation of funds during supplementary budgets. However, works were still ongoing under the Road Maintenance Levy Fund (RMLF), County and hired Machines.

## **Impact**

Investment initiatives in the road sector have increased connectivity and improved accessibility with most of the roads improved to motor able condition. The initiatives have catalyzed sustainable road works and general county economic growth.

## **Education and Vocational Training**

The county department of had been completed with an additional 105 centres funded in FY 2017/2018 and 2018/2019 ongoing across the county at various levels of implementation.

Education and Vocational training planned to increase access to Early Childhood Education by constructing a total of 16 new ECDE centres with another 44 at almost completion as anticipated in the CIDP.

In order to improve access to technical education and training, the department planned to construct a total of 3 class rooms, 5 ablution blocks and to purchase a piece of land at Kipsergech VTC. This is in addition to construction of 13 ongoing classrooms and 2 administration blocks funded in FY2018/2019 out of which 7 VTC classrooms were complete. Kshs. **32,793,298** was allocated as conditional grants to VTCs out of which **has** been disbursed to the 15 VTCs. The department also managed to install ICT equipment funded in FY 2018/19 to all existing 15 VTC centres therefore promoting quality learning in the centres.

In the year under review, the department managed to disburse Ksh. 42 Million as bursaries to 3,330 needy students' thus increasing access to Education at all levels of Education and training.

### **Impact**

There has been increased access to quality basic and technical training in the county and as a result employment creation. The county bursary scheme has increased accessibility to education by the beneficiaries.

### **Tourism, Culture and Social Welfare**

The department completed the following works at Chepkiit Tourism site (Phase II); construction of walkways, shades, dustbins, a water tank and benches. Other works including fencing of the site while construction of a ticketing office/gate, signage and guard rails in the site have since commenced. The first phase of works in the site entailing construction of an ablution block (funded in FY 2017/18) had been completed and operationalized.

Closure of Chepkiit Tourism site for construction works in line with the Ministry of Health (MoH) guidelines on COVID-19 led to a drop in tourist arrivals and consequently revenue collection.

In order to honour the County's heroes and heroines, the department completed the renovation and restoration of the Jean Marie Seroney house and construction of a mausoleum, the ECDE centre is complete and social hall nearing completion at the Jean Marie Seroney Leadership centre to honour the Nandi Leader. The department also in October 2019, celebrated Koitalel Samoei- the Legendary Nandi leader who played a key role in the Nandi resistance to colonial rule. Minority groups within the county such as the Terik and the Talai were also celebrated to foster cohesion and togetherness within the county. This has enhanced appreciation of the role played by heroes and heroines in the making of Nandi history.

The Social Welfare section of the department empowered women and PWD groups through procurement and issuance of 96 assorted sewing machines in 2017/2018 and 162 sewing machines procured in 2018/19 and distributed in 2019/20. This has led to socio-economic empowerment of vulnerable groups across the county.

In the FY 2018/2019, 2.5M was allocated in the budget for acquisition of additional assistive devices. The department surpassed its target due to the signing of a MoU with Partners for Care and Bethany Kids, which has led to distribution of 150 wheelchairs and 200 mobility carts to

beneficiaries across the county. 85 Saloon kits acquired in FY 2018/19 were all distributed to 85 women and PWDs groups during the review period.

### **Impact**

The investment in the tourism sites will tap into the county tourism potential and increase revenue levels. The provision of assistive devices and sewing devices bridges the socio-economic parity among the marginalized groups in the community.

### **Sports, Youth Affairs and Arts**

In the period under review, the department undertook various development projects and programs geared towards nurturing and promoting talent and sports among the youth. Projects under the sports development programme include construction to completion of the Eliud Kipchoge Modern Athletics Training Camp in Kapsabet, development of stadia and improvement of community sports fields.

The department achieved 80% construction of the second phase of Eliud Kipchoge Modern Athletics Training Camp in Kapsabet. In addition, the third and fourth phases of Nandi hills stadium entailing construction of changing rooms & toilets and stone pitching & construction of spectator terraces respectively were ongoing

The department also facilitated six local competitions namely; KICOSCA, volleyball tournament, Ndalat Gaa cross country, athletics cross country, county primary and secondary schools competitions.

In addition, the department distributed 11 welding machines purchased in financial year 2018/19 FY to 11 youth groups across the county.

### **Impact**

Upon completion and equipping of Eliud Kipchoge Modern Athletics Training Camp, stadiums and the remaining community fields, it will improve performance of sportsmen and women in local, regional, national and international competitions. Additionally, it will nurture talents, promote sports tourism, enhanced nationhood, and improve economy. The beneficiaries of the welding machines are earning income hence the sector objective of the Programme has been achieved.

### **Lands, Environment and Natural Resources**

The strategies employed by the department towards improved water supply coverage in the County included rehabilitation and extension of water projects, Rehabilitating dams, spring protection,



guide on appropriate water storage mechanisms, Identifying and restoring wetlands & riparian ecosystems and Preparation of County Spatial Plan and other centre plans. The following results were registered;

- a) The department has made progress towards provision of safe and clean water at household level to the residents. Some water projects for the previous years were completed during the year under review while a good number are ongoing. The outbreak of the pandemic also resulted to the reallocation of funds allocated to water projects in FY 2019/2020 towards the fight against the pandemic therefore affecting the departmental strategic objectives for the year.
- b) 107 water projects funded in FY 2017/18 and FY 2018/19 were completed and are functional. The County also invested in drilling rigs which are functional with four boreholes drilled in the year under review.
- c) In order to protect and conserve the environment, the Department in collaboration with the Kenya Forest Services (KFS) and Green Belt Movement organized for a tree planting exercise where partly was achieved due to the prevailing pandemic in the country thus making it difficult to implement. The Department further partnered with Food and Agriculture Organization (FAO) and Anglican Development Services (ADS) in conducting public sensitization on individual farmers tree planting. These strategies were expected to increase the County forest and tree cover by 5 per cent from 22% in 2018/2019 to 27% in 2019/2020. Further, the department undertook various Policy, Legal and Institutional Reforms that will provide a framework for implementation of environmental programmes and projects in the County. These include the development of the Wetlands Management and Conservation Draft Policy and Climate Change Draft Policy which had been submitted to the cabinet for approval.
- d) Under the Survey and Physical Planning section, the department implemented strategies aimed at ascertaining rights and interests on land in order to achieve secure land tenure and controlled development to encourage greater investments in land and agriculture. The following achievements were recorded: 60 percent completion of the County Spatial Plan to guide land use; 80 percent completion of Kipkaren Salient and Kiboswa Trading Centres Development Plans and 90 percent completion in planning of Romorio, Kiptegat and Mchanganyiko farm settlements pending approval by the Town Planning Committee.

