

COUNTY GOVERNMENT OF NAKURU



COUNTY TREASURY

COUNTY FISCAL STRATEGY PAPER 2022

"Fast-Tracking Economic Recovery For Improved Livelihood"

MARCH 2022



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CFSP 2022 will be published on website at: nakuru.go.ke within 7 days after adoption by the County Executive.

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LIST OF ABBREVIATIONS AND ACRONYMS

ACPA	Annual Capacity Performance Assessment
ADP	Annual Development Plan
AGPO	Access to Government Procurement Opportunities
AMS	Agricultural Mechanism Services
ANC	Anti Natal Care
ASALs	Arid and Semi-Arid Lands
ASDSP	Agricultural Sector Development Support Programme
ATC	Agricultural Training Centre
BPS	Budget Policy Statement
CAB	Constitution Amendment Bill
CARA	County Allocation on Revenue Act
CBA	Collective Bargaining Agreement
CBK	Central Bank of Kenya
CBR	Central Bank Rate
CBROP	County Budget Review Outlook Paper
CEKEB	Central Kenya Economic Block
CFSP	County Fiscal Strategy Paper
CGA	County Government Act
CHU	Community Health Unit
CHV	Community Health Volunteers
CIDP	County Integrated Development Plan
CIMES	County Integrated Monitoring & Evaluation System
CoB	Controller of Budget
CoK	Constitution of Kenya
Covid-19	Corona Virus Disease
CRA	Commission on Revenue Allocation
CRA	County Revenue Allocation
DANIDA	Danish International Development Authority

DORA	Division on Revenue Act
DTI	Dairy Technical Institute
ECDE	Early Childhood Development Education
FY	Financial Year
FIF	Facility Improvement Fund
GDC	Geothermal Development Corporation
GDP	Gross Domestic Product
HE	His Excellency
HIV/AIDS/TB	Human Immuno Virus/Acquired Immunodeficiency Syndrome/ Tuberculosis
HR	Human Resource
IBEC	Intergovernmental Budget and Economic Council
ICT	Information Communication Technology
ICU	Intensive Care Unit
IDePs	Urban Integrated Development Plans
IEC	Institute of Economic Affairs
IFAD	International Fund for Agriculture Development
IFMIS	Integrated Financial Management Information System
IHRIS	Integrated Human Resource Information System
ILO	International Labour Organization
KARLO	Kenya Agricultural Research Organization
KCG	Kenya Coastal Guard
KDSP	Kenya Devolution Support Programme
KenGen	Kenya Electricity Generating Company
KEMSA	Kenya Medical Supplies Authority
KIPPRA	Kenya Institute of Public Policy Research Analysis
KRAs	Key Result Areas
KSG	Kenya School of Government
KUSP	Kenya Urban Support Programme

KWS	Kenya Wildlife Service
LAN	Local Area Networks
LIMS	Lands Information Management System
MED	Monitoring and Evaluation Department
MOU	Memorandum of Understanding
MT	Metric Tonne
MTEF	Medium Term Expenditure Framework
MTR	Mid Term Review
NACOSSTIP	Nakuru County Sanitation Strategic and Investment Plan
NARIG-P	National Agricultural and Rural Inclusive Growth Project
NCBEF	Nakuru County Budget Economic Forum
NHIF	National Hospital Insurance Fund
NICO	Nakuru International Conference
NMT	Non-Motorised Traffic
NRA	Nakuru Revenue Authority
NT	The National Treasury
OAG	Office of Attorney General
OSR	Own Source Revenue
PFM	Public Finance Management
PGH	Provincial General Hospital
PMTCT	Prevention of Mother to Child Transmission
PPRA	Public Procurement Regulatory Authority
PSV	Public Service Vehicle
PWDs	People with Disabilities
REC	Regional Economic Block
RMLF	Rural Maintenance Levy Fee
SCDP	Smallholder Dairy Commercialization Programme
SEZ	Special Economic Zone
SGR	Standard Gauge Railways

SHEP	Smallholder Horticulture Empowerment and Promotion
SIDA	Sweden International Development Agency
SMEs	Small and Medium Enterprises
SRC	Salaries Remuneration Commission
THS	Transforming Health Systems
TVETA	Technical & Vocational Education Training Authority
TB	Tuberculosis
UHC	Universal Health Coverage
ULTS	Urban Led Total Sanitation
UNESCO	United Nations Educational, Scientific and Cultural Organizations
USD	US Dollar
WANs	Wide Area Networks
WASH	Water and Sanitation Hygiene
WiFi	Wireless Fidelity

FOREWORD

The County Fiscal Strategy Paper (CFSP 2022) is prepared pursuant to Section 117 of the PFM Act 2012 and the PFM (County Government) Regulations 2015. It has been prepared against a backdrop of expected economic recovery following a contraction occasioned by the negative effects of the COVID-19 pandemic. It is also against a revised budget calendar necessitated by the upcoming 2022 elections in the country. The CFSP 2022 thus coincides with the end period for the implementation of the CIDP 2018-2022, and will usher in the third County Government administration and consequently the CIDP 2023-2027.

The Kenyan economy has continued to demonstrate slow but resilient recovery from the setbacks caused by the adverse effects of the COVID-19 pandemic. The National economy contracted by 0.3 percent in 2020 compared to 5 percent growth in 2019. The economy is expected to recover by a projected 6.0 percent in 2021 due to expected recovery of service sector, manufacturing sector, strong macroeconomic stability with low and stable interest rates and reinforcement from the recovery of export-oriented sectors in agriculture, tourism and manufacturing. Consequently, during the first quarter of FY 2021/22 the county experienced a 39 percent growth in actual own source revenue. The actual OSR collection amounted to Ksh. 815 million compared to Ksh. 588 million collected in the first quarter of FY 2020/21.

To enhance County local revenue as a proportion of total revenues, the County Government shall focus on maximisation of OSR through: formulation of Finance Bill 2022 observing the emerging issues and current constraints in local revenue administration; leveraging on the new revenue management systems i.e. County Integrated Financial Operating Systems (CIFOMS) including training and capacity development; Acquisition of hardware and equipment support; Establishment of Standard Operating Procedures, enhancing checks and controls to reduce revenue leakages; enforcement and debt recovery measures.

To achieve the County's vision as outlined in the CIDP 2018-2022, the County's fiscal policy will focus on five strategic areas which have been aligned to the national development agenda espoused in the BPS 2022. The policies being pursued in the CFSP 2022 include: Promotion of accessible and affordable

healthcare for all county residents; Achieving food nutrition, food security and promotion of agri-business; Expansion of physical Infrastructure and operationalization of social infrastructure; Creating enabling environment for business; and Enhancing governance, transparency, accountability and human resource productivity in the delivery of public good and service;

Budget estimates for FY 2022/23 are projected at Ksh. 16.858 billion which is a 4 percent decrease from FY 2021/22. The decrease is majorly due to lapse of some grants such as KUSP and uncertainties on grant allocation to the County in the BPS 2022 following the High Court Ruling on Petition No. 252 of 2016 that directed that illegalized division of conditional or non-conditional grants in the Division of Revenue Act. To this effect the County Governments Grants Bill (2022) is expected to provide the allocation once enacted. Thus, of the projected budget estimates, Equitable share will amount to Ksh. 13.026 billion, Own source revenue including FIF is projected at Ksh. 3.28 billion while FIF is projected at Ksh. 1.3 billion.

The projected overall expenditure is projected to match revenue received for FY 2022/23. Thus, the total expenditure is projected to reach Ksh. 16.858 billion. Recurrent expenditure is projected to amount to Ksh. 11.801 billion while development expenditure will amount to Ksh. 5.057 billion which includes Ksh. 1.6 billion proposed allocation to the 55 Wards. An Emergency allocation of Ksh. 70 million has been provided for in Office of the Governor and Deputy Governor to cater for County unforeseen expenditure pursuant to Section 110 of the PFM Act 2012.

The fiscal framework in the MTEF period 2022/2023 -2024/2025 has been informed by the need to achieve an equitable level of development across the County and maximizing utility in spending and realistic fiscal forecasting. The County Treasury will continue working closely with other development partners and the private sector through the Resource Mobilization unit.

Joseph Kiuna

Ag. CEC Member – Finance and Economic Planning

NAKURU COUNTY

ACKNOWLEDGEMENT

The CFSP 2022 is prepared in line with the Public Finance Management Act, 2012. It gives a highlight on the macro-fiscal outlook over the medium term and specifies the set strategic priorities and policy goals together that will be undertaken by the County government. It also outlines the spending plans for the MTEF period 2022/2023-2024/25 and provide the indicative ceilings as outlined in the priorities highlighted during the public hearings and sector reports.

The preparation of the 2022 Fiscal strategy paper was an inclusive process. Much of the information in this report was obtained from the line departments through the Sector Working Groups (SWGs). We are grateful for comments from the County Treasury Macro Working group, the sector working groups, the County Budget and Economic Forum (CBEF) and other stakeholder inputs. May I take this opportunity to sincerely thank the general public and all interested groups who participated in the public participation meetings held in November 2021 toward the finalization of the CFSP 2022. Your valuable contributions helped to shape the County Fiscal framework.

Special thanks to the County Executive Committee Member (CECM), CPSB Secretary, Chief Officers in charge of various Departments and Municipal Managers for their contribution and support through the entire process. The coordination and harmonization process was made possible by a core team from the County Treasury which spent a significant amount of time putting together the report. We are especially grateful to the County Executive Member for Finance and Economic Planning for his guidance and stewardship in achieving this planning and budget document. Special thanks go to the staff in the Economic Planning Directorate led by Ag. Director Mr. Cyrus M. Kahiga, Ag. Head of Budget Ashinah Wanga, Snr Economist Ms Dorcas Mwangi, Sam Mwawasi, Dennis Rono, Economists/Statisticians Ms. Caroline Gitahi, Mr. Joseph Kago, Mr. Simon Wekesa, Mr. Allan Wairia, Mr. Geoffrey Gathogo, Ms. Mercy Chepkemoi, and Ms. Lorna Mubichi for their steadfastness and technical support in the compilation of this Paper and the entire Secretariat who demonstrated commitment in the preparation, editing and timely finalization of the CFSP 2022.

Hussein Mohamed

Chief Officer – Economic Planning

NAKURU COUNTY

Legal Basis for the Publication of the County Fiscal Strategy Paper

The County fiscal strategy paper is prepared in accordance with Section 117 of the Public Financial Management Act, 2012. The law states that:

(1) The County, Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th 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 its budget 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 on Revenue Allocation;

(b) The public;

(c) Any interested persons or groups; and

(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.

Responsibility Principles in the Public Financial Management Law

In line with the Constitution, the new Public Financial Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. The PFM law (Section 107(b)) states that:

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

I. RECENT ECONOMIC DEVELOPMENTS AND MEDIUM-TERM OUTLOOK

Overview

Kenyan economy has continued to demonstrate slow but resilient recovery from the short-term post pandemic setbacks caused by the adverse effects of the COVID-19 pandemic. The National economy contracted by 0.3 percent in 2020 compared to 5 percent growth in 2019. Measures taken to curb the spread on Covid-19 and the rollout of the national vaccination programme have resulted in decline in new cases of infection. The current national average as at November 2020 is 67 new infections compared to 1344 new infections at a similar period in 2020. The national inflation rate has remained within the policy target (of 5.0 ± 2.5) range since 2017 but has risen to 6.45 in October 2021 compared to 4.84 in October 2020, driven by higher food prices and rising fuel costs. Interest rates remains relatively low on account of strong monetary policy outlook and stable macroeconomic variability amidst a rather volatile social economic environment. Going forward, the economy is expected to strongly recover, expand by projected 6.0 percent in 2021 following a slump of 0.3 percent in 2020 (BPS 2022) due to expected recovery of service sector, manufacturing sector and strong macroeconomic stability with low and stable interest rates. Further, the positive outlook will further be reinforced by the recovery of export-oriented sectors in agriculture, tourism and manufacturing and the consequent rise in global demand as more economies open up.

Recent Economic Developments and Outlook

Global and Regional Economic Developments

The global economy has demonstrated a strong and steady recovery from the negative setback of Covid-19 Pandemic. The global economy growth is projected to expand by 5.9 percent from a contraction of 3.1percent in 2020 (WEO October 2021) strengthened by reopening of economies, significant gains in vaccine campaigns (where approximately 52.4 percent of the world's

population receiving full vaccine doses) as well as stronger than expected macro and fiscal outlook. Advanced economies are expected to recovery much strongly (rise by 5.2 percent from a slump of 4.5 percent in 2020) due to successful vaccination programme in Europe and America. This phenomenon offers a significant opportunity for Nakuru County export-oriented economy in manufacturing and service sectors targeting the European market.

The recovery of the sub-Saharan economy is expected to be slow and uneven due to limited uptake and distribution of the vaccination programme and the adverse effects of subsequent variants of the Covid 19 Pandemic. The Economic recovery in the region is therefore expected to grow by 3.7 percent by the close of 2021 and by 3.8 before the end of 2022 following a contraction of 1.7 in 2020. Further, the East Africa's economic growth is expected to recover to an average of 5.7 percent in 2021, from a decline of 0.2 percent posted in 2020 on the strength of growth in private consumption and investment. **Table 1** below shows a summary of global economic growth economic growth.

Table 1: Global growth projections, Percentages

Economy	2019	2020*	2021**	2022**
World	2.8	(3.1)	5.9	4.9
Advanced Economies	1.6	(4.5)	5.2	4.5
Of which: USA	2.2	(3.4)	6.0	5.2
Emerging and Developing Economies	3.7	(2.1)	6.4	5.1
Of which: China	6.0	2.3	8.0	5.6
India	4.0	(7.3)	9.5	8.5
Sub-Saharan Africa	3.2	(1.7)	3.7	3.8
Of which: South Africa	0.2	(6.4)	5.0	2.2
Nigeria	2.2	(1.8)	2.6	2.7
EAC-5	6.5	(0.2)	5.7	5.3
Of which: Kenya***	5.0	(0.3)	6.0	5.8
<i>* Estimate ** Projected *** National Treasury Projection</i>				
<i>EAC-5: Burundi, Kenya, Rwanda, Tanzania and Uganda</i>				

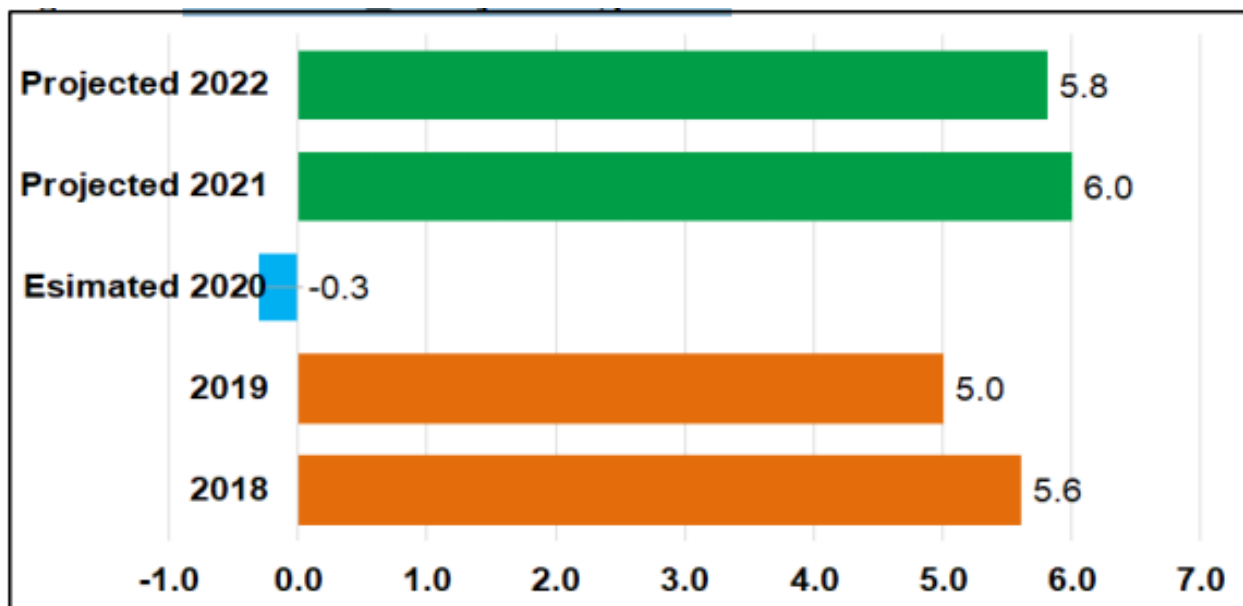
Source WEO, Projections by National Treasury

Kenya's Economic Developments and Macro-Economic Indicators

The national economy contracted by 0.3 percent in 2020 compared to a growth 5.0 percent in 2019. The national economy experienced significant shocks from containment measures and business disruptions. In the immediate aftermath of the post pandemic period, in 2020 the national Government embarked on providing social safeguards and providing post pandemic recovery stimulus.

Forecast for the national economic growth in 2021 have been revised from an earlier projection of 7.0 in BPS 2021 to 6.0 in the BPS 2022 observing the prolonged effects of Covid-19 containment measures (see Figure 1.1).

Figure 1.1: Annual Growth Projections, percent



Source of Data: The National Treasury

Despite the negative performance of the economy in 2020, a number of sectors recorded improvements including; Agriculture, Forestry & Fishing sector 4.8 percent, construction 11.8 percent and Health 6.7 percent. On the other hand, some sectors such as accommodation and catering recorded serious decline in 2020 realising -47.7 percent contraction in 2020 compared with 14.3 percent in 2019. Service sector contracted by -2.3 in 2020 compared with 6.7 percent in 2019.

Table 2 has summarised the Quarterly Sector GDP Performance over period 2018-2020.

Table 2: Sectoral GDP Performance

Sectors	Sector Growth (%)														
	2018					2019					2020				
	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3	Q4	Q1-Q4	Q1	Q2	Q3	Q4	Q1-Q4
Primary Industry	4.1	4.8	5.3	6.7	5.2	4.5	3.4	0.9	1.6	2.7	4.4	4.9	4.3	6.0	4.9
Agriculture, Forestry and Fishing	4.1	5.3	6.3	7.6	5.7	4.8	3.2	0.7	1.3	2.6	4.3	4.9	4.2	5.8	4.8
Mining and Quarrying	4.4	(4.6)	(11.4)	(7.2)	(4.7)	(1.2)	7.0	5.5	6.4	4.3	6.4	4.4	7.0	9.2	6.7
Secondary Sector (Industry)	5.4	4.2	4.4	3.4	4.4	3.2	4.2	3.5	2.6	3.4	4.8	(0.5)	3.2	7.5	3.8
Manufacturing	5.2	2.9	2.7	3.5	3.6	2.5	4.1	2.6	0.9	2.5	2.2	(4.7)	(1.7)	3.8	(0.1)
Electricity and Water supply	4.1	3.0	4.1	3.2	3.6	3.0	1.5	1.5	0.9	1.7	1.5	(4.7)	0.2	3.5	0.1
Construction	6.6	7.0	7.6	3.3	6.1	4.6	5.5	6.1	6.2	5.6	11.0	8.3	12.3	15.7	11.8
Tertiary sector (Services)	5.4	5.9	5.5	7.2	6.1	6.7	7.6	6.6	5.9	6.7	3.8	(6.7)	(4.6)	(1.0)	(2.2)
Wholesale and Retail trade	5.1	6.4	5.8	6.4	5.9	4.6	6.4	5.3	4.8	5.3	4.9	(4.2)	(5.0)	2.6	(0.4)
Accommodation and Restaurant	16.8	15.9	10.9	18.5	15.6	15.6	11.7	11.9	17.6	14.3	(8.1)	(56.8)	(63.4)	(62.2)	(47.7)
Transport and Storage	4.3	6.7	5.3	7.7	6.0	6.8	8.8	4.6	5.2	6.3	2.2	(16.8)	(10.1)	(6.1)	(7.8)
Information and Communication	7.2	8.0	7.7	8.7	7.9	9.5	7.5	7.1	6.1	7.5	5.6	2.6	3.2	7.6	4.8
Financial and Insurance	2.7	0.9	0.7	6.3	2.7	6.1	8.0	9.3	4.4	6.9	7.5	4.4	3.0	7.4	5.6
Public Administration	5.8	7.3	9.3	9.1	7.9	9.0	10.8	10.2	9.7	9.9	4.0	2.7	6.3	8.4	5.3
Others	6.2	6.1	5.7	6.5	6.2	6.1	6.3	6.0	5.6	6.2	3.4	(7.9)	(5.6)	(3.2)	(3.5)
of which Real Estate	6.2	6.4	6.6	6.8	6.5	7.0	7.0	6.7	6.2	6.7	5.4	4.6	3.7	2.7	4.1
Education	7.9	6.2	5.9	5.6	6.4	3.8	3.4	5.6	6.2	4.7	1.8	(22.4)	(17.4)	(5.3)	(10.8)
Health	5.4	6.6	5.0	4.9	5.4	5.7	6.1	6.8	6.4	6.2	7.4	9.8	5.2	4.7	6.7
Taxes less subsidies	5.8	12.2	4.4	1.8	5.9	(1.5)	5.3	4.3	6.7	3.7	5.1	(20.8)	(8.5)	(6.4)	(7.9)
Real GDP	5.2	6.0	5.3	6.0	5.6	4.8	5.9	4.8	4.4	5.0	4.4	(4.7)	(2.1)	1.2	(0.3)
of which Non-Agriculture	5.4	5.5	5.1	6.2	5.6	5.6	6.8	5.9	4.8	5.8	4.4	(5.5)	(2.8)	1.1	(0.7)

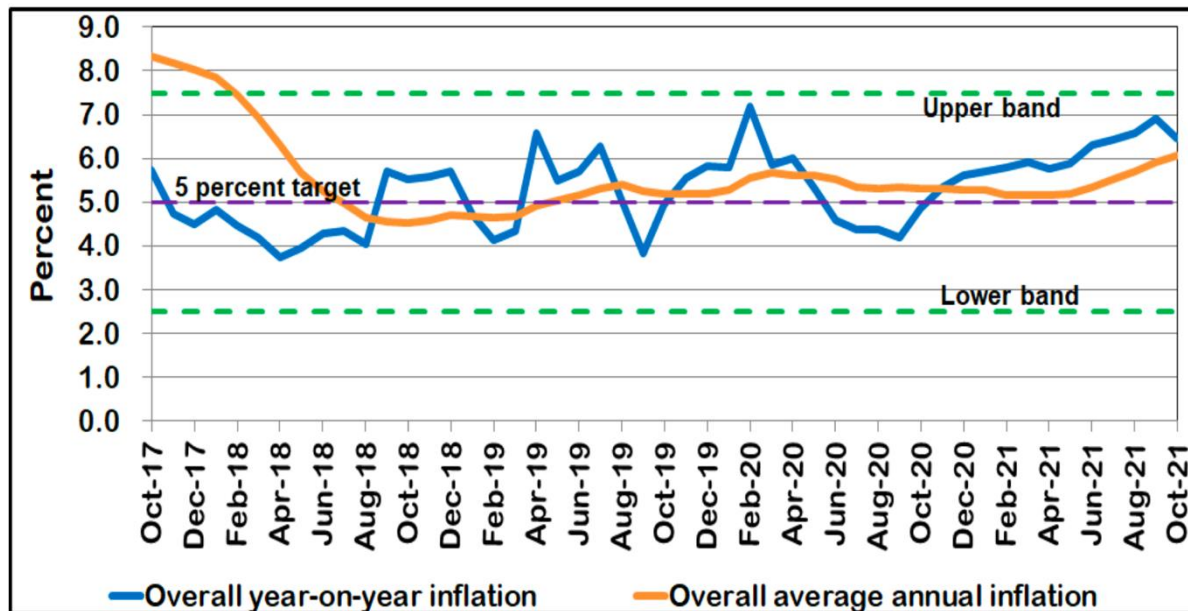
Source of Data: Kenya National Bureau of Statistics

Locally the County economy has demonstrated resilience in an environment of negative performance. Domestic Tourism and hospitality is picking up on the basis of pick-up in consumption and easing of travel restrictions. Positive performance in Agriculture and Manufacturing has a direct linkage with County economy whose contribution to the national GDP strongly relies on the two sectors.

Inflation Rate

The national inflation rate has remained stable and within medium term target range of 5.0 ± 2.5 . However, inflation rate rose to 6.45 percent in October 2021 compared to 4.84 percent in October 2020 mainly on account of rises in food prices and cost of fuels as illustrated in **Figure 1.2** below.

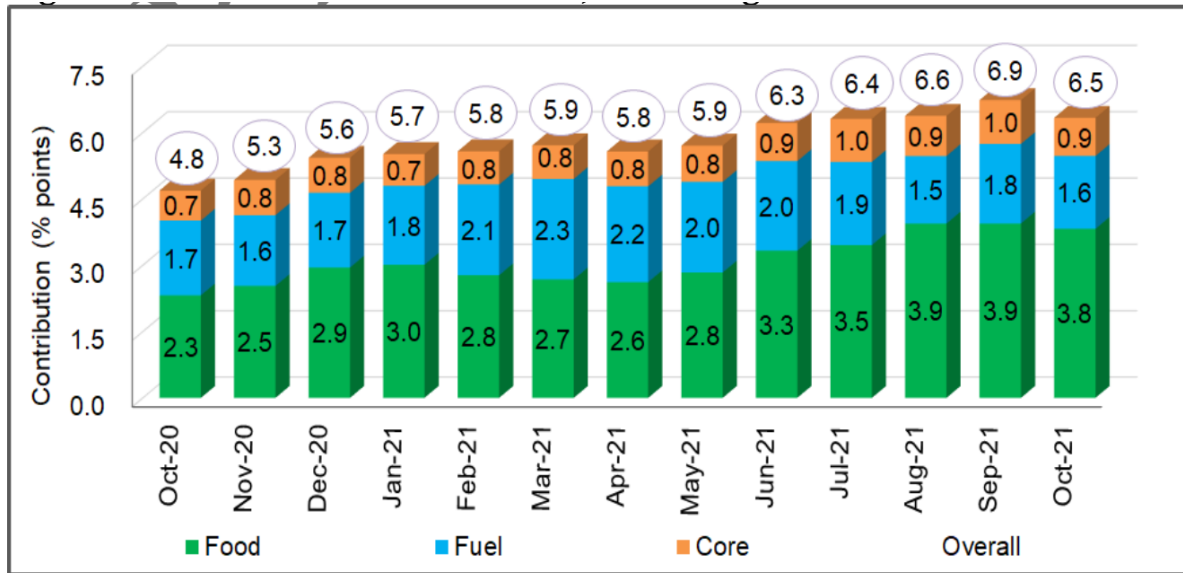
Figure 1.2: Year-on-Year Inflation Rate



Source: Kenya National Bureau of Statistics.

In the period July – Sept 2021, the contribution to national inflation was largely influenced by fluctuations in prices of food commodities and rise in prices of carbon fuels arising from strong pick-up in global demand.

Figure 1.3: Contribution to Inflation Rate



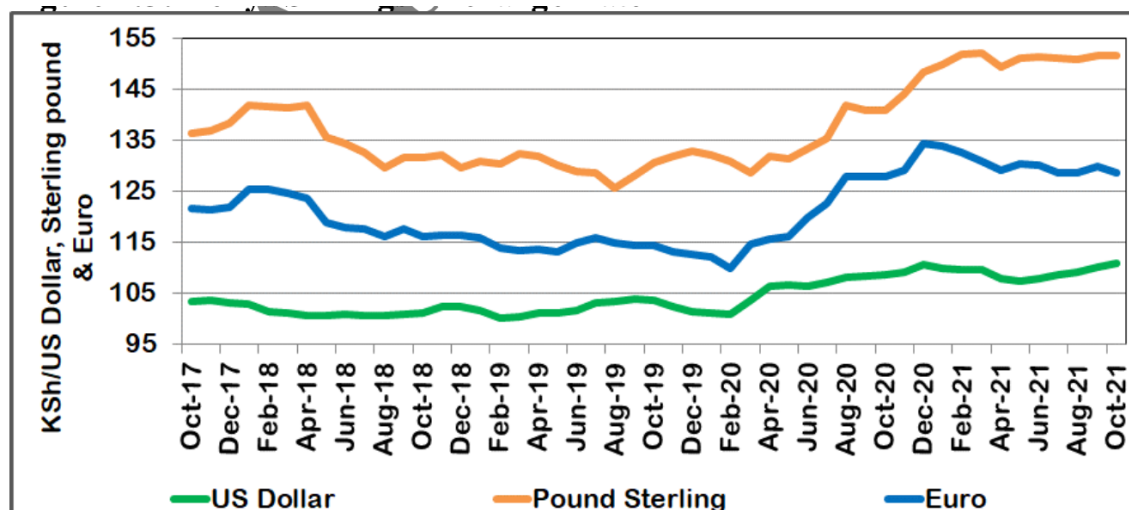
Source: Kenya National Bureau of Statistics.

The significance of the inflationary pressures in non-food commodity prices has impacted negatively on County budgeting costs and as such the adjustments will be made to ensure conformance with new prices of goods and services as illustrated in **Figure 1.3** above.

Kenya Shilling Exchange Rate and Money Supply

The foreign exchange market experienced slight volatility in the last one year. During this period the Kenya shilling depreciated slightly against the US Dollar (USD) exchanging at Ksh. 108.6 in October 2020 to Ksh 110.9 in October 2021 mainly on account of high demand for dollar to finance the pick in demand for import goods and services (**See Figure 1.4 below**).