## ***2.2 ECONOMIC OUTLOOK***

### **2.2.1 National Outlook**

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 in 2020 and recover to 6.4 percent in 2021 due to in part, the lower base effect in 2020.

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.

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 favorable weather that will support agricultural output. These factors will push up consumer demand and increase both public and private sector investment reinforcing 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

### **2.2.3 County Economic Outlook**

The County economic outlook for the FY 2021/2022 and in the medium term denotes a coordination of monetary and fiscal policies to support the broader efforts of aiding the ordinary Mwanachi overcome the effects of Covid-19 pandemic. The government will focus on post Covid-19 economic recovery to ensure sustained service delivery.

Expansion of devolved system up to the grass root has brought in itself several challenges to the county. Expenditure pressures have continued with salaries and operational demands from all County departments especially Health. The high wage bill at the county poses a risk to sustainable implementation of the 2020/2021 F/Y budget in the medium term by limiting funding to the capital expenditure. The County government will undertake appropriate measures such as budget rationalization to safeguard economic stability in order to neutralize its effects to fiscal outlook.

## REVIEW OF PERFORMANCE OF BUDGET FOR FY 2019/2020

### PERFORMANCE OF BUDGET FOR FY 2019/2020

#### **Locally Collected Revenue**

The County Revenue collection performance was below the target. In the FY 2019/2020, local revenue was KES.283,187,354. This fell short of the revised budget estimates of KES.629, 900,204 by KES.346,712,850 and even the original estimates.

#### **REVENUE COLLECTION COMPARISON**

<b>REVENUE SOURCE</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>
Business Permits	29,137,021	46,102,045	35,841,862
Liquor licensing	5,337,000	10,312,700	6,809,500
Plot rents	1,546,106	2,036,359	1,860,661
Land Rates	8,277,187	24,319,280	21,567,056
House and Stalls Rent	7,048,935	6,589,508	7,111,376
Parking Fees	31,676,091	30,601,568	27,046,638
Market Fees	10,390,273	14,615,695	12,550,796
Cess	3,142,735	11,663,613	11,092,433
Health and Sanitation	62,399,589	97,713,219	125,019,797
Kiborgok Tea Proceeds	17,616,629	13,205,201	15,391,927
Slaughter Fees	796,790	161,505	1,010,450
Sewerage and water	646,116	1,516,235	1,113,137
Agriculture	5,908,025	3,604,807	2,021,237
Trade Fair	-	-	-
Cattle Dips/Veterinary	4,676,068	6,479,775	6,954,115
Miscellaneous	9,288,318	17,307,464	7,796,369
<b>TOTAL</b>	<b>197,886,883</b>	<b>286,235,013</b>	<b>283,187,354</b>

#### **National Government Revenue**

Revenue from the National Government consisted of equitable shareable revenue of KES 4,888,848,900 and total Conditional grants of KES 600,430,088 The summary of transfers from the National Government including conditional grants is highlighted in table 1

**Table 1: National Government Revenue FY 2019/2020**

	2019 - 2020	2018 – 2019
	KShs	KShs
Total Exchequer Releases for quarter 1	930,699,900	1,385,077,945
Total Exchequer Releases for quarter 2	1,027,050,697	1,600,652,167
Total Exchequer Releases for quarter 3	2,100,942,945	1,507,265,091
Total Exchequer Releases for quarter 4	1,430,585,446	2,353,545,409
<b>Total</b>	<b>5,489,278,988</b>	<b>6,846,540,612</b>

Out of the kshs. 5,489,278,988 received through exchequer, Kshs. 4,888,848,900 was the County equitable share with Kshs. 600,430,088 being receipts from domestic and foreign grants.

**Donor Funds released through Exchequer Releases as per CARA**

Description	2019 - 2020	2018 – 2019
	KShs	KShs
DANIDA - Universal Healthcare in Devolved Units Programme	22,016,250	17,111,250
World Bank – THUSCP	44,928,998	49,821,285
National Agricultural & Rural Inclusive Growth Project (NARIGP)	242,399,538	50,078,476
Kenya Devolution Support Programme	30,000,000	-
Youth Polytechnic support grant	32,793,298	-
Abolishment of user fees in health centres and dispensaries	18,086,363	18,086,363
Kenya Urban Support Programme	135,562,988	218,431,700
Agriculture Sector Development Support Project (SIDA)	16,172,654	7,003,592
M.O.H-Doctors and Nurse allowances	58,470,000	-
<b>Total</b>	<b>600,430,088</b>	<b>360,532,666</b>

**County Expenditures for previous FY 2019-2020**

Total expenditure was KES. 6,152,732,058 against a revised target of KES 8,720,452,276 representing an under spending of KES 2,567,720,202. Overall absorption rate was 71 percent with a percentage of 91 percent and 37 percent for recurrent and development expenditure respectively. Overall recurrent expenditure amounted to KES. 4,903,323,040, representing an under spending of KES 466,217,018 (9 percent) deviation from the approved revised recurrent expenditure of KES 5,369,540,058.