Figure 1.4: Kenya Shilling Exchange Rate



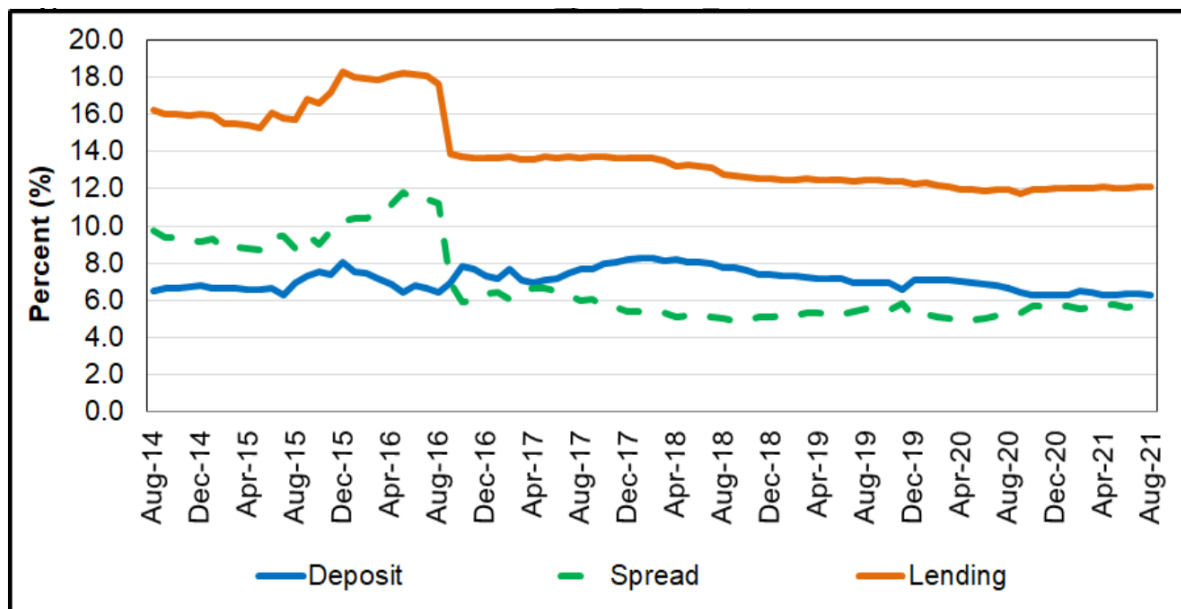
Source: Central Bank of Kenya

A strong USD is likely to favour export-oriented horticulture sector in the County but may further expose the same to strong lower demands due to its competitiveness. The strengthening USD is further likely to negatively impact on the national/county fiscal framework due to dollar denominated foreign debts.

Interest Rates

The short-term interest rates have remained low and stable over the period demonstrating the efficacy of Monetary policy. The Central Bank Rate (CBR) rate was set at 7 percent in September 2021 by the Monetary Policy Committee (MPC). The start of payments of the National Government and County Governments in FY 2021/2022 is expected to boost the liquidity in the market.

Figure 1.5: Short Term Interest Rate, Percent



Source: Central Bank of Kenya

The observed low lending rates and further establishment of credit guarantee schemes in October 2020 for vulnerable micro and small medium enterprise is expected to increase access to capital by private sector (**See Figure 1.5 above**). Access to affordable credit will be instrumental in post pandemic social economic recovery strategy.

Fiscal Performance

Fiscal performance in the first Quarter FY 2021/2022 was shaped by the effects of the post pandemic effects experienced during implementation of the 2020.2021 fiscal year. County Budget performance in FY 2021/2022 in the First Quarter 2021/2022 was affected by delays in budget approval at the County Assembly and compliance with regulatory procedures by the Controller of Budget. County Own Source revenues demonstrated appreciable improvements in the First Quarter of FY 2021/2022 compared to similar period last year. An amount of Ksh. 5.6 billion was carried forward from FY 2020/2021 mainly as a result of challenges ranging from cashflow constraints, Covid-19 related shocks.

Revenue Performance

During the first quarter of FY 2021/22, total County receipts amounted to Ksh 2.9 billion against an annual target of Ksh 17.5 billion resulting in 14 percent of achievement rate. This further reflect a growth of 17 percent growth compared to similar period last year (excluding cash in transit). County own source revenues recorded improvements in the first Quarter FY 2021/2022 rising by 39 percent compared to similar period last year. Indeed, Ksh 815 million amount collected in the first Quarter was the highest achievement in similar period previously since the advent of devolution.

In the period July- Sept 2021, Transfers from National Government in form equitable share amounted to Ksh 2.2 billion excluding balances in the Revenue Fund, reflecting Ksh. 24 percent growth as illustrated in **Table 3** below.

Table 3: First Quarter County Receipts FY 2021/2022

Revenue Source	First Quarter (July-Sept 2019)	First Quarter (July-Sept 2020)	First Quarter (July-Sept 2021)	Annual Target FY 2021.2022	Percent Collection	Growth
Exchequer Releases/ Equitable Share	1,822,850,100	1,728,564,750	2,149,309,193	13,026,116,323	14%	24%
Proceeds from Domestic and Foreign Grants (Conditional Grant)	-	212,535,514	-	1,412,322,231	-	-100%
County own Generated Receipts	548,333,202	588,498,843	815,669,897	3,112,133,447	18%	39%
Sub Total	2,371,183,302	2,529,599,107	2,964,979,090	17,550,572,001	14%	17%
Transfers from Other Government Entities(Cash in Transit)	-	900,948,900	-		-	-100%
Total Receipts	2,371,183,302	3,430,548,007	2,964,979,090	17,550,572,001	14%	-14%

Source: Quarterly Financial Statements 2021-2022.

County Own Source Revenue Performance (OSR) for the First Quarter FY 2021/22 amounted to Ksh 815 million against an annual target of Ksh 3.11 billion representing a 26.2 percent performance. Facility Improvement Fund (FIF)

increased by 68 percent in the review period. FIF also accounted for 60 percent of entire OWR collections in the first Quarter as illustrated in **Table 4** below.

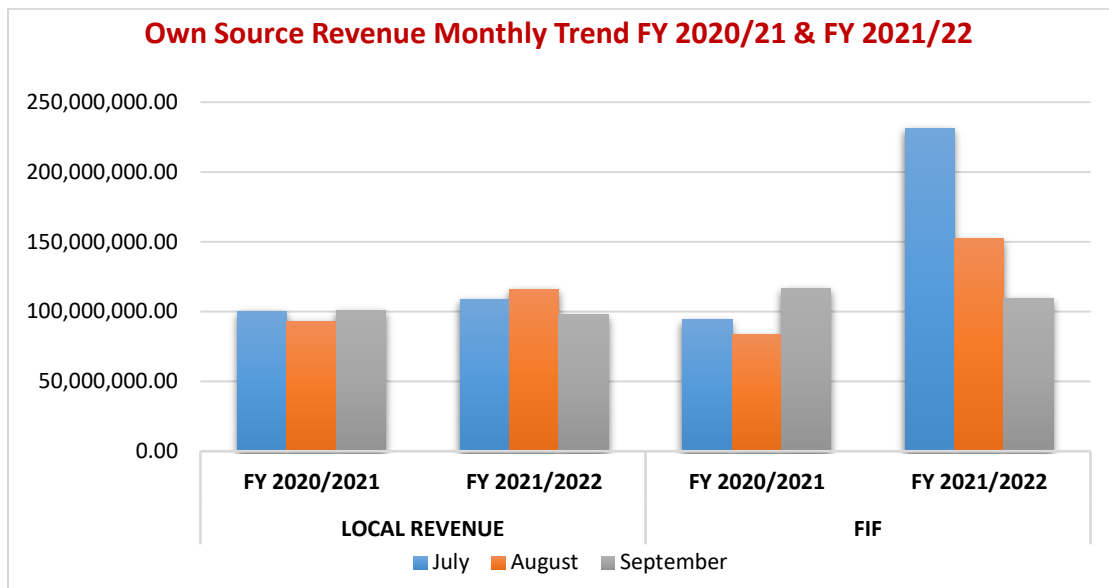
Table 4: Own Source Revenue Performance by Department for the period July-September 2021

Revenue Source	July- Sep 2020 (Ksh.)	July- Sep 2021 (Ksh.)	Growth Percent	Percent Of Collections
Trade, Co-operatives & Tourism	67,954,366	73,555,380	8.24%	9.02%
Health & Medical Services	12,260,046	12,790,855	4.33%	1.57%
Education, Culture & Youth	38,500	20,150	-47.66%	0.00%
Lands, Physical Planning & Housing	71,030,502	83,369,385	17.37%	10.22%
Agriculture, Livestock & Fisheries	9,098,454	9,121,372	0.25%	1.12%
Infrastructure	69,766,627	69,605,582	-0.23%	8.53%
Environment, Water & Natural Resources	63,864,994	73,852,753	15.64%	9.05%
Public Service, Training & Devolution	88,400	50,700	-42.65%	0.01%
Finance & Economic Planning	124,920	303,963	143.33%	0.04%
Total (Local Sources)	294,226,809	322,670,140	9.67%	39.56%
FIF (Facility Improvement Fund)	294,272,522.27	492,999,757.35	67.53%	60.44%
GRAND TOTAL	588,499,331.27	815,669,897.35	38.60%	100.00%

Source: Quarterly Financial Statements 2021-2022.

Additionally in the first Quarter land-based revenue streams accounted for approximately 10 percent of local sources of revenues. Collections in Finance and Economic Planning recorded the highest growth (143 percent) followed by Lands, Physical Planning & Housing (17 percent). The general positive performance may be attributed to efficiency in the revenue system and improved service delivery in Hospital facilities. **Figure 1.6** shows that monthly revenues showed significant improvements in July for FIF.

Figure 1.6: Own Source Revenue Monthly Trend FY 2020/21 & FY 2021/22



Source: Quarterly Financial Statements 2021-2022

Geographically, Nakuru East subcounty (33 percent) and Naivasha Sub County (21 percent) had the highest contribution to total OSR while Subukia, Kuresoi North and Kuresoi South sub counties had the lowest contributions at one percent each. Further Bahati (34 percent) and Nakuru West (30 percent) recorded highest improvements, while Molo (12 percent) Njoro (10 percent) and Kuresoi South (22 percent) recorded decline in collections during the period under review (see **Table 5** below).

Table 5: Local Source Revenues Performance by Sub-County

SUB-COUNTY	First Quarter FY 2020/21	First Quarter 2021/22	Annual Target FY 2021/22	Growth (%)	Achievement Rate (%)	Proportion of Total Collection (%)
Bahati	20,105,673	26,993,505	110,555,000	34.26%	24.42%	8%
Nakuru West	32,193,233	42,166,987	270,000,000	30.98%	15.62%	13%
Nakuru East	92,758,614	106,125,359	600,000,000	14.41%	17.69%	33%
Subukia	3,166,105	3,571,709	18,204,114	12.81%	19.62%	1%
Rongai	15,602,158	15,946,861	80,845,500	2.21%	19.73%	5%
Gilgil	20,773,836	21,099,095	110,555,000	1.57%	19.08%	6%
Naivasha	76,846,399	77,817,382	360,298,833	1.26%	21.60%	21%
Kuresoi North	2,821,535	2,833,622	18,600,000	0.43%	15.23%	1%
Njoro	14,921,287	13,377,210	65,000,000	-10.35%	20.58%	4%
Molo	11,082,376	9,665,117	60,000,000	-12.79%	16.11%	4%
Kuresoi South	3,955,593	3,073,293	18,075,000	-22.31%	17.00%	1%
Total Local Sources	294,226,809	322,670,140	1,712,133,447	9.67%	18.85%	100%

Source: Quarterly Financial Statements 2021-2022.

During the period under review collections from Royalties contributed to the highest proportion (22 percent) of local revenue sources. Further licence fees from Advertisement and Alcoholics Drinks/Liquor recorded the most significant improvement (81 percent and 82 percent respectively) compared to similar period in FY 2020.2021 (see **Table 6** below) mainly on account of resumption of operations from the disruptions of Covid- 19.

Table 6: Own Source Revenue Performance by Revenue Source

	Revenue Streams	First Quarter FY 2020/21	First Quarter FY 2021/22	Annual Target FY 2021/22	Growth (%)	Achievement Rate (%)	Proportion of Total Collection
1	Alcoholics Drinks/Liquor	11,136,000	20,290,150	60,000,000	82%	34%	6%
2	Royalties	60,916,569	70,168,638	230,000,000	15%	31%	22%
3	Markets	11,233,844	11,691,878	40,000,000	4%	29%	4%
4	Vehicle Parking Fees	57,015,697	58,121,562	250,400,000	2%	23%	18%
5	Cess Revenue	5,171,877	6,237,266	30,000,000	21%	21%	2%
6	Approval for Building Plans	18,082,366	14,319,097	70,000,000	-21%	20%	4%
7	Advertisements	12,790,703	23,205,293	121,000,000	81%	19%	7%
8	Health Fees	12,260,046	12,790,855	70,000,000	4%	18%	4%
9	Miscellaneous Income	18,860,074	18,233,700	120,130,000	-3%	15%	6%
10	Slaughter House Fees	2,390,220	2,626,795	20,000,000	10%	13%	1%
11	Trade Licenses	44,423,480	40,452,111	330,200,000	-9%	12%	13%
12	Property tax (Plot & Land rates)	35,906,668	41,434,369	340,000,000	15%	12%	13%
13	House rent	4,039,265	3,098,426	30,000,000	-23%	10%	1%
14	County Park Fees	-	-	403,447	0%	0%	0%
	Own Source Revenue	294,226,809	322,670,140	1,712,133,447	10%	19%	100%

Source: Quarterly Financial Statements 2021-2022.

FIF collections during the period under review amounted to Ksh 492 million against an annual target of Ksh 1.4 billion representing 35 percent achievement. PGH Hospital continues to contribute to the highest proportion (52 percent) of total collection (see **Table 7** below). During the period under review, there was significant progress in collections in Keringet Hospital, Subukia Sub County Hospital, Kabazi Hospital, Bondeni Hospital, and Njoro Sub County Hospital.

Table 7: FIF collection per Facility (July – September 2021)

	Facility	First Quarter FY 2020/21	First Quarter FY 2021/2022	Variance	Growth (%)	Proportion of Total Collection (%)
1	P.G.H Nakuru	180,810,213	257,383,425	76,573,212	42%	52%
2	P.G.H Annex	13,829,154	14,942,309	1,113,155	8%	3%
3	Bahati Hospital	6,292,474	18,660,437	12,367,963	197%	4%
4	Naivasha Sub County Hosp	53,036,365	106,497,862	53,461,497	101%	22%
5	Gilgil Sub County Hospital	11,182,162	22,348,546	11,166,384	100%	5%
6	Molo Sub County Hospital	12,927,576	23,164,140	10,236,564	79%	5%
7	Olunguruone Hospital	2,759,036	8,758,115	5,999,079	217%	2%
8	Elburgon Hospital	1,439,079	2,809,721	1,370,642	95%	1%
9	Subukia Subcounty Hospital	1,843,011	5,716,152	3,873,141	210%	1%
10	Njoro Subcounty Hospital	3,551,935	11,132,980	7,581,045	213%	2%
11	Langalanga Hospital	952,858	2,222,875	1,270,017	133%	0%
12	Kabazi Hospital	505,495	1,816,295	1,310,800	259%	0%
13	Keringet Sub County Hospital	1,042,420	3,858,117	2,815,697	270%	1%
14	Mirugi Kariuki Sub County Hospital	630,810	2,085,590	1,454,780	231%	0%
15	Bonden Maternity	2,225,899	8,535,744	6,309,845	283%	2%
16	Soin Hospital	1,244,035	3,067,450	1,823,415	147%	1%
	Total	294,272,522	492,999,757	198,727,235	68%	100%

Source: Quarterly Financial Statements 2021-2022.

Observing the collections in the first Quarter FY 2021/2022 and holding other factors constant, the FIF collections are likely to surpass annual target of Ksh. 1.4 billion. The Department of Health is currently expanding health infrastructure in Level 4 and Level 5 targeting approximately eight facilities. The completion and operationalisation of these facilities is likely to further increase the collections for FIF.

Expenditure Performance

County Budget utilisation in the period July-Sept 2021 was affected by the late approval and statutory compliances preceding the start of budget execution. The delays in the budget approval subsequently delayed the uploading of the budget to the IFMIS, and also the preparation of the of the annual procurement plan and other procurement processes thus hindering effective budget execution.

In the period July-Sept 2021 the County Government incurred total expenditure of Ksh 1.7 billion against an annual budget target of Ksh 23.24 billion reflecting a 7.43 percent budget execution rate. This performance compares to Ksh 1.86 billion incurred in a similar period in FY 2020/21, depicting a seven percent decline (see **Table 8** below). Out of the total expenditure incurred in the review period, Compensation to employees accounted for 83 percent, other currents expenditure accounted 11 percent while no expenditure was incurred in development budget.

Table 8: Expenditure Performance by Economic Classification (July - Sep 2021)

Economic Classification	July- Sept 2020	First Quarter July- Sep 2021	Approved Estimates FY 2021/2022	Budget Execution Rate	Percent To Total Expend.	Growth Percent
Compensation to employees	1,539,509,002	1,441,383,214	7,116,201,551	20%	83%	-6%
Use of goods and services	232,810,457	197,149,614	4,297,622,252	5%	11%	-15%
Transfers to the Other Government Agencies (County Assembly)	85,331,660	89,083,681	1,586,607,406	6%	5%	4%
Other grants and Transfers	-	-	56,509,181	0%	0%	0
Acquisition of assets/ Development expenditure	3,850,000	-	10,189,179,637	0%	0%	-100%
Totals	1,861,501,119	1,727,616,509	23,246,120,027	7%	100%	-7%

Source: Quarterly Financial Statements 2021-2022

During the period under review, total recurrent expenditure (excluding transfers to County Assembly) amounted to Ksh. 1.63 billion. This is against an annual target of Ksh 12.67 billion reflecting a 12.93 percent execution rate. As shown in **Table 9** below, the Department of Health recorded the highest budget execution rate of 17.69 percent (mainly on account of FIF expenditures) while Nakuru Municipality recorded the lowest rate of recurrent budget execution of 3.68 percent.

Table 9: Recurrent Expenditure Performance, July- September 2021

Department	July – Sept 2021			Approved Estimates FY 2021/2022	Budget Execution Rate
	Compensation to Employees	Operation & Maintenance	Total Recurrent Expend.		
Office of the Governor & Deputy Governor	26,338,108		26,338,108	344,017,118	7.66%
Finance & Economic Planning	132,073,634		132,073,634	1,036,805,510	12.74%
County Public Service Board	6,007,024		6,007,024	98,294,117	6.11%
Health Services	872,359,032	197,149,614	1,069,508,646	6,047,331,223	17.69%
Trade, Industry, Marketing and Tourism	13,314,168		13,314,168	256,630,952	5.19%
Infrastructure	26,619,927		26,619,927	350,331,009	7.60%
Agriculture, Livestock & Fisheries	88,638,213		88,638,213	627,305,359	14.13%
Lands, Physical Planning & Housing	24,114,370		24,114,370	153,675,893	15.69%
Environment, Water & Natural Resources	40,558,133		40,558,133	364,340,105	11.13%
Public Service, Training and Devolution	128,517,709		128,517,709	854,007,404	15.05%
Education, ICT & E-Government	54,478,739		54,478,739	844,157,925	6.45%
Youth, Gender, Culture, Sports & Social Services	23,578,537		23,578,537	405,705,133	5.81%
Nakuru Municipality	1,812,405		1,812,405	49,265,349	3.68%
Naivasha Municipality	2,973,216		2,973,216	38,465,886	7.73%
County Assembly ^[1]			-	1,202,212,204	-
TOTALS	1,441,383,213	197,149,613	1,638,532,827	12,672,545,188	12.93%

Source: Quarterly Financial Statements FY 2021/22

[1] Analysis excludes transfers to County Assembly

During the period under review, execution of the development budget was further constrained by huge balances carried forward from FY 2020/2021, delays in processing project documentation, including Bills of Quantities (BQs) and procurement planning. As noted before, none of the County Government entities incurred any expenditure in development budget. Therefore, the County Government shall require to institute urgent measures on execution of the Annual target of Ksh. 10.6 billion.

Fiscal Policy

Over the next MTEF period 2022/2023 -2024/2025 and beyond, the County Government fiscal policy will be guided by the aim to achieve results and outcomes for development interventions prioritised in the current integrated plan period (2018-2022), whose implementation will end in 2022. Further, priority shall focus on reorienting the County economy to full recovery from significant shocks of the post pandemic effects. Fiscal discipline envisaged in the public finance management laws and regulations including the fiscal responsibility principles shall be critical in achieving prudence in management of scarce financial resources. This shall entail, economy and equity in resource allocation, sustainable management of the County wage bill, reasonableness in determination of County fiscal framework including revenue and expenditure forecast.

During the next MTEF framework, the County Government shall prioritise on County fiscal strategies espoused in Chapter two of this CFSP 2022, on finalisation of ongoing projects initiated in the current integrated plan period (2018-2022) as well as settlement of all outstanding but eligible pending bills in line with national policy guidance on such matters. Further fiscal policy framework shall be guided by development proposals in the Annual development planning, the outcome of the CIDP Mid Term Review (MTR 2020). This shall include shifting focus to operationalisation of physical and social infrastructure as well improving service delivery.

To enhance County local revenue as a proportion of total revenues, the County Government shall focus on maximisation of OSR through the following strategies; formulation of Finance Bill 2022 observing the emerging issues and current constraints in local revenue administration, leveraging on the new revenue management systems i.e. County Integrated Financial Operating Systems (CFOMS) including training and capacity development; Acquisition of hardware and equipment support; Establishment of Standard Operating Procedures, enhancing checks and controls to reduce revenue leakages; enforcement and debt recovery measures, and mapping of revenue sources.

Improving efficiency in budget execution rate and maximisation of utility in public expenditure spending shall continue to guide overall County expenditure strategy. The County Treasury shall continue to enforce expenditure controls to curb on wasteful spending and further shifting allocations from non-core expenditure areas. Ensuring compliance with financial & non-financial reporting requirements shall be critical in providing useful information for evidence-based decision making. Continuous training and capacity building of PFM staff shall be upscaled to enhance employee competences and skills. **Table 10** has summarised County Fiscal framework 2019/2020- 2024/2025 observing the fiscal constraints in forecasting.

Table 10: County Fiscal Framework 2019/2020- 2024/2025

	FY 2019/2020 (‘000)	FY 2020/2021 (‘000)	FY 2021/2022 (‘000)	FY 2022/2023 (‘000)	FY 2023/2024 (‘000)	FY 2024/2025 (‘000)
	Projection					
Total Revenue	19,883,205	20,994,656	23,246,120	16,858,325	18,544,158	20,398,574
Equitable share	9,575,201	10,476,150	13,026,116	13,026,116	14,328,728	15,761,601
Conditional Grants	2,109,427	1,242,998	1,412,322	552,209	607,430	668,173
FIF	1,085,903	1,194,128	1,400,000	1,300,000	1,430,000	1,573,000
Extra Budgeted	80,505	564,991	-	-	-	-
Local Sources	1,354,764	1,628,822	1,712,133	1,980,000	2,178,000	2,395,800
Fiscal Balance	5,677,405	5,887,568	5,695,548	-	-	-
Total Expenditure	14,593,132	14,330,820	23,246,120	16,858,325	18,544,158	20,398,574
Recurrent	9,886,577	9,415,620	11,470,333	10,616,899	11,678,589	12,846,448
Development	3,884,899	4,226,319	10,189,180	4,991,214	5,490,336	6,039,369
Transfers to County Assembly	821,656	688,881	1,586,607	1,250,212	1,375,233	1,512,757
BALANCES	5,290,073	6,663,836	-	-	-	-

Source: County Treasury FY 2021/22

Economic Outlook

The County economic outlook envisages a slow but steady recovery from the adverse effects of Covid-19. This CFSP 2022 has observed that the National economy is expected to rebound and grow by approximately 6.0 percent in 2021 and 5.8 percent in 2022 partly on account of low base year. A positive County economic outlook shall be strengthened by the stability in macroeconomic variability amidst volatility resulting from Covid-19 pandemic. Nonetheless the County has taken a cautious approach in both revenue and expenditure forecast. National transfers in form of equitable share are projected to remain unchanged in FY 2020/2023. Local revenues excluding FIF are projected to recover and rise slightly by 15.6 percent in FY 2022/2023. FIF collections are forecasted to steady at 1.3 billion (reflecting a marginal decline of 7 percent) in FY 2022/2023. Over the medium-term period, total expenditure shall match the forecasted total revenues in compliance with requirements for *balanced budget*.

The County forecasts that the ongoing national vaccination programme against Covid-29 disease, and the full reopening of the national and sub-national economies will provide the necessary impetus to local economic recovery efforts. However, the unpredictable mutation of the Covid-19 to more dangerous variants is likely to overwhelm the health sector and reverse the gains made in returning to normalcy.

Risk to Fiscal Policy

The mutation of the Covid-19 into more deadly variants is likely to jeopardise the National/ County health strategy (including the vaccination campaign initiative) and the general social economic recovery efforts. These threats may weaken the recovery efforts and negatively affect the national and County outlook.

1. **Pending Bills:** The County commitment on accrued pending bills was approximately Ksh. 1.92 billion as at end of June 2021. The failure to promptly meet the financial obligations to its suppliers and contractors exposes the County to reputational risk, and has significant negative impacts to businesses and the local economy at large. This occurrence may negatively affect the devolved County Government mandate in provision of public good and services.

2. **Budget Credibility:** County budget review for period 2018/2019-2020/2021 has demonstrated revealed below per performance in execution of development budget. This phenomenon may affect the credibility of the County budget forecast and implementation due to persistent underperformance of in expenditure management and execution.

3. **Wage bill Constraints:** The Public Financial Management (County Government) Regulations prescribes that allocation for County Salaries and Wages should not exceed 35 percent. The County wage bill is expected to decrease marginally to Ksh. 6.869 billion in FY 2022/2023 up from Ksh 7.527 billion in FY 2021/2022 mainly on account of natural attrition. Over the years growth in the County wage bill has resulted from, continuous implementation of Collective

Bargaining Agreements (CBA), salary harmonization, recruitment as well as annual increments. Observing that payment to salaries and wages are non-discretionary, higher wage bill are likely to put strain on the limited fiscal space and further affect the County Governments' ability to meet other financial commitments.

4. **Political Risk:** The national presidential and parliamentary elections as well as transition into subsequent parliamentary term are projected to take place from August 2022. Political activities surrounding the general election cycle may be disruptive to normal operations of government and business may affect the positive fiscal outlook in the medium term and beyond.

5. Observing the aforementioned risks and uncertainties, the County Government will continue to monitor the occurrences at the national and subnational level with a view to instituting the necessary adjustments to provide relevant mitigations measures and adapt to the changing fiscal environment.

II. POLICIES TO ACHIEVE MEDIUM TERM OUTLOOK

Overview

The CFSP 2022 has been prepared against a background of expected recovery at the global and local level after a contraction occasioned by the negative effects of the COVID-19 pandemic. It is also against a revised budget calendar necessitated by the upcoming 2022 elections in the country. This CFSP also marks the end of the second administration of the Devolved County Government, after the passage of the 2010 Constitution of Kenya. This therefore coincides with the end period for the implementation of the 2nd generation CIDP, and will usher in the third County Government administration and consequently the 3rd Generation CIDP.

The 2022 CFSP is premised on the need to spur recovery and growth after the challenges occasioned by the pandemic, and completion of the priorities initiated under the current development plan and government policies. Going forward therefore, the basis for strategic direction shall prioritize increasing efficiency in budget implementation, re-prioritization towards Post COVID-19-recovery initiatives and general performance management.

The County's short-to-medium term fiscal Strategic initiatives are further guided by National economic policy direction as espoused in the Budget Policy Statement (BPS) 2022 whose focus is to accelerate economic recovery for improved livelihoods. As stated in the Budget Policy Statement (BPS) 2022, the Government will undertake the following targeted strategic interventions to support the realization of the "Big Four" Agenda and achieve a resilient and sustainable economic recovery: Roll out the third Economic Stimulus Programme for sustainable growth; Maintain macroeconomic stability and enhance security to foster a secure and conducive business environment and security of Kenyans and their properties; Scale up development of critical infrastructure in the country such as roads, rail, energy and water to reduce the cost of doing business and ease movement of people and goods as well as promote competitiveness;

Enhance investment in key economic sectors for broad based sustainable recovery by promoting agricultural transformation, growth in manufacturing, environmental conservation and water supply, stimulating tourism recovery, and sustainable land use and management; Expand access to quality social services in health, education and appropriate social safety nets for the vulnerable population; Support the youth, women and persons living with disability through Government funded empowerment programs that leverages on partnerships with private sector organizations; Support County Governments through transfer of sharable revenues to strengthen their systems and capacity in service delivery; and Implement various policy, legal and institutional reforms to enhance efficiency of public service delivery

The overall County policy framework borrows heavily from the national fiscal policy priorities as espoused in BPS 2022. The CFSP 2022 shall be founded on the following five fiscal strategy initiatives that the County has adopted in the medium-term period;

- i. Promotion of accessible and affordable healthcare for all County residents;
- ii. Achieving food nutrition, food security and promotion of agri-business;
- iii. Expansion of physical Infrastructure and operationalization of social infrastructure
- iv. Creating enabling environment for business
- v. Enhancing governance, transparency, accountability and human resource productivity in the delivery of public good and service;

1) Promotion of accessible and affordable healthcare for all County residents

The County Government continues to prioritize performance of the health sector in order to improve access to quality, and affordable health services. This has been done through sustained budgetary allocations to the sector for development and recurrent purposes. The continuous strengthening of the sector enabled the County to respond promptly and adequately to the COVID-19 Pandemic.