## Statement of Receipts and payments

		2019-2020	2018-2019
	Notes	KShs	KShs
<b>RECEIPTS</b>			
Exchequer releases	1	5,489,278,988	6,846,540,611
Proceeds from Domestic and Foreign Grants	2	-	-
Transfers from Other Government Entities	3	270,156,656	177,409,091
County Own Generated Receipts	9	274,705,040	286,235,013
Returned CRF issues	10	426,290,537	-
<b>TOTAL RECEIPTS</b>		<b>6,460,431,221</b>	<b>7,310,184,715</b>
<b>PAYMENTS</b>			
Compensation of Employees	11	3,209,156,535	2,853,606,088
Use of goods and services	12	830,215,652	1,393,082,676
Subsidies	13	4,264,952	-
Transfers to Other Government Units	14	753,825,357	840,570,909
Other grants and transfers	15	531,428,098	427,522,230
Acquisition of Assets	17	823,841,480	1,991,372,897
<b>TOTAL PAYMENTS</b>		<b>6,152,732,074</b>	<b>7,506,154,799</b>
<b>SURPLUS/DEFICIT</b>		<b>307,699,147</b>	<b>- 195,970,084</b>

## **PERFORMANCE OF BUDGET FOR FY 2020/2021 AS AT 31<sup>ST</sup> DECEMBER 2020.**

### **Implementation of FY 2020/2021 Budget and Emerging Fiscal Challenges**

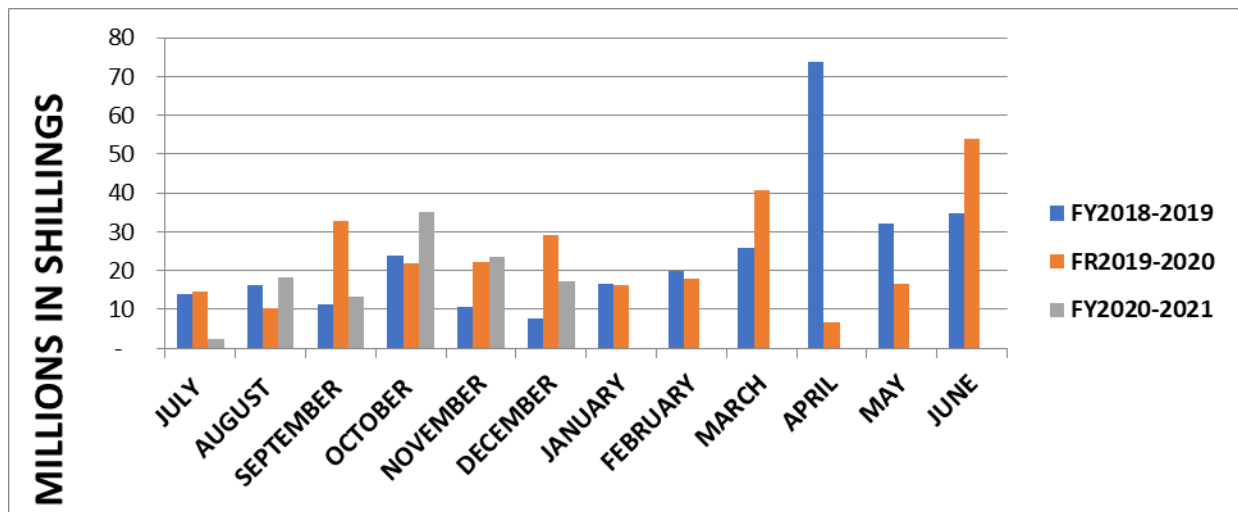
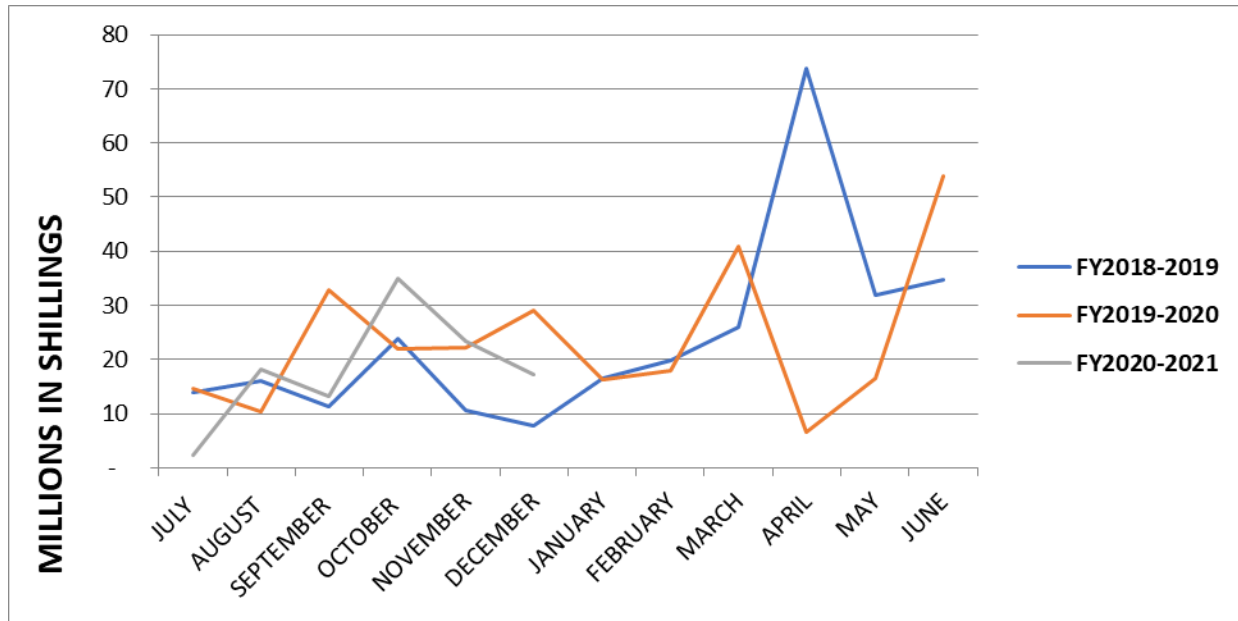
The implementation of budget for FY 2020/2021 started smoothly despite uncertainty in release of funds from the national government due to late approval of County Allocation of Revenue Act due to delay in approval of third basis revenue sharing formula and consequently the County Revenue Disbursement schedule. Most spending during the first quarter was majorly recurrent in nature with employee cost taking a bigger percentage.