Following the outbreak of Covid-19 pandemic within the country, the County government instituted response measures aimed at suppressing the infections within the community. These interventions included; formation of the County Multisectoral Coordination Committee at the County level, Sub- County and Ward level Rapid Response Teams; acquisition of COVID-19 commodities including PPEs and ventilators, establishment of thirteen (13) Covid-19 isolation centers in both public and private health facilities with a total bed capacity of over 600 beds; 10 quarantine centers with total bed capacity of over 1,500, and orientating health care workers on Covid-19 protocols and guidelines. The County has learnt valuable lessons from the COVID pandemic, that will be useful in improving on the preparedness of the health sector in general, and pandemics in particular.

The County Government strategy in healthcare is to build a strong referral system. The county has 15 level-IV health facilities, eight of which were upgraded in the MTEF period under review and has prioritised operationalization and expansion of infrastructure as well as services offered. The PGH Level-V hospital has been a major beneficiary to modern state-of-the art infrastructure such as the Margaret Kenyatta Mother-Baby Wing and the near-complete Outpatient Department Block (95 percent) that will consolidate all professionals offering specialised services at one place. Further, the hospital introduced new specialised services such as renal and oncology services during the review period. The County health department in collaboration with stakeholders from KENGEN is currently

constructing a state-of-the art OPD facility in Naivasha level-IV hospital. Upon completion, the facility will benefit from equipping by the National Government. The two facilities offer services not only to Nakuru County residents but also those from neighbouring counties, thereby requiring additional infrastructure and services, to meet the growing demand for services. Other Level-IV facilities undergoing major infrastructural upgrading include Gilgil, Molo, Olenguruone, Elburgon, Njoro, Maai Mahiu and Githioro Health centres. Level III facilities are also earmarked for infrastructure upgrading and expansion, with a goal to intensify services offered.

In addition, the County Government has acquired additional ambulances with operations coordinated by an efficient fleet management system that leverages on GPS technology to ensure greater accuracy, quick response to emergencies and reduced operational costs. The County will further strengthen this by operationalizing the central ambulance dispatch Centre and fleet management system to improve evacuations and pre-hospital care. The County shall continue strengthening the Public Health Emergency Operation Center (PHEOC) to enhance response to emerging and re-emerging infectious diseases such as Covid-19.

The County continues to foster strong relations with the Kenya Medical Supplies Agency (KEMSA), by ensuring all drugs procured are paid for on time. This enhances consistency in supply of drugs and non-pharmaceutical commodities on the basis of level of service in each facility in order to ensure uninterrupted service delivery. This will help sustain adequate service provision under curative and primary health programmes. In the FY 2020/21 period, Ksh 876 million worth of health commodities were procured and distributed compared to commodities worth Ksh 768 million in 2019/20. The department has been continuously improving the distribution of these commodities to minimize cases of stockouts and expiry. Based on the emerging trends, the County Government has prioritized reversal of the disease burden occasioned by non-communicable diseases through

investing in awareness and screening services as well as establishing specialized diagnostic and treatment facilities. These include Oncology, Renal, Imaging and other specialized services in selected major hospitals. Community Health Services shall further be strengthened to support UHC through formation of additional CHUs and supporting CHVs with stipends.

To consolidate the gains realised on health infrastructure development, the County will continue to prioritise equipping of existing facilities with the aim of deepening level of services. The department successfully operationalized seven new primary level facilities spread across all sub counties. The sector does not envisage construction of new Level-II facilities, as statistics from the health department indicates that the County has already approached the attainment of the 5-km radius distance from one health facility to another.

A notable improvement in use of health insurance has been recorded as reflected in improved revenue collection from various insurance claims over the review period. The County Government will continue sensitising and mobilising residents to take up health insurance especially the NHIF as a key strategy in promoting the attainment of UHC aims and objectives. This will help reduce the out-of-pocket hospital expenses by individuals and households. The National government in collaboration with Nakuru County Government has undertaken biometric registration under the UHC scheme, with over 41,000 poor and vulnerable households being registered in Nakuru County, out of the one million households registered nationally. In addition, through the ward kitty, some funds have been allocated towards NHIF coverage in some Wards, in the current financial year. This is expected to increase in the MTEF plan period, through sensitisation and mobilisation.

In order to further sustain continuous healthcare financing, the County Government continues to focus on efficiency in collections of the Facility Improvement Fund (FIF). The County Government has been recording annual improvements over the last three years, with an annual collection of Ksh 957

million in FY 2018/19, Ksh 1.085 billion in FY 2019/20, and Ksh 1.094 billion in FY 2020/21. Observing these gains, the County Government will continue to promote efficiency and effectiveness in service delivery in Level Four and Level Five Hospitals.

The County Government continues to leverage on strategic partnerships with stakeholders in the Health Sector through both on- and off-balance sheet avenues to support health care financing. Over the next MTEF period 2022/23-2024/25 the County Government will maximise on Partner coordination and resource mobilization to bridge the budgetary gaps while enhancing efficiency and accountability. These partnerships include the World Bank funded Transforming Health Systems (THS) for Universal Care project programme, DANIDA grant in support of primary health care services. Other partners in infrastructural development include the KenGen supporting Naivasha Level-IV hospital and World Bank-KDSP (Kenya Devolution Support Programme) Capital Grant supporting Njoro Level-IV hospital. There is need to explore other development partnerships in this sector, since the ongoing programmes are either approaching the end, or have significantly reduced in the grant amounts.

The County will collaborate with the National Ministry of Health in support of HIV/AIDS/ TB program, child immunizations, Reproductive health commodities Anti-Malarial commodities. Further the County will continue to partner with other private healthcare providers in realising the targeted health indicators.

To address the disease burden as a result of poor sanitation, the sector will place particular emphasis on Water and Sanitation Hygiene (WASH) programmes over the next medium-term period partly through Sanitation Roadmap Campaign, and Urban Led Total Sanitation (ULTS) programmes. Further the County Government is pursuing a multi-sectoral approach in addressing the sanitation related health concerns through the NACOSTIP (Nakuru Countywide Sanitation Strategic and Investment Plan 2017-2022) which brings together all major sectors in sanitation management including Water and Environment. A key project under

this initiative is the proposed rehabilitation/construction of Njoro Sewerage treatment plant, a project being supported by the KfW (German Development Bank). Other key implementing partners include the USAID WASH project (Tujengee Jamii) and the World Relief International.

Promotion of health messages to households will be intensified with the help of CHVs and online platforms. Approximately 80 percent of the top ten disease burden are caused from preventable causes, hence the focus of the sector towards preventive and promotive services, as a game changer. The County government, with the help of Nutrition International and nutrition stakeholders has developed the County Nutrition Action Plan (CNAP) 2020-2025 that aims to scale up nutritional interventions over the next 5 years. The plan identifies priority multi-sectoral nutrition actions for each sector, defines targets and costing for each intervention, and provides a monitoring and accountability framework. The County has committed Ksh 10.6 million annually as counter funding against the Ksh 10 million annually by Nutrition International to finance the nutrition project.

In order to reduce maternal and child mortality, the Mother and Baby Unit (namely the Margaret Kenyatta Wing) at PGH, with a capacity of 240 beds and eight theatres has helped improve the access to quality maternal and neonatal health services in the County. Elburgon and Gilgil are the other key facilities with modern maternity wings under construction. The County will continue leveraging on the national Linda Mama programme which allow free maternal service in all public facilities, ensure all pregnant mothers attend all four ANC visits and finally deliver with the assistance of skilled birth attendants while promoting the Prevention of Mother to Child Transmission (PMTCT) towards reduced transmission of HIV/Aids to the new-borns.

To attain the goal of expanding research and development in health, the County will seek strategic partnerships with medical schools to build the body of knowledge and expertise required for effective Evidence Based Practice (EBP) in all County healthcare facilities.

Under human resource, the sector employed 367 healthcare workers including 23 medical doctors; 98 health workers under Universal Healthcare Coverage (UHC) and 68 staff as interns were also engaged on contract terms. This was partially to enable specialised response to Covid-19 treatment and care, while further improving the doctor-patient ratio. During the same period the County promoted 243 healthcare workers. The County Government will continue to leverage on usage of the adopted County Integrated Human Resources Information System (IHRIS) in order to optimize HR management in light of the limited human resource for health. Other automation efforts under implementation include: Automating of health medical records in 14 selected facilities, with a view of full roll-out to all facilities in the future.

The County government is expected to benefit from the National government plan of construction of 50 level III facilities across the Countries. The County has identified Rongai and Kaptembwo hospital to benefit from this initiative.

2) Achieving food security & nutrition and Promotion of agri-business

The agriculture sub-sector is the biggest contributor to the Gross County Product, and provides employment to thousands of county residents. As such the sector plays a pivotal role in addressing both food insecurity and general poverty in the County. Approximately 19 percent of the population in Nakuru County is classified as food poor (CFSP, 2021). The sub-sector enhances economic and social development through improving food security, income generation, employment and wealth creation, foreign exchange earnings as well as ensuring security of land tenure and efficiency in public land management.

The national "Big-Four" agenda recognizes agriculture as one of its key elements and a major driver towards achieving food nutrition and food security in the country. The County Government will prioritize Sub-sector policies aimed at increasing food production and produce commercialization to domestic and foreign markets. Since the onset, the County Government has implemented

various programmes consistent with the Agricultural Sector Transformation and Growth Strategy. These include; the livestock resource management and development Programme, fisheries development and quality assurance Programme, crop development Programme & Veterinary extension services. By supporting large-scale production of staple and commercial crops implementation of programmes that support smallholder farming, promoting the use of appropriate farming techniques and by sensitizing farmers through training VTCs, the county government has been able to make significant milestones towards attaining sustainable thresholds of food nutrition and food security. To actualize these initiatives, resource allocation to the sub-sector has been enhanced. The broad-based approach in the sub sector will focus on programmes aimed at increasing crop, livestock and fish productivity to ultimately address food shortage and assure increasing productivity.

Under, administrative and personnel services, the County will continue strengthening the provision of extension services through recruitment of additional staffs and facilitating the extension programmes to improve timely and adequate interactions with the farmer. Currently, the County has employed 144 extension officers and deployed the officers to all the 11 sub counties. The County Government will continue to reach out to farmers, through extension services across all sub- counties with the aim of equipping farmers with the right skills on proper farming methods. The County Government shall further continue to address unique farmer needs through the establishment of a farmers' call centre at the ATC to ensure an effective real time response mechanism to farmer queries and comments. Other e-Extension services include, the ICT Hub at ATC-Soilo, the KCEP-CRAL e-voucher system and the Farmer Mediated Videos. Farmers are also trained on value addition and this will target to enhance knowledge and skill transfer services.

The County Government will continue to leverage the support from development partners in order to reduce the notable budgetary gaps in the implementation of

programmes and projects. The main donor programs on the sector include National Agricultural Rural Inclusive Growth- Project (NARIG-P) and the Agricultural Sector Development Support Programme (ASDSP II). Under the NARIG-P Project, the County will focus on increased agricultural productivity and profitability of targeted rural communities, Value Chain upgrading Grants and Enterprise Development Plan. The ASDSP II aims to enhance coordinated sector support towards resilient value chain development. Through ASDSP, the department has prepared strategic integrated value chain action plan (SIVCAP) for fish, cow-milk and pyrethrum value chains, extended and innovation concepts have been developed. Finally, the IFAD and European Union supported-KCEP-CRAL Programme which aims to reduce rural poverty and food insecurity among smallholders in Kenya's arid and semi-arid areas

The County Government through the Department has been supporting livestock production by construction of milk cooler plants, purchase of milk pasteurizers and milk dispensers for dairy cooperative societies including Rongai (Acacia Dairies and Kamarus Dairy Coop), Njoro (Lare Njoro) and Kuresoi North (Starlight Dairy Farmers Co-operatives). The development of the dairy value chain has also been supported through provision of steady water supply in milk cooler plants while encouraging sanitation on the same. Veterinary extension services are geared towards the prevention, control and eradication of animal diseases that occasion huge economic losses and adversely impact farmer's livelihoods. Animal vaccination Programme for instance has greatly improved and to this end, Vaccinations were carried out in all sub counties against common notifiable diseases of cattle, sheep, goats, dogs and cats such as Foot and Mouth Disease, Lumpy Skin Disease, Anthrax, Sheep and Goat pox, Contagious Caprine pleuropneumonia, Ovine rinderpest, Rabies and other emerging pests/disease. A total of 409,040 vaccinations were done during the reporting period. To consolidate the gains realized thus far, the County Government will prioritize the following; animal health and boost livestock productivity, animal disease control,

food safety and quality control in trading of animals and animal products, control of livestock movement to reduce spread of diseases and promotion of value addition on hides and skins. Further, licensing of slaughter houses and slabs and instituting quality control measures for hides and skins trading will be undertaken. Supporting local value addition in poultry rearing, the County government through the poultry improvement stimulus project procured over 60,000 one month old improved kienyeji chicks for several farmer groups in the County. The directorate also distributed 133 poultry incubators (176 and 528 eggs capacity) with 133 backup generators and voltage stabilizers with 39,948 fertilized eggs. The poultry incubators benefitted 111 farmer groups and one community-based organization.

The Crop production Programme will target improved agricultural productivity, food security, and farmers incomes by focusing on promoting the natural shift from traditional crops to alternative crops. This includes pyrethrum revival, as a commercial crop where a total of 14,020,900 pyrethrum seedlings worth over Ksh. 45,000,000.00 have already been supplied to over 2,540 farmers covering 635 acres of land. Over 20,656 farmers have benefitted from 413,651 seedlings covering over 5000 acres across the county. Macadamia farming has also been promoted whereby over 14,000 macadamia seedlings have been distributed to 700 farmers. A coffee pulping machine was also procured for Wikuurie cooperative society in Subukia Subcounty. These strategies will boost farmers' incomes through on-farm small holder commercialization initiatives. Further, the Sector will focus on reducing farmer exploitation by middlemen through continuous trainings from extension officers and also by inter-sectoral collaborating with other Departments such as Trade Cooperatives and Tourism, which fosters farmer's well-being. For instance, the 50-kgs Irish potato- packaging 2019 regulations which is currently being enforced by the County Government, has been very effective in ensuring farmers attain maximum value of produce

which are otherwise lost to middlemen. Similar regulations should be adopted for other forms of produce that act as sources of post-harvest loss.