Challenges arising from the outbreak of COVID-19 pandemic have affected the implementation of the budget for the FY 2020/2021. Some of the notable challenges faced in the implementation of the County Projects and programmes included;

- ❖ Outbreak of COVID 19 pandemic and its costly response and containment measures
- ❖ High expectation from the Public for development and other socio-economic programmes
- ❖ Expanding wage bill which limits funds meant for development;
- ❖ Delays in disbursement of funds from the National government;
- ❖ Inadequate financial resources;
- ❖ Low domestic revenue collection;
- ❖ Inadequate policy and legal framework;

### **Local Revenue Collection as of 31<sup>st</sup> December 2020.**

<b>MONTH</b>	<b>FY 2017/2018</b>	<b>FY 2018/2019</b>	<b>FY 2019/2020</b>	<b>FY 2020/2021</b>
July	6,490,215	13,890,991	14,520,496	2,277,932
August	5,125,745	16,077,721	10,397,040	22,190,405
September	8,490,098	11,354,238	32,667,617	13,240,630
October	11,304,599	23,762,527	21,648,872	30,577,990
November	14,915,109	10,598,867	11,999,914	23,458,263
December	11,298,415	7,689,890	9,742,000	17,143,124
<b>Total</b>	<b>57,624,181</b>	<b>83,374,234</b>	<b>100,975,939</b>	<b>108,888,344</b>



The revenue collection trend shows a marginal increase in quarterly collections for the current financial year as compared to the previous financial years. This however cannot be a clear indication of the overall performance for the financial year.

This was as a result of the enhanced revenue collection, strict compliance measures and the use of IT systems for collection and enforcement.

### Challenges

- i. Court injunctions especially on land rates and tea cess by tea multinationals
- ii. General reduction of economic activities because of Covid-19

- iii. Inadequate facilitation for the revenue section.
- iv. Spending at source

### Interventions

- i. The county government to consider creating and adequately funding revenue collection department.
- ii. The county government to commit to fully abide by the PFM Act by holding all those who spend revenue at source to account.
- iii. Engage tea sector players towards resolving the issues around Land rates and tea Cess.
- iv. Optimistic that the economy will pull through the Pandemic.
- v. Financial estimates also be revised to reflect the current and foreseeable future.
- vi. Capacity building of revenue collection staff

The revenue targets for the financial year under review seem over ambitious. The collection as evidenced seem to follow the usual revenue collection trend and no much deviation can be supported by the figures.

From the information, the revenue performance this financial year is likely to follow the 2018/19 and 2019/20 trend and that performance against the targets is estimated to be between 60 and 65 per cent. Therefore, the projection for the financial year 2021/22 should follow the trend and be more realistic. This will save the county government of the unending backlash of missing revenue targets.

### Statement of receipts and Payments as at 31<sup>st</sup> December 2020

	Note	Sep (Q1)	Dec (Q2)	Mar (Q3)	Cumulative Amount	Comparative Period 2019
		Kshs	Kshs	Kshs	Kshs	Kshs
<b>RECEIPTS</b>						
Equitable Share (Exchequer releases)	1	465,000,500	1,928,428,454	-	2,393,428,954	1,893,492,900
Proceeds from Foreign Grants / Development Partners	3	-	32,455,748	-	32,455,748	64,257,697
Fuel Levy Allocation	9	-	-	-	-	37,957,664
County Own Generated Revenues	10	33,595,420	75,562,210	-	109,157,630	119,673,586
Unspent funds	11	206,329,914	-	-	206,329,914	-
<b>TOTAL RECEIPTS</b>		<b>704,925,834</b>	<b>2,036,446,412</b>	<b>-</b>	<b>2,741,372,246</b>	<b>2,115,381,847</b>
<b>PAYMENTS</b>						
Compensation of Employees	12	437,913,789	1,169,356,355	-	1,607,270,144	1,283,031,610
Use of goods and services	13	57,913,392	170,616,544	-	228,529,936	416,979,199
Subsidies	15	2,500,000	-	-	2,500,000	-



Transfers to Other Government Entities	<b>16</b>	54,597,405	234,613,474	-	289,210,879	309,779,257
Other grants .and transfers	<b>17</b>	131,762,987	183,660,351	-	315,423,338	80,071,523
Social Security Benefits	<b>18</b>	-	-	-	-	-
Acquisition of Assets	<b>19</b>	-	207,717,211	-	207,717,211	253,998,860
<b>TOTAL PAYMENTS</b>		<b>684,687,573</b>	<b>1,965,963,935</b>	<b>-</b>	<b>2,650,651,508</b>	<b>2,343,860,448</b>
<b>SURPLUS/DEFICIT</b>		<b>20,238,261</b>	<b>70,482,478</b>	<b>-</b>	<b>90,720,738</b>	<b>228,478,601</b>

**Risks to the outlook**

Expansion of devolved system up to the grass root has brought in itself several challenges to the county due to high expectations from the public. Expenditure pressures have continued with salaries and operational demands from all the County Departments. The high wage bill at the county poses a risk to sustainable implementation of the 2020/2021 budget and over the medium term by limiting funding to the capital expenditure.

The County government will undertake appropriate measures such as budget rationalization to safeguard economic stability in order to neutralize its effects to fiscal outlook.

## CHAPTER THREE

### 3.0 MEDIUM TERM STRATEGIC PRIORITIES

The County Government of Nandi is committed to implementing priority programmes under the MTP III to achieve the aspirations of its inhabitants as outlined in the County Integrated Development Plan (CIDP 2018-2022) and County Annual Development Plan (CADP 2021-2022) while taking into account the need to optimally allocate the scarce resources to high impact programs during the plan period. The county has since devolution set up framework as a solid foundation for quality service delivery based on strong linkage between policy, planning, resources allocation and feedback mechanisms for delivering planned outcomes.

Whilst consolidating earlier gains, the Medium-Term Budget for the period 2021/2022-, 2023/2024 will primarily focus on operationalizing and actualizing priority programmes aimed at economic transformation as anchored in H.E the Governors manifesto and agenda. These priorities notwithstanding, the Government will strive to ensure that public spending leads to high quality outcomes within a sustainable and affordable framework.

In this regard, spending will be directed towards the most critical needs at the backdrop of easing COVID 19 pandemic with its containment measures hence resources shall be redirected to the ongoing transformative and flagship projects from the COVID-19 response and containment measures with the view of bringing services closer to people. It is worth noting that despite much investment on Covid related supplies which mostly are consumables, the county was able to develop 2 fully equipped ICU facilities in Kapsabet and Nandi hills which are essential even as KCRH is destined to be a level 5 hospital.

Further, the County treasury will ensure the sectors request for resources are realistic and take into account the resource constraints due to declining economic performance nationally due to the effect of COVID -19 pandemic which has negatively affected timely exchequer releases in light of the fiscal consolidation policy. Strategic priorities in this CFSP and over the medium term while allocating resources takes into account priorities in CIDP 2018-2022, CADP 2021-2022, the “Big Four” Agenda, Post Covid -19 Economic Recovery Programme and the MTP III priorities. The criteria used in apportioning capital budget:

- *On-going projects:* emphasis is given to completion, operationalization and equipping on-going capital projects and in particular infrastructure projects with high impact on poverty reduction, equity and employment creation, these include: Hospital Complex with Mother and Baby Unit at KCRH, Nandi Cooperative Creameries (NCC) at Kabiyet, Nandi Textile (NATEX), Eliud Kipchoge Modern Athletics training camp.
- *Equipping with requisite equipment the complete yet not operational projects;* these relate majorly to health facilities, ECDE centres and cooling structures among other

- *Post-Covid19 Recovery*; Consideration is further given to interventions supporting Post-Covid19 recovery as indicated in the socio-economic recovery and re-engineering document including disaster and emergency preparedness.
- *Settling of pending bills*; the county government anticipates to settle the pending bills accrued and bring them to minimum levels
- *Strategic policy interventions*; further priority is given to policy interventions covering the entire county on social equity, socio-economic wellbeing especially on special groups interests and environmental conservation.

### **Strategic Priority I: Investment in health services; to ease accessibility to quality health care.**

The Constitution underscores the “right to health” while the CIDP, the Medium-Term Plan III as well as the “Big Four” (4) agenda for the National Government recognizes provision of equitable, accessible and affordable health care of the highest attainable standards to all Kenyans under the Universal Health Care program.

The County Government of Nandi’s immediate strategic priority is to expand and modernize Kapsabet County Referral hospital and equip it with all essential drugs and medical supplies specialized equipment necessary to handle all health related cases as well as referrals in view of upgrading to level five standard. This will be achieved through prioritizing the completion and operationalization of the Kapsabet Hospital Complex with Mother and Baby unit and fully equipping with requisite equipment, supplies and qualified personnel within the coming financial year.

In this 2021/2022 F/Y and over the medium term, the County Government will bring to completion new, refurbish existing and adequately stock with requisite drugs and equipment all the sub-county hospitals and ward level Health Centres and dispensaries. This will reduce the radius of access to health care facilities to the desired less than 5km as per World Health Organizations. The prioritized programs and projects aim at achieving improved accessibility, affordability of health services, and reduction of health inequalities and optimal utilization of health services across the sector, additionally, the programs aim to revitalize and sustain the aspirations of UHC.

### **Strategic Priority II: Continued investment in Infrastructure.**

Good Infrastructure is key enabler to development of all the other sectors as it eases movement of goods, services and people thus facilitating agriculture, trade and commerce among others.

The county will scale up investment in infrastructure by opening more new roads, upgrading and conducting routine maintenance of existing roads, as well as construction of bridges and footbridges which aims at significantly reduce the cost of doing business in the county and easing mobility. The medium term investment in roadworks upgrade throughout the county will be realized by either outsourcing roadworks contracts ,use of county machines as well as hiring more equipment to complement the county owned

machines. The county government also intends to tarmack some kilometres within Kapsabet township to ease accessibility and business within the urban area.

**Strategic Priority III: Boost agricultural productivity and cooperative development; to ensure food security and overall poverty reduction.**

The County endeavours to increase agricultural production and profitability as a major enabler to potential rise in per capita income in the rural economy alongside production of primary raw materials that set stage for industrialization. Completion, equipping, operationalization and commissioning of the Nandi Cooperative Creameries at Kabiyet within the 2021/2022 F/Y will be a great milestone to this administration. This is enabled by the continuous investment by the government on the subsidized A.I program, continuous pest n disease control through disease surveillance and vaccinations to curb any disease outbreak as well as rehabilitation and construction of new dips to control disease causing pests as well as promoting cooperative movement by supporting community-led development strategies.

**Strategic Priority IV: Infrastructural developments in Basic Education and Vocational Training facilities.**

Over the medium term, the County shall endeavor to increase access to quality basic education through provision of adequate bursary to all needy and deserving students; completion and equipping with furniture and reading materials all ongoing ECDE centres; provide partial scholarship to youths to acquire technical skills in our Vocational Training Centres as well as developing to standards the training centres.

**Strategic Priority V: Increased accessibility to clean and safe piped water.**

Efficient use of natural resources is central to economic, social and cultural development. Due to the finite nature of these resources they should be conserved and utilized in a sustainable manner. The County is undertaking strategies aimed at conserving the environment, natural resources and rehabilitation and protection of water resources which include ongoing preparation of the county spatial plan, developing land information system and issuing genuine title deeds to all land owners.

The county government in this CFSP and the over the medium term shall endeavor to continue providing clean and accessible water to all residents in the County through completion and operationalization of all the ongoing water projects, with the aim of doing distribution lines to ensure a greater population of households are connected to clean and piped water.