Under the Fisheries Development Programme, the County will prioritize growth in capture Fisheries resource management, Aqua culture development and Fish quality assurance, value addition and marketing through restocking of Lake Naivasha, Lake Solai, and some public dams, construction of the Naivasha fish Market and revival of fish farming across all Sub Counties. Value addition and marketing has been achieved through training fish traders on hygienic fish handling, regular inspection of fish landing sites, markets, processors and fish feed manufacturing and development of a smart fish market in Naivasha. In the MTEF period 2018/19 -2020/21, Procurement and stocking of 191,666 fish fingerlings in L. Naivasha and L. Solai was achieved, approximately 150,000 tilapia and 3,343 catfish fingerlings were restocked in the public dams. The operationalization of the fish processing and cold storage facility in Naivasha combined with the proposed Smart Food Market (Fish Market) along the Naivasha Nakuru Highway, will further help increase the incomes from the fishing industry in Naivasha. Further, the County continues to monitor and make surveillance visit in Lake Naivasha in order to regulate and sustainably manage the fish resource. Further, fish poaching has been significantly reduced by conducting 178 Monitoring, Control and Surveillance visits through the support from KCG, Kenya Wildlife Service and other security agencies. Going forward the Fisheries directorate in collaboration with other relevant bodies will continue to monitor and curtail the ongoing fishing activity in Lake Nakuru until such a time the fish is proven to be safe for human consumption.

Investing in Evidence based agricultural research as well as novel technological innovations by county government and farmers is critical to addressing important farming challenges. The County Government will continue to leverage on the existing county Research organizations based in Nakuru County namely; KARLO, RVIST, Egerton University, DTI, Kenya Marine Fisheries Research Institute (KMFRI).

ADC in Lanet and Kuresoi North, Marindas in Kuresoi North among others lead in Research, training, and capacity development of farmers and departmental officers which is pivotal in the successful implementation of sub sector programmes and optimum performance of the sub- sector.

The County Government has mainstreamed climate change as one of cross cutting issue. To further address the climate change effect in the sector, the department will prioritize promotion of climate smart agriculture through increasing the number of farmers under crop insurance, crop diversification to other non- traditional crops including macadamia nuts, avocado, better water uses efficiency, resilient and lower-emission agriculture, Information and decision support systems etc. Partnerships from development partners on this component will also be mobilized to address the resource requirement in the implementation of the climate smart initiatives.

To improve sustainability of sub-sector programmes the department will leverage budgetary allocation to promote uptake of modern farming methods, leverage national government programmes, and intensify capacity building among the farmers.

3) Expansion of Physical Infrastructure and Operationalization of Social Infrastructure.

Infrastructural development is one of the eight Foundations of the Kenya's Vision 2030 alongside Public Sector Reforms, Education, Science & Technology, Health, Security, Population, Urbanization & Housing and Environment, Water and Sanitation. Infrastructural development is a key enabler in achieving the goals and objectives of all other sectors of the Economy. Efficient infrastructure also significantly improves service delivery and further contributes towards reduction of the costs of doing business. During the MTEF period 2022/2023-2024/25, the overriding priority will be to ensure completion of the on-going projects and operationalisation of all completed projects. This will help the County achieve

value for money as well as achieve the intended objectives and outcomes underlying the projects.

The population of urban centres within Nakuru County is growing rapidly on account of high rate of rural-urban migration. The rising urban population has continued to exert pressure on the limited urban infrastructure and could potentially lead to poor service delivery, waste disposal problem, high energy consumption rate, progressive environmental degradation, poor storm water management, and overall poor living standards. This has thus necessitated the need for improved urban planning and development of rural infrastructure to slow down rural-urban movement or encourage migration back to rural areas.

The County Government continues to prioritize the development and expansion of physical infrastructure to facilitate ease of transportation and service delivery and the operationalization of major social infrastructure.

The County government has taken up the construction of various social infrastructures that require completion and subsequent operationalization through equipping and staffing. The Health Sector during the period under review initiated a major infrastructural upgrading program targeting seven key hospitals that will consequently improve access to safe, effective, and quality healthcare services for all consistent with the UHC policy. In line with this, the health department has established and operationalized a new OPD wing in the County referral hospital (PGH which includes Oncology, Renal, Imaging and specialized theatres. Similarly, Naivasha, Gilgil, Molo, Olenguruone, Elburgon and Bahati level IV hospitals have also seen major upgrade to improve access to quality, diverse, and affordable health services. Staffing and equipping of these upgraded facilities is a major priority for the current MTEF period.

In the Education Sector, the County has invested heavily in the construction of the 509 ECE classrooms, constructed 2 No. ECD Centres of Excellence in Naivasha and Nakuru West Sub-counties constructed 5 Vocational Training Centres and build administration blocks in 2 VTC's namely, Chemare and Molo, as well as a

boys' hostel at Dundori VTC. In the current MTEF period the sector will focus on equipping and staffing of ECEs and VTCs which is expected to boost enrolment and transition rate in ECEs and VTCs.

The renovation of the Afraha Stadium to international standards by the Nakuru Municipality through the Kenya Urban Support Programme will elevate County sporting activities in the County and attract more sportsmen. Similarly, The County government through the department of sports is also undertaking the construction of Keringet sports Academy that will be high altitude training centre for athletes countrywide. This will boost sporting activities and enhance talent development in the County.

Increasing access to clean water and sanitation facilities in the County consistent global commitments under SGG six significantly helps in reducing the disease burden resulting from poor sanitation and has also played a chief role in combating the spread of the COVID 19 pandemic. To increase water and sanitation coverage over the next MTEF period 2022/2023-2024/2025 the County government through the Department of environment, water, sanitation and natural resources will prioritise completion of all ongoing water projects, solarisation of 30 boreholes, rehabilitation of 90 water projects, identify 105 boreholes and drilling of 21 additional boreholes where necessary, constructing 13 no. water dams/pans, desilt 19 no water pans/dams and construct Public toilets in strategic areas. As Nakuru City prepares for attaining the city status and all associated perks, improving access to water and sanitation facilities should be a primary consideration for urban and municipal planners going forward.

In regards to mainstreaming of climate change, the County approved the "Climate Change Act" (2021), and already an allocation of one percent of the equitable share development expenditure has been made to support the implementation of the underlying objectives under this Act. This move further enabled to the County to access more funds as grants from World Bank through "Financing locally Led Climate Action". Access to more funds will enable the

responsible county departments develop climate resilient infrastructure, green buildings, and climate smart interventions that encourage mainstreaming of climate change interventions and consequently facilitate mitigation, response and adaptation to climate change issues. The County will continue to work with the non-state actors, development partners and stakeholders to ensure climate change issues are given priority they deserve. The County Government of Nakuru has emerged the best County Exhibitor at the 7th Annual Devolution Conference held in Makueni under the theme “Multi-level Governance for Climate Action”. This has demonstrated that the County has made strides towards inclusion of climate action policies in both planning, implementation and governance.

The County government, through the department of roads started the “Boresha Barabara” initiative which sought to improve transport infrastructure by grading and gravelling existing roads and opening up of new roads across the county using county-owned machinery. To strengthen implementation of the initiative, the department acquired 14 lorries, 13 graders, 4 rollers, 3 excavators, 3 bulldozers, 1 backhoe and 1 wheel loader. The department graded a total 2929.38Km and gravelled 373.48Km of roads under “Boresha Barabara” while under the contracted works, the department graded 892.85Km and gravelled 650.80Km. Through funding from the KUSP and Kenya Roads Board (KRB) programmes, a total of 14Km of roads were tarmacked. The department also constructed 13.5Km of new drainage networks to help in the storm water management issues, constructed 71 motorcycle sheds, built 19 motorable & footbridges, constructed 1 bus park and rehabilitated 4 bus parks. The sub-sector also maintained 3850 streetlights, installed 241 streetlights; Acquired 3 fire engines, and constructed 1 fire-station in Nakuru. During the 2022/23-2024/25 MTEF period the County plans to tarmac 15Km of new road networks through KRB, grade 5100Km and gravel 1500Km of roads under the Boresha Barabara initiative, grade 3000Km and gravel 1500Km of roads under contracted works; construct 35 motorable and footbridges, construct 30 Km of new drainage network, rehabilitate 2

bus parks, construct 100 bodaboda sheds, install 1200 streetlights and maintain 1800 streetlights. To boost firefighting the priority will be to construct 2 fire stations, recruit 60 firefighters and issue 600 compliance certificates.

The County Government has prioritised expansion of street lighting as a strategy on increasing business hours towards the 24-hour economy and enhanced security. Thus, the County targets to install 1200 new security lights and rehabilitate approximately 1,200 number of street lights. The County however has been struggling to maintain operating costs of street lighting programme with electricity bills skyrocketing every day. To promote sustainability of the street lighting programme and address the high maintenance cost, the County will adopt more energy efficient strategies including solar lighting and the low maintenance LED lights.

Towards addressing urban infrastructure needs and in preparation towards City Status, the County department of trade in collaboration with State Department of Urban Development has initiated the construction of a mixed-use modern multi-storey market consisting of a wholesale market, retail market for fresh produce, and a variety of commercial activities such as eateries, baby care centre and other businesses. This is part of the wider development initiatives towards City regeneration plan. The market shall be adjoined to a major bus park, to ensure adequate traffic of people towards businesses places/premises. The County is in receipt of funding from World Bank for Kenya Informal Slum Improvement Programme (KISIP). Although procurement is being done at the National level, supervision will be spearheaded by the Public Works at the County level. This initiative will improve the infrastructure in the two Municipalities as the County readies itself for City status.

The department of Lands, Housing and Physical Planning has been advocating for use of Alternative Building Technology (ABT). Currently the department has established 5 ABT centres across the County. Going forward the County has prioritized training and sensitization of artisans on the new technology. The

increased uptake of the ABT will reduce costs of construction of houses within the county.

The construction of SGR phase 2A to Maai Mahiu terminus, and the inland container depot, and a customs office were completed and operationalised in 2020 by the National Government. These fall under a designated Special Economic Zone (SEZ) comprising 1000 acres of land, a master plan for which has been finalised. This will also include an industrial park that is yet to be constructed however call for Expression of Interest for business people to set up businesses within the Special Economic Zone has been advertised. The connection of the Maai Mahiu SGR line to the Meter Gauge Railway at Longonot has been completed. Further with rehabilitation of the Meter Gauge Railway from Nakuru to Kisumu is complete and passenger train expected to resume in December. This will enhance movement of passengers and reduce traffic congestion on our roads. It will also ease movement of Cargo from inland container depot in Naivasha to the Malaba border and further into the neighbouring countries. Lastly employment opportunities and development of support infrastructure and businesses as a result of these major infrastructures are likely to increase going forward. This has a positive ripple effect on the local and national economy as a whole.

The County Government has positioned itself to maximise on the expected multiplier effect through creating of the necessary supportive infrastructure and policy framework within the basis of County government functions. Towards this end, the County gained an allocation of 50 acres to develop complementary services that support the operations of the economic zone in Naivasha. These included commercial services, banking and finance, shopping mall, recreational services, residential housing, workshops and garages etc. The County has already floated an invitation request to developers, for investment proposals on the same. The County is also targeting to facilitate construction of 2400 affordable houses through private sector investments within Naivasha Town. The County will seek to

create job opportunities for the abundantly available County work force and generally shore up the County's economic growth. Further through the "affordable Housing initiative" the County will benefit from the construction of 605 houses that will be put up in Bondeni. This will ease on housing deficit that is expected once the Nakuru attains the City status and further prevent the emergence of informal settlements and contain urban sprawl towards agricultural lands

Further, the County Government through the leadership of H.E Governor Lee Kinyanjui has pursued the National Government to upgrade the Lanet Barracks airstrip to a commercial airport. The first phase of upgrading has already begun which is expected to cost Ksh. 400 million. Through engagements with the Kenya Airports Authority the County prepared a business plan on how to benefit as a County upon completion of the airport. The airport will ease transportation of horticulture products to the international market, create employment opportunities and increase business opportunities in the surrounding region.

The County is expected to benefit from the proposed dualling of the Rironi-Mau-Summit Road that upon completion will ease traffic jam along the route thus reducing time taken to transport goods and services on the route.

The County Governments has prioritised Disaster management, observing frequent disaster occurrences in the recent past. Major gains in the reporting period includes establishment of County Disaster management unit, the completion of a new fire station in the CBD near Old Town Hall equipped with 3 fire engines, and additional ambulances. Going forward the County Government has already trained 27 fire marshals and emergency health officers among others, and is implementing the planned coordinated approach of a common dispatch centre for ambulances to facilitate efficient and timely disaster management continuous mapping-out all disaster-prone areas in the County and development of a response and recovery strategy is a major priority for the next

MTEF period towards the effective management of the frequent, intense and unpredictable disasters

ICT is another key enabler of Kenya's vision 2030 as well as the big four agenda taking center stage in social economic as well as political development in the country. During the reporting period the County Government set up various ICT infrastructural projects including installation of Local Area Networks (LAN) in several sites, partial establishment of data centre and internet connectivity at the county headquarters and various departments, operationalization of five digital centres in Subukia, Kuresoi South, Shabab, Menengai East and Rongai polytechnic; establishment of Wide Area Network (WAN), and installation of free Wi-Fi at Naivasha bus park, Molo market, Gilgil town and Kabazi market. Going forward into the next MTEF 2022/23-2024/25, the ICT subsector will undertake more expansion of LANs, WANs and WIFI spots in various County offices and sites, and complete the installation of the County data centre. The County Government will leverage on the expanded ICT infrastructure to promote digitalization and digitisation of County services.

4) Creating enabling environment for business.

The County Government has been pursuing policies aimed at promoting the productive participation of the private sector through deliberate multi-sectoral initiatives that focus on the ease of doing business. The Gross County Product (GCP) 2019 study by the Kenya National Bureau of Statistics (KNBS) ranked Nakuru County 2nd in the National GDP contribution at 6.1 percent, after Nairobi. This resonates well with the estimated Ksh 120 billion investment potential cited during the Nakuru International Conference (NICO) 2018 in the various investment areas. Further, in 2020 the Institute of Economic Affairs ranked Nakuru first among the Kenya's five populous counties in ease of starting business due to reduced tax burden and later in the year 2020, H.E Governor Lee Kinyanjui was feted by the African Leadership Magazine as Africa's Business Friendly Governor of the year.

This depicts the extent to which the County Government leadership is receptive to creating an enabling environment for investments and business growth.

To create an enabling business environment and cushion the local businesses the County Government has supported market expansion initiatives to provide additional trading space; allocated Ksh 52 million towards Enterprise Fund and Cooperative Development Revolving Fund in the FY 2021/22 as part of operationalising the Enterprise Fund Act, 2020 and Cooperative Development Revolving Fund Act, 2020. This will create an enabling framework for increased financial access to County SMEs and cooperatives, through subsidised loans and co-financing by other financial institutions. Further, the County continues encouraging County SMEs to leverage on the Micro, Small and Medium Enterprises (MSMEs) Credit Guarantee Scheme (CGS) to promote their development through access to quality and affordable credit. The county will continue carrying out continuous capacity building of SMEs and cooperatives through the Trade Department to improve their productivity and governance. The County Government will also endeavour to comply with the regulation 40(5) on allocating at least 20 percent for preferences and reservation for resident tenderers of the county pursuant to section 33(2) (g) of the Public Procurement and Asset Disposal Act 2015.