**Strategic Priority VI: Supporting Investment and Trade for wealth and employment creation aimed at creating jobs and improving the overall economic growth.**

Trade is a key productive sector due to its immense potential for wealth and employment creation as well as poverty reduction. Given its catalytic effect to sustained inclusive growth and huge potential for job creation

and poverty reduction, the County Government will deepen business regulatory reforms facilitate capacity building and simplify and modernize regime for small and medium businesses in order to amplify their multiplier effect on employment opportunities and accelerating growth.

Strategic efforts are being made to diversify markets by providing an environment conducive for business and ensuring that there is investor confidence. This is being achieved through constructions and commissioning of markets stalls, market shades and fresh produce markets in most trading centres as well as regulating open air markets across the county. Many Bodaboda shades have been constructed across the county and more ongoing to be brought to completion so as to support the youth against harsh weather in the bodaboda industry as it has employed a greater population of youth.

Further, the County is focusing on industries that are labour intensive, with the potential to export and increase market opportunities for small and medium industries. Among the interventions being implemented include creating completion, equipping and operationalization of the Nandi County textile unit as well as recruitment of personnel to the industry.

#### **Strategic Priority VII: sports and youth empowerment**

Nandi County is the indisputable source of world champions in athletics and other sporting activities with celebrated personalities. Over the medium term, the CFSP will allocate funds to continue investing in sporting infrastructure and diversify its talent potential to include other sports and arts in order to consolidate and strengthen its position as a sports hub. Over the medium term and as a priority, the county will complete, equip with all necessary facilities the Kipchoge Athletics training camp, Nandi hills and Kaptumo Stadia as well as other sporting facilities and also continue investing in sports infrastructure and diversify its talent potential to include other sports and arts so as to consolidate and strengthen its position as a sports hub.

County Government of Nandi in the current financial year commissioned the Nandi County Youth Service that employed over 600 youth who are currently engaged across all the wards in the various labour based activities including but not limited to;

- Routine road maintenance including- Culvert installation, Murram spread, opening drainages, bush clearing along the major roads,
- Water works and plumbing –weir repairs, desilting of water sources and pipe connection.

In this CFSP, the county treasury proposes to double the allocation from kshs.40m to kshs.80m considering the need to create more employment opportunities to the youth as part of post covid recovery strategy as well as the great impact the program has across the county.

## **CHAPTER FOUR**

### **4.0 FISCAL POLICY AND BUDGET FRAMEWORK**

#### **4.1 Overview**

This Medium-Term Fiscal Policy aims at supporting a sustainably wealthy and vibrant county providing high quality services to improve the livelihoods of its citizens. The county will pursue prudent fiscal policies to ensure economic growth and development. In addition, these policies will provide support to economic activities while allowing for sustainable implementation of the projects and programs. Adhering to these policies will also enhance local revenue collection which will ensure there are adequate resources for capital investments.

In respect to local revenue generation, the county is striving to institute corrective measures to reduce revenue leakages from local sources. This includes full operationalization of the County Revenue System that was automated to solely be responsible for efficient and effective revenue collections, enforcement of local revenue laws and regulations and speedy implementation of collection of other revenue streams.

#### **4.2 Fiscal Policy**

Fiscal policy will continue to support poverty reduction efforts while undertaking the functions of county government within a context of sustainable public financing economic recovery situation as covid 19 pandemic eases. The fiscal policy will therefore focus on: strengthening internal revenue collection; containing growth of total expenditures including rationalization to bring down wage bill to manageable levels while ensuring a shift in the composition of expenditure from recurrent to capital expenditures and ensuring a significant shift in resource allocation towards county priority social and economic sectors.

#### **4.3 Fiscal Reforms**

The County Government aims to widen the tax base by reviewing the relevant revenue legislations in order to improve revenue raising measures and efficiency as well as bring to automation all revenue streams for proper accountability

Over the medium term, the county government will rationalize its expenditure with an aim to reduce wastages. This will be done by ensuring there is continuous accountability and efficiency among the accounting officers who are in charge of public finances by adherence to relevant

legislations including PFMA 2012,PPDA 2015 and the respective legislations.We are also in the process of rationalizing personnel costs through payroll audit and other measures so as to bring down the current huge wage bill to manageable levels while maintaining a well-motivated and efficient personnel.

The county will strive to ensure that there is efficient and effective execution of the budget. This will be made possible through expenditure tracking and taking corrective measures on any deviations and instilling strong internal controls on expenditure. To achieve value for money there is need to strengthen audit function, the use of audit committee through continuous review of audit risks and periodic monitoring and evaluation of projects and programmes.

The overall fiscal policy will be geared towards:

(i) Enhancing revenue administration and efficiency in collection, by formulating revenue administration regulations and reviewing fees, levies and charges legislations in order to simplify and modernize them.

(ii) Expenditure efficiency and effective implementation of budget programs through enforcement of cost benchmarks for all projects and consumables. Project planning and management as well as engagement on Public Private Partnership will be strengthened.

(iii) Increase the absorption of allocated resources which will in turn spur economic growth and further improve budget credibility. This will be done through strengthening ongoing reform engagements with development partners as well as strengthening project planning and management.

(iv) Improving the productivity of expenditure while at the same time ensuring that adequate resources are available for operations and maintenance.

#### **4.4 Fiscal risks shall be managed prudently.**

The County Government also takes into account the fiscal risks arising from contingent liabilities, liquidity risk arising from failure to actualize local revenue targets and high county wage bill on the total budget. The County government continues to put measures in place to enhance revenue collection, majorly through automation and widening of revenue base The County will observe the fiscal rules set out in the PFM law and County Assembly regulations so as to entrench fiscal discipline.

#### **4.5 Adherence to Fiscal Responsibility Principles**

To have sustainable development and growth, the County is required to meet its fiscal targets. This is made possible by strict adherence to fiscal responsibility principles. These policies will aim at rationalizing allocation of more resources from recurrent to capital and development programmes so as to promote sustainable and inclusive growth.

Some of the fiscal responsibility principles to be observed include:

- The County Government's expenditure on wages and benefits for public officers shall not exceed 35 percent of the County Government revenue as prescribed by the Public Financial Management Act (PFMA 2012). This is a challenging fiscal principle as the county is faced with huge wage bill without equivalent corresponding revenue that support cash flow to meet this requirement. The increase is due to CBA especially affecting the Department of Health, recruitment of ECDE teachers and the annual increments.
- The County government will prepare balanced budget where the expenditure estimates will be equal to the total revenue resource. This will help in avoiding instances of deficit financing thus eliminating the occurrence of pending bills at the end of each financial year.

#### **4.6 Deficit Financing Policy**

The County Government is taking all measures to ensure there is balance between the resources available and the priorities and programmes identified for implementation. The county expenditures are limited to county estimates that balance off with the sum total of internal revenue collection, share of the national revenue and conditional grants. Therefore, over the medium term, the County Government will not borrow so that domestic borrowing does not crowd out the private sector given the need to increase private investment to accelerate economic expansion.

#### **4.7 Revenue projections**

The FY 2021-2022 budget estimates will target revenue inflow of Ksh.7,815,273,342 which has the CRA shareable revenue, conditional and unconditional grants and own source revenue. Local revenue is estimated at Ksh. 300,106,429. The performance of own revenue will be underpinned by automated systems such as the HMIS, the upgraded revenue collection system, enforcement of the Finance Act and restructuring.



#### **4.8 Expenditure projections**

The expenditure estimates for the FY 2021-2022 is Kshs. 7.815 billion with a slight increase from the current F/Y's estimates. Expenditure ceilings on goods and services for the County sectors/departments are based on the County priorities extracted from the CIDP 2018-2022 and the ADP 2021-2022. The ceilings are also adjusted based on expenditure trends and the County change of priority programs within the spending units as well as post covid recovery strategies. Most of the outlays are expected to support completion, equipping and operationalization of all ongoing infrastructural facilities- both flagship and transformational projects, opening up of new roads and continuous maintenance of existing ones alongside settling of pending bills.

## **CHAPTER FIVE**

### **5.0 MEDIUM TERM EXPENDITURE FRAMEWORK**

#### **5.1 Resource Envelope**

The resource envelope available for allocation among the spending entities is based on the updated medium term fiscal framework which is outlined in Section IV.

In view of the continued pressure that arise from wage bill and limited resources, MTEF budgeting will focus on adjusting non-priority expenditures to cater for the priority sectors. The CIDP 2018-2022 has been used in the resource allocation. The financing of county budget priorities revolve around three main financing sources namely; transfers from the National Government, Conditional Grants and county local revenue. The shareable revenue transfers will account for 90% percent of the expenditure priorities in the budget while 4% percent will be financed from locally collected revenue sources.

#### **Revenue Projections**

**The County's sources of revenue include:**

- **Equitable share**

The equitable share is an unconditional allocation to the County Governments from the revenue generated by the National Government as provided for by the constitution through County Allocation of Revenue Act as shareable revenue. The County is fully responsible for these funds and is directly accountable to the County Assembly on how the resources under her control are spent. Shareable revenue from the National Government is estimated at **Kshs.6,990,869,041** during the FY 2021/2022. Key to note in this as per the Budget Policy statement 2021 is that the conditional funds from the national government are no longer conditional but the counties can use the same allocations in the same sector to achieve the same strategic objectives; this include Road Maintenance Levy Fund, Development of Youth Polytechnics fund and compensation for User Fees forgone. However, Leasing of Medical equipment allocation still remains with an allocation of Kshs.153,297,872 in the coming year.

- **Conditional and Unconditional grants:**

These may be given as additional allocations from the National Government's share to which the National Government may or may not attach conditions in the FY 2021/2022. We anticipate receiving among others DANIDA funds, Transforming Healthcare systems fund, Kenya Urban

Support Programme and Kenya Devolution Support Programme fund- to a total sum of Kshs 524,297,872. These sums have not been included in the departmental ceilings since they are yet to be itemized.

- **Own revenues**

The County own revenue is projected at Kshs. 300,106,429 million. This is based on the current trend of revenue collection and other revenue measures to be instituted, hence need to scale down the projections of OSR from current financial year's projection 2020/2021 F/Y of Kshs 405M to Kshs 300m in 2021/2022 F/Y.

Total revenue available to fund the expenditure is therefore projected at **Kshs 7,815,273,342** in FY 2021/2022 increasing from **Kshs 7,611,517,867**.

### Expenditures

Development expenditures will go towards implementation of the county development programs as indicated earlier. The outturn below provides the projected County Resource Envelope for FY 2021/2022 and subsequent years.

### Resource envelope 2021-2022

#### MEDIUM TERM FISCAL FRAMEWORK FY 2019-2020 to 2021-2022

CODE	REVENUE ITEMS	Medium Term Projections			2021-2022
		2018-2019	2019-2020	2020-2021	
1	<b>Total Anticipated Revenue</b>	<b>8,046,964,890</b>	<b>8,133,676,476</b>	<b>7,611,517,867</b>	7,815,273,342
1.1	<b>Local Revenue</b>	<b>459,293,246</b>	<b>376,829,833</b>	<b>405,408,260</b>	300,106,429
1520100	Land Rates	46,682,200	23,807,922	24,284,080	19,184,423
1520500	Plot Rent/House rent	5,100,662	1,560,802	1,592,018	1,257,694
1420328	Single Business Permits	36,430,791	29,727,525	30,322,076	23,954,440
1420328	Loiquor Licensing	12,120,000	5,439,456	5,548,245	4,383,114
1420405	Market Fees	15,595,046	10,657,655	10,870,808	8,587,938