The elevation of Nakuru Municipality to city status in line with the Urban Areas and Cities Act 2011(amended 2019), is set to unlock investment opportunities to both local and foreign investors. The granting of City status in also likely to attract the development of advanced economic and social infrastructure by both levels of government. Further, the listing of Nakuru town among the 49 new cities under UNESCO Creative Cities Network (UCCN) by the UN is expected to market Nakuru globally and strengthen creation, production, distribution and dissemination of cultural activities, goods and services. The County Government therefore shall continue allocating resources and developing policies aimed at promoting arts and crafts, investing in social halls and cultural centres open to the public and

creating enabling environment for the private sector to supplement it through facilities such as Njoki Karuoya Creative and Media Centre, Honeymoon Hill and Bomas of Nakuru that augment the creativity of artists. The county therefore plans to hold an annual investment exhibition and other forums including round table discussions between county departments and stakeholders to provide opportunity for engagement between the public sector and the private sector. The Naivasha and Nakuru Municipal Boards, have prepared and adopted their Urban Integrated Development Plans (IDePs) which will guide the implementation of development priorities in the two municipalities. In addition, the approval of the Integrated Strategic Urban Development Plans (ISUDPs) for Nakuru and Naivasha by the County Assembly will further guide the physical and land-use planning for the municipalities. The County Government through partnerships with the World Bank under the KUSP programme has been implementing projects whose objectives are to enhance the capacity of the municipalities and upgrade Infrastructure in the municipalities under the Urban Institutional Grant (UIG) and Urban Development Grant (UDG) respectively. These investments include: Construction of a modern Nakuru Fire station, tarmacking of roads in Naivasha town and construction of drainage systems in Nakuru Town. Other projects in the pipeline include the ongoing upgrading of Afraha stadium and construction of Naivasha modern wholesale market. These initiatives are expected to further propel the County as a desirable investment destination. The County also is looking towards upgrading Gilgil and Molo Towns to Municipal status which is expected to attract investments from development partners and private investors.

The County Finance Bill has continued to be a significant fiscal policy tool in administration of Own Source Revenues. To further improve administration and management of fees, charges and taxes, the county will continue to pursue a business-oriented approach through automation of revenue services, pursue a harmonised tax regime in business licensing and continuously engage all rate

payers through the public participation in the formulation and implementation of the County Finance Bills. The county continues to implement the newly acquired revenue management system (CIFOMS) by automating revenue payments. The establishment of Nakuru Revenue Authority (NRA) is expected to improve efficiency within the county. The County Government also in a move to support the traders during COVID-19 containment measures, instituted forbearance mechanisms in some revenue streams such as the trade licences, market fees and parking fees for bodaboda, tuktuk and taxis.

To enhance efficiency and effectiveness in County infrastructure and further ease the cost of transport for business and general public, the County Government will prioritise expansion, rehabilitation and maintenance of county roads and bus parks. This initiative will be mainly realised through Boresha Barabara Programme, RMLF Conditional grant and allocation of funds for road maintenance at the ward level. Further, to improve the security for traders/merchants towards achieving the 24-hour economy, the ongoing County Street lighting program under the banner Inua Biashara will continue. To enhance service delivery through digital platforms, the County targets to reduce the turnaround time in services through investment in ICT infrastructure for both hardware and software platforms. The government will provide necessary operational & maintenance support to facilitate continuous and consistent performance of ICT systems.

The County will continue to leverage on the ongoing National Government infrastructure projects which are expected to improve the county's business environment. Some of these include the ongoing Nakuru International Airport Project (Phase 1) at Lanet which is expected to be completed by August 2022, the SGR phase 2A to Maai Mahiu terminus, Inland container depot and the Naivasha Special economic zone (1000-Acres), dualling of Nakuru-Nairobi Highway and the modern multi-storey market at Old Fire station. The National Government allocated the County Government with 50 acres for complementary investments by Nakuru County residents at the Maai Mahiu Special Economic

Zone. The county has thus advertised for expression of interest towards allocation of the 50 acres to Nakuru county SMEs. Further, the county is lobbying for inclusion of big corporates and companies in Nakuru County in the allocation of the remaining 950 acres. All these developments present chances for business investments, job opportunities, local infrastructure development and wealth creation to the populace.

In line with the national Big Four Agenda, the county in partnership with private sector players is implementing two affordable housing projects. This includes the proposed 2400 housing units in Naivasha which is at the contract negotiation stage, and the 605 housing units in Bondeni Nakuru affordable houses. On the other hand, the county in partnership with stakeholders is involved in the upgrading and building of health infrastructure e.g., Naivasha hospital in collaboration with KENGEN. The County Government under the manufacturing agenda has been able to attract investment commitments worth more than 8 billion with industries setting up within the County. Case in point is the Simba Cement Factory (worth Ksh 6 billion of private sector investment), Royal Group Industries (investment of 800million steel factory) and others which indicate a favourable business climate in Nakuru County. Also, other feasible project initiatives pipelined for implementation through both public and private sector investment include the Naivasha industrial park, Egerton Agri-city project, Oserian two Lakes Industrial Park and KENGEN industrial park which are expected to create more job opportunities in the manufacturing sector and in the long term raise the manufacturing sector contribution to GDP. The Naivasha industrial park has also benefited with a daily water supply 6000m³ from boreholes. Nakuru town will also benefit with an injection of 30000m³ additional daily supply within Nakuru town to minimise water rationing.

The County Government in partnership with other partners e.g., KALRO, World bank through NARIGP and ASDSP among others is supporting farmers with mechanization services, extension services, value chain upgrading initiatives to

improve food production. The County Government entered into a deal with the geothermal development company in which the firm will provide geothermal energy for direct use in farming to enhance to enhance food security in the region. The MOU enables the county to initiate partnerships on how direct use of steam can benefit farmers through agro-processing, breeding of fish, pasteurization among others. These will in turn empower farmers and other investors by increasing their production, helping control pest and diseases along with reducing post-harvest losses and offering affordable source of power. Usage of geothermal steam is being pursued for other industrial use.

The County Government has initiated relevant policy legislation to promote County investments and fast-track regulatory frameworks necessary for business start-ups and growth. Among such initiatives include formation of Alternative Dispute Resolutions, Spearheading of the National Titling Programme, preparation of valuation roll and Nakuru County Spatial Plan which are at the County assembly, and implementation of the Nakuru and Naivasha Integrated Strategic Urban Development Plans. Through the Department of Trade, the County Government will continue to work towards eliminating unnecessary bureaucratic bottlenecks that limit the turnaround time for business start-ups. The Department of Trade is also constructing a proposed business incubation centre at Kabatini Centre, towards the same goal.

5) Enhancing governance, transparency, accountability and human resource productivity in the delivery of public good and service

To achieve the County's goal prudence in management of County resources both financial and non-financial is key. The focus in achieving good governance, transparency and accountability envisaged in the Constitution of the Kenya 2010 shall entail the following: employee performance management; training and development; recruitment, induction and deployment; strengthening of internal control systems.

In the MTEF period FY 2018/19 - 2020/21 the County initiated some response mechanisms as part of constituting good governance. The county government rescued, evacuated, resettled and provided food and non-food items for 3600 floods victims from Nakuru west sub-county and Naivasha sub-county; responded to a lightning disaster that struck Mkulima Primary school In Kuresoi North sub-county; responded to 425 victims of fire who were provided with consumable and non-consumable items: further following the outbreak of Covid 19 pandemic within the Country, the County offered food relief to cushion the citizens on the hazards of the virus; patients received treatment for free at public hospitals. Going forward the county will operationalize the County Disaster and Emergency unit following the enactment of the Nakuru County Disaster and Emergency Management Act, 2021.

The County Government has operationalized the performance management system through the Performance Contracting process as envisaged in Section 27 of the County Government Act 2012. Going forward the County Government has prioritized implementing strategies aimed at significantly improving the Departmental performance contract commitments through the department of Public Service and Training Devolution. In addition, departmental performance champions appointed by respective COs shall spearhead performance contracting and performance appraisal in their departments. To enhance service delivery to the public, staff training shall be conducted. Aligning of training to staff's schemes of service and committing resources for training and employee development by the County Government to further promote employee performance and efficiency shall continue.

To achieve sound human resource conduct and discipline the County Government will continue to enforce the Public officer ethics Act (2006), values and principles for public service in accordance with Article 232 of The Constitution of Kenya 2010.

To promote access to information as envisaged in the Access to Government Information Law, the County has taken deliberate steps to continuously publish all the statutory documents including key budget documents like the CFSP, CBROP, Approved budget, County plans and other key documents. Further, tender applications are issued via the e-procurement and job advertisements through the County Website (<https://nakuru.go.ke>).

To achieve the fiscal responsibility principles envisaged in Section 107 of the PFM Act 2012 and the PFM (County Governments) Regulations 2015, the County Government shall through County Treasury, utilize the available PFM tools to enforce fiscal responsibilities and move towards prudence in public finance management. Further, the Nakuru County Budget and Economic Forum shall facilitate private sector participation and the Nakuru County Audit Committee. These two committees shall continue to instil transparency and accountability in the County through expenditure management, quarterly audit review meetings and providing feedback to the governor which has helped in prudent financial management. Further, an Alternative dispute resolution mechanism has been initiated to fore stall influx of litigation to courts given cost implications.

To further meet the County Government financial obligations and in line with the National Treasury guidance on prioritization of pending bills clearance, the County Government will continue settling the pending bills cleared by the Pending Bills Committee, by ensuring significant budgetary allocations. The County has been allocating debt resolution funds over the years. In the FY 2022/23, the county has a CBROP allocation of Ksh. 400 million for debt resolution. The County will continuously institute measures aimed at faster and prompt settlement of claims from its suppliers and contractors. Further, the counties will enhance fiscal discipline within its entities and also fast track the procurement process.

Nakuru County has continued to upscale in governance evidenced by the Increasing business and investor confidence which was attributed to private

sector investments in manufacturing sector for goods and services. National infrastructure developments (SGR phase 2A from Nairobi to Naivasha, development of Naivasha in-land container depot, revival of the meter gauge railway to Kisumu, the linking of the Mai-Mahiu SGR to Longonot via meter gauge railway and the Phase 1 Nakuru International Airport at Lanet) shall have multiplier effect on the County Economy.

In line with the Urban Areas and Cities Act 2011, the existing Nakuru and Naivasha Municipal boards will ensure adherence to conducting of urban citizen fora as required by law. Currently, Nakuru Municipality has met the criteria set out in the Act to be conferred with City Status. In accordance with the Act, the Senate report was forwarded to His Excellency the President so as to confer a City Charter to Nakuru Municipality, a process that will be completed any time soon. In addition, two ISUDP's plans for Gilgil and Molo towns are in the process to become municipals. The proposed report was transmitted to the County Assembly for adoption. The same was approved and adopted by the County Assembly and in accordance with the Act, the report was transmitted to the Senate. This is expected to further create platforms for urban investments, attract investors and thus creating more job opportunities. It will also lead to improved infrastructure like improved roads, improved communication as well as good sanitation within the city and proposed municipals.

To promote equity within the County, the County during the MTEF period 2018/19-2020/21 offered bursaries to needy students with a total of disbursement of County Bursaries amounting to Ksh. 425 million benefiting 87,512 Students and Support Grants to County VTC`s, amounting to Ksh. 210m benefitting 12,045 trainees. Going forward the Nakuru County Bursary Fund will continue to benefit more students in the county. Further, the County will continue in the Socio-economic Empowerment of Women, Youth and PWDs and Community engagement to sensitize on GBV prevention awareness and response.

The County Treasury has acquired a new revenue system (CIFOMS) and established the Nakuru Revenue Authority Board which is being operationalized in the FY 2021/2022 as a body mandated to collect and administer own source revenue. This move is expected to improve efficiency in revenue collection through optimization in local revenue collection, revenue mapping and revenue forecasting. The Land Information Management System, LIMS on its part will facilitate the automation of development applications and approval process while also enhancing efficient processing of online digital applications. Going forward, the County Government shall seek to integrate CIFOMS with other systems such as LIMS in bid to automate systems and consequently raise revenues. The County Government shall continue tracking of the implementation of the CIDP within the framework of the cascaded County Integrated Monitoring and Evaluation System (CIMES). with the commitment to pioneer the Adoption of eCIMES in the county by building capacity in all county departments; Champion for technology enabled M&E reporting in the departmental level; Sensitize COs and CECs on the systems and the underlying advantages; Maintain collaboration with national state department of planning and specifically Directorate of MED for efficient a seamless rollout; and to Leverage KDSP level one funding to train the users and M&E focal persons at the county level.

The County will seek to implement the County Access to Government Procurement Opportunities (AGPO) by training and sensitization of the same, public participation in the formulation of County Statutory documents, up-scaling of the County complaints handling mechanisms and providing feedback to the external stakeholders and further use such information to make improvements.

To strengthen processes in the devolved mandate within KRAs under the Kenya Devolution Support Programme, the County Government will continue prioritizing Key Result Areas (KRAs), which include: Public Finance Management; ii) Planning, Monitoring and Evaluation iii) Human Resource Management; iv) Civic Education and Public Participation; v) Environmental Safeguards which are considered for

level 1 funding. The County's previous performance of the level 1 funding has made it possible for the County to qualify for level 2 funding which involves development projects for instance construction of Njoro Level IV hospital showing prudence.

III. INTERGOVERNMENTAL FISCAL RELATIONS AND DIVISION OF REVENUE

Introduction

The Nakuru County Government will continually seek both horizontal and vertical fiscal relations with a view of promoting harmony in County social economic development. This section presents the intergovernmental fiscal relations and the division of revenue of the County.

The FY2022/23 budget and the Medium-Term Budget Framework builds on the Nakuru County Governments effort to support economic recovery and mitigate against the adverse effects of the COVID-19 pandemic. This will be done by prioritizing implementation of programs outlined in the CIDP 2018-2022 and the Governors' manifestos.

Intergovernmental Relations

a) PFM Institutions

The Nakuru County Government has continued to receive capacity development of officers on PFM related functions such as accounting, budgeting, revenue management and intergovernmental fiscal relations courtesy of the support from the **National Treasury** through training of officers in financial reporting, use of the IFMIS system, internal audit function, budgeting process among others. This capacity building initiatives has been a continuous process by the National Treasury which has seen the quality of the financial statements improve over the years. Other institutions in this category include:

Office of the Controller of Budget which is mandated to ensure that withdrawals are properly supported, authorized by law and issue quarterly reports on budget implementation. The office has been sensitizing Counties on withdrawal procedures and what is required to ensure that there is no delay in release of funds from the County Revenue Fund.

Commission on Revenue Allocation is a constitutional body that gives recommendations on the allocation of the equitable share to both levels of Governments. Further the Commission is mandated to enhance revenue sources and ensure fiscal responsibility in Counties. To achieve the mandate the commission is expected to support Counties through capacity building and system development to ensure the realization. Over the years the Commission has been instrumental in supporting counties to increase their revenue potential through system development and trainings. Further, they have championed the formation of County Budget Economic Forums (CBEF) to ensure fiscal management of resources.