1330405	Agriculture	9,090,000	6,119,388	6,241,776	4,931,003
1420345	Cess	156,456,200	156,456,200	159,585,324	122,529,356
1420507	Kiborgok Tea Proceeds	18,913,963	18,134,708	18,497,402	14,612,948
1580401	Slaughter Fees	638,320	820,369	836,776	661,053
1550105	Kiosks & stalls	3,535,000	7,247,457	7,392,406	5,840,001
1550000	Trade Fair	2,020,000	2,060,400	2,101,608	1,660,270
1420404	Parking Fees	46,018,822	32,388,047	33,035,808	26,098,288
1450100	Vetenary	6,565,000	4,754,373	4,849,460	3,831,073
1580100	Health and Sanitation	83,042,200	64,374,313	65,661,799	51,872,821
1420403	Sewerage and Water	686,800	665,509	678,819	536,267
1530000	Advertising	4,242,000	2,812,446	2,868,695	2,266,269
1530000	Physical Planning	2,020,000	1,339,260	1,366,045	1,079,176
1530000	Weights % Measures	3,030,000	2,008,890	2,049,068	1,618,764
1530000	Tourism and Co-op Development	1,414,000	1,442,280	1,471,126	1,162,190
1530000	Hire of Exhauster	2,222,000	1,473,186	1,502,650	1,187,094
1530000	OTHER FEES	3,470,242	3,539,647	3,610,440	2,852,248
<b>1.2 GOVERNMENT FUNDING</b>		<b>6,802,400,000</b>	<b>6,843,294,705</b>	<b>6,394,414,458</b>	<b>6,990,869,041</b>
1.2.1	CRF Fund Balances	1,433,000,000	1,604,294,705	1,013,914,45	

1.2.2	CRA EQUITABLE SHARES	5,369,400,000	5,239,000,000	5,380,500,000	6,990,869,041
<b>1.3 Conditional allocations from NG</b>		<b>196,712,989</b>	<b>202,710,317</b>	<b>212,845,833</b>	
1.3.1	CHFS -County Health Facility Supplies				
1.3.2	COMPENSATION OF USER FEE	18,086,363	18,086,363	18,990,681	
1.3.3	RMLF	141,371,626	151,830,656	159,422,189	
1.3.4	Development of Youth Polytechnics	37,255,000	32,793,298	34,432,963	
<b>1.4 Conditional Allocations from Development partners</b>		<b>588,558,655</b>	<b>710,841,621</b>	<b>596,628,512</b>	524,297,872
1.4.1	DANIDA -HSPS3	17,111,250	16,031,250	16,832,813	
1.4.2	KDSP - World Bank	44,551,044	30,000,000	31,500,000	
1.4.3	W.B -Transforming of Health Systems	97,229,498	46,342,186	48,659,295	
1.4.4	W B. -National Agricultural and rural growth project	140,435,163	343,929,300	361,125,765	
1.4.5	Other Loans and grants				
1.4.6	Kenya Urban Support project (KUSP)	177,231,700	177,231,700		
1.4.7	European Union Water Tower Programme	72,000,000	72,000,000		
1.4.8	Food and Agriculture Organization	40,000,000			
1.4.9	urban institutional grant (U.I.G) WB		8,800,000		
1.5.0	ASDSP		16,507,185		
1.5.1	LEASING OF MEDICAL EQUIPMENT	200,000,000	131,914,894	138,510,639	153,297,872

**Table 2: Proposed Budget Ceilings for FY 2021/2022**

<b>SUMMARY OF COMPENSATION TO EMPLOYEES, OTHER RECURRENT EXPENDITURES AND DEVELOPMENT</b>						
<b>VOTE TITLE</b>	<b>Personnel Costs</b>	<b>Rec</b>	<b>Maintenance</b>	<b>Development</b>	<b>TOTAL</b>	<b>%</b>
	<b>2021-2022</b>	<b>2021-2022</b>	<b>2021-2022</b>	<b>2021-2022</b>	<b>2021-2022</b>	
COUNTY EXECUTIVE	375,626,460	277,540,670	5,000,000	71,300,000	729,467,130	10
FINANCE AND ECONOMIC PLANNING	236,797,336	307,573,762	4,500,000	12,560,000	561,431,098	7.7
ADMINISTRATION, PUBLIC SERVICE AND e-Government	24,075,905	30,750,000	18,400,000	65,700,000	138,925,905	1.91
HEALTH AND SANITATION	2,001,972,331	478,650,790	24,500,000	312,400,000	2,817,523,121	38.6
AGRICULTURE AND CO-OPERATIVES DEVELOPMENT	233,823,874	35,124,970	10,300,000	114,650,000	393,898,844	5.13
TOURISM, CULTURE AND SOCIAL WELFARE	39,193,850	10,500,200	1,150,600	11,500,000	62,344,650	0.86
SPORTS, YOUTH AFFAIRS AND ARTS	100,283,247	13,696,500	1,300,000	46,380,000	161,659,747	2.22
EDUCATION AND VOCATIONAL TRAINING	271,987,023	88,765,200	3,780,000	78,905,666	443,437,889	6.08
LANDS, ENVIRONMENT, NATURAL RESOURCES AND CLIMATE CHANGE	74,349,652	12,450,000	3,500,000	178,900,000	269,199,652	3.69
ROADS, TRANSPORT AND INFRASTRUCTURE	74,597,613	20,560,780	121,239,400	574,045,041	790,442,834	11.1
TRADE AND INDUSTRIAL DEVELOPMENT	40,540,471	12,450,690	1,250,000	67,460,555	121,701,716	1.67
PUBLIC SERVICE AND LABOUR	31,261,494	9,850,000	1,300,000		42,411,494	0.58
COUNTY ASSEMBLY	378,000,000	307,450,600	2,780,000	70,300,790	758,531,390	10.4
<b>TOTALS</b>	<b>3,882,509,256</b>	<b>1,585,364,162</b>	<b>199,000,000</b>	<b>1,624,102,052</b>	<b>7,290,975,470</b>	<b>100</b>
<b>Percentage Allocation</b>	<b>53.3</b>	<b>21.7</b>	<b>2.7</b>	<b>22.3</b>	<b>100</b>	

**\*Conditional allocations shall be budgeted by the line departments as shall be allocated through the county allocation of revenue act 2021. The Budget Policy Statement however has given an indicative figure of Ksh. 524,798,208 as loans and grants due to the County in the financial year 2021-2022. The specific source and application(function) of these funds shall be elaborated in CARA of 2021.**