The Office of the Auditor General is mandated to audit County Governments and give opinions on the affairs of the County. To improve prudence and audits the office has been undertaking capacity building for internal audit departments and County officials on how to deal with audit quarries to ensure that they do not reoccur in the subsequent reports. Other PFM institutions include Public Procurement Regulatory Authority (PPRA), Salaries and Remuneration Commission (SRC) and Central Bank Kenya (CBK) which have had close working interactions with the Nakuru County Government.

The Intergovernmental Budget and Economic Council (IBEC), Chaired by the Deputy President has also been playing a key role in deliberating and providing direction to economic and budget issues, affecting Counties and the National Government. The County will continue working with these institutions to strengthen counties' public financial management systems to enhance service delivery and create an enabling environment for development to achieve improved budget outturns and strengthen financial processes.

b) Other Institutions

The Ministry of Devolution continues to provide oversight on the implementation of the World Bank funded Kenya Devolution Support Programme (KDSP), a performance for results grants whose objective is to improve capacities in PFM Systems, Planning Monitoring and Evaluation, Human Resource Management, Civic Education and Public Participation and Environmental and Social Safeguards which is has two components level I for capacity building in the 5 KRAs and Level II infrastructural development where the County allocated Kshs 100million to the construction of OPD in Njoro Level Four Hospital.

The County Government has continued to implement projects under the 4-year Kenya Urban Support Programme (KUSP) grant by the World Bank whose goal is to support the establishment and strengthening of urban institutions and systems to deliver improved infrastructure and services in participating counties. The programme has been domiciled in the by the Ministry of Transport Infrastructure, Housing and Urban Development. The grant has seen the establishment of the two municipal boards i.e., Nakuru and Naivasha municipal boards and the implementation of the identified projects is on course. The County is also working closely with the State Department for Urban Development on the construction of a 600-Million Modern multi-storey market under the Trade Department. The market is located at the Old Nakuru fire station grounds.

The Department of Lands, Housing and Physical Planning has received funding for the implementation of Phase II of Kenya Informal Settlement Improvement Programme (KISIP) that is expected to be undertaken within the Municipalities.

The County is also working closely with Technical and Vocational Education and Training Authority (TVETA) on Curriculum development to implement the Akira-ILO (International Labour Organization) Project, which seeks to train youth on identified skills to enable them meet requirements of the job market and increase employability. The project, known as the "Inclusive Growth through Decent Work in the Great Rift Valley" targets both Nakuru and Narok Counties and it focuses

on skills required for the Energy Sector (Geothermal Development). The 4-year project is implementable under a Public Private Development Approach, where Counties will be responsible for equipping, employing and training the personnel for the targeted polytechnics.

The County still continues to benefit from the capitation programme accorded to the Vocational Training Centres.

c) Inter-County Relations

In order to consolidate devolution aspirations, County Governments have been joining forces to form Regional Economic Blocs. This will enable them leverage on economies of scale in investments, trading and infrastructural activities. Nakuru County is a member of the Central Region Economic Bloc (CEREB) whose membership consists of 10 Counties, namely: Embu, Kiambu, Kirinyaga, Laikipia, Nakuru, Nyandarua, Nyeri, Meru, Murang'a and Tharaka Nithi. CEKEB envisions a region where people can realize their full potential to attain high-quality life. To achieve this, CEKEB will promote sustainable regional socio-economic development for the welfare of citizens. Some of the realised developments include the revival of the Nairobi-Nanyuki Rail-line and Nairobi-Kisumu old metered Rail-lines. The CEKEB seeks to ensure revival of the Gilgil-Nyahururu rail-line in the second phase. Once complete, there is going to be increased economic activities in the Gilgil railway station that's expected to benefit Nakuru county residents.

In addition, Counties in the CEREB region agreed to waive all cess on goods transported from one of the counties and passing through any of the other CEREB counties, as a way of promoting trade in the region, while reducing business costs to the traders. Cess will only be levied in the County of origin.

Cash Disbursement and Expenditure in FY 2020/2021 by Nakuru County Government

The County received a total of Kshs. 18.171 billion in the FY 2020/2021 as exchequer releases compared to 17.44 billion in the FY 2019/2020. The exchequer 2020/2021 releases comprised of Ksh. 10.47 billion from Equitable share of nationally raised revenue; Ksh. 1.2 billion from conditional grants; Ksh. 14.8 million from work injury claims benefits and Ksh. 5.88 billion fiscal balances from previous fiscal year in the in the CRF and an amount of Ksh 550 million received outside the budget towards Kenya Urban Support Programme (KUSP- Ksh. 429.7m) and Kenya Devolution Support Programme Level II (KDSP- Ksh. 120m) (CBROP 2021).

Other revenue sources during the year included the local revenue sources at Ksh 1.628 billion and Facility Improvement Fund at Ksh 1.194 billion. The County Own source revenues had a cumulative achievement of 88 percent of the annual target. The County total expenditure stood at Kshs 14.33 billion against a target of Kshs 20.971B. This represents an under spending of Kshs. 6.64 billion. The underspending was attributed to the slowed activities during the containment measures after the outbreak of the COVID-19, delayed disbursement of funds to the County Government from the National Treasury among others.

Revenue Allocation to the County Governments for the Year 2022/2023

Pursuant to Article 216 (1)(b) of the Constitution of Kenya 2010, the Commission on Revenue Allocation is mandated to make recommendations concerning the basis for equitable sharing of revenues raised by the national government among county governments. Pursuant of Article 217(1), Article 203(1), 216 (1) (a), the CRA recommendations for the fiscal year 2022/2023, the equitable share for the county governments proposed to be retained at Kshs. 370 billion.

The retention in County Governments' equitable revenue share is informed by the following prevailing circumstances:

- a) The FY 2022/23 budget is formulated at a time of Covid 19 which has affected revenue mobilization and brought with it significant uncertainty in revenue projection. With this environment of uncertainty on resource mobilization it would be imprudent to raise county shareable above the levels in the approved BPS 2021 more so taking into account the fact that unlike the national government's allocations that may be reviewed downwards when the economy fails to pick as projected, allocations and transfers to County Governments as equitable share are guaranteed under Article 219 of the Constitution; and
- b) The Government is implementing a fiscal consolidation plan so as to lower the fiscal deficit and slow down debt accumulation. This consolidation is expected to be shared by the two levels of government including a retention of the equitable share at the same level as FY 2021/22. To reflect this fiscal tightening, the National Government ceiling growth has been restricted, declining from a growth of 10.3 percent in 2017/18 to 3.3 percent in FY 2022/23.
- c) The Consolidated Fund Services (CFS) budget for FY 2022/23 has been revised upwards by Ksh 18.4 billion and therefore in order to retain the deficit at the BPS 2021 level, the National Government ceilings have already been revised downwards by Ksh 20.0 billion while maintaining the County equitable share at the same level.

In FY 2022/23, the National Treasury proposes to allocate Ksh 37.0 billion as additional allocations to County Governments. This comprises additional conditional allocations from the National Government share of revenue raised nationally and conditional allocation from proceeds of external loans and grants. The additional conditional allocations are meant to support specific national policy objectives to be implemented by County Governments

The approved Third Basis formula is informed by the Fourth Schedule of the

Constitution that distributes government functions between the two levels of government, and complies with the requirements of Article 203(1) of the Constitution. The formula takes into account weighted parameters for health, road, agriculture and population among others, as outlined in the table 1;

Table 11: Parameter for Revenue Allocation

No	Indicator of Expenditure Need	Assigned Weight (Percent)
1	Health index	17
2	Agricultural index	10
3	Population index	18
4	Urban services index	5
5	Basic share index	20
6	Land area index	8
7	Rural access index	8
8	Poverty head count index	14
Total		100

Source: BPS 2022

In accordance with the approved third basis formula, Nakuru County ranks second after Nairobi, on equitable share allocation (BPS 2022). Accordingly, the Counties will share an estimated Kshs 370 billion which is a retention to the current fiscal financial year. The projected transfer to each County in FY 2022/23 is shown in Table 12 below.

Table 12: Allocation of funds to County Governments

County	FY 2021/2022					FY 2022/2023				
	0.5 (Allocation Ratio*)		(Equitable Share**0.5 Allocation Ratio)		Total Equitable Share****	0.5 (Allocation Ratio*)		(Equitable Share**0.5 Allocation Ratio) *(Formula***)		Total Equitable Share****
	Allocation ratio	Equitable Share	Allocation ratio	Equitable Share		Allocation ratio	Equitable Share	Allocation ratio	Equitable Share	
	column A	column B	column C	column D	column E = B+D	column F	column G	column H	column I	column J = G+I
Baringo	1.61	2,547,825,000	1.80	3,821,569,592	6,369,394,592	1.61	2,547,825,000	1.80	3,821,569,592	6,369,394,592
Bomet	1.74	2,753,550,000	1.86	3,937,549,118	6,691,099,118	1.74	2,753,550,000	1.86	3,937,549,118	6,691,099,118
Bungoma	2.81	4,446,825,000	2.93	6,212,610,192	10,659,435,192	2.81	4,446,825,000	2.93	6,212,610,192	10,659,435,192
Busia	1.90	3,006,750,000	1.97	4,165,412,009	7,172,162,009	1.90	3,006,750,000	1.97	4,165,412,009	7,172,162,009
Elgeyo/Marakwet	1.22	1,930,650,000	1.26	2,675,882,480	4,606,532,480	1.22	1,930,650,000	1.26	2,675,882,480	4,606,532,480
Embu	1.36	2,152,200,000	1.40	2,973,043,762	5,125,243,762	1.36	2,152,200,000	1.40	2,973,043,762	5,125,243,762
Garissa	2.22	3,513,150,000	2.08	4,414,062,254	7,927,212,254	2.22	3,513,150,000	2.08	4,414,062,254	7,927,212,254
Homa Bay	2.13	3,370,725,000	2.09	4,434,628,300	7,805,353,300	2.13	3,370,725,000	2.09	4,434,628,300	7,805,353,300
Isiolo	1.34	2,120,550,000	1.22	2,589,838,265	4,710,388,265	1.34	2,120,550,000	1.22	2,589,838,265	4,710,388,265
Kajiado	2.03	3,212,475,000	2.24	4,742,293,229	7,954,768,229	2.03	3,212,475,000	2.24	4,742,293,229	7,954,768,229
Kakamega	3.29	5,206,425,000	3.39	7,182,987,168	12,389,412,168	3.29	5,206,425,000	3.39	7,182,987,168	12,389,412,168
Kericho	1.70	2,690,250,000	1.77	3,740,414,924	6,430,664,924	1.70	2,690,250,000	1.77	3,740,414,924	6,430,664,924
Kiambu	2.98	4,715,850,000	3.31	7,001,675,720	11,717,525,720	2.98	4,715,850,000	3.31	7,001,675,720	11,717,525,720
Kilifi	3.30	5,222,250,000	3.03	6,419,342,941	11,641,592,941	3.30	5,222,250,000	3.03	6,419,342,941	11,641,592,941
Kirinyanga	1.34	2,120,550,000	1.45	3,075,627,952	5,196,177,952	1.34	2,120,550,000	1.45	3,075,627,952	5,196,177,952
Kisii	2.46	3,892,950,000	2.36	5,001,324,509	8,894,274,509	2.46	3,892,950,000	2.36	5,001,324,509	8,894,274,509
Kisumu	2.16	3,418,200,000	2.18	4,607,939,240	8,026,139,240	2.16	3,418,200,000	2.18	4,607,939,240	8,026,139,240
Kitui	2.79	4,415,175,000	2.82	5,978,795,413	10,393,970,413	2.79	4,415,175,000	2.82	5,978,795,413	10,393,970,413
Kwale	2.46	3,892,950,000	2.06	4,372,635,516	8,265,585,516	2.46	3,892,950,000	2.06	4,372,635,516	8,265,585,516
Laikipia	1.32	2,088,900,000	1.44	3,047,365,679	5,136,265,679	1.32	2,088,900,000	1.44	3,047,365,679	5,136,265,679
Lamu	0.82	1,297,650,000	0.85	1,807,999,643	3,105,649,643	0.82	1,297,650,000	0.85	1,807,999,643	3,105,649,643
Machakos	2.45	3,877,125,000	2.50	5,285,179,232	9,162,304,232	2.45	3,877,125,000	2.50	5,285,179,232	9,162,304,232
Makueni	2.34	3,703,050,000	2.09	4,429,733,562	8,132,783,562	2.34	3,703,050,000	2.09	4,429,733,562	8,132,783,562
Mandera	3.23	5,111,475,000	2.87	6,078,907,598	11,190,382,598	3.23	5,111,475,000	2.87	6,078,907,598	11,190,382,598
Marsabit	2.14	3,386,550,000	1.84	3,890,454,032	7,277,004,032	2.14	3,386,550,000	1.84	3,890,454,032	7,277,004,032
Meru	2.54	4,019,550,000	2.59	5,474,307,338	9,493,857,338	2.54	4,019,550,000	2.59	5,474,307,338	9,493,857,338
Migori	2.14	3,386,550,000	2.18	4,618,470,448	8,005,020,448	2.14	3,386,550,000	2.18	4,618,470,448	8,005,020,448
Mombasa	2.23	3,528,975,000	1.91	4,038,379,061	7,567,354,061	2.23	3,528,975,000	1.91	4,038,379,061	7,567,354,061
Muranga	1.99	3,149,175,000	1.90	4,030,980,855	7,180,155,855	1.99	3,149,175,000	1.90	4,030,980,855	7,180,155,855
Nairobi	5.03	7,959,975,000	5.33	11,289,702,414	19,249,677,414	5.03	7,959,975,000	5.33	11,289,702,414	19,249,677,414
Nakuru	3.31	5,238,075,000	3.68	7,788,041,323	13,026,116,323	3.31	5,238,075,000	3.68	7,788,041,323	13,026,116,323
Nandi	1.69	2,674,425,000	2.04	4,316,444,041	6,990,869,041	1.69	2,674,425,000	2.04	4,316,444,041	6,990,869,041
Narok	2.54	4,019,550,000	2.28	4,825,239,456	8,844,789,456	2.54	4,019,550,000	2.28	4,825,239,456	8,844,789,456
Nyamira	1.52	2,405,400,000	1.29	2,729,940,036	5,135,340,036	1.52	2,405,400,000	1.29	2,729,940,036	5,135,340,036
Nyandarua	1.54	2,437,050,000	1.53	3,233,394,228	5,670,444,228	1.54	2,437,050,000	1.53	3,233,394,228	5,670,444,228
Nyeri	1.71	2,706,075,000	1.66	3,522,653,555	6,228,728,555	1.71	2,706,075,000	1.66	3,522,653,555	6,228,728,555
Samburu	1.46	2,310,450,000	1.45	3,060,896,037	5,371,346,037	1.46	2,310,450,000	1.45	3,060,896,037	5,371,346,037
Siaya	1.83	2,895,975,000	1.92	4,070,532,531	6,966,507,531	1.83	2,895,975,000	1.92	4,070,532,531	6,966,507,531
Taita Taveta	1.34	2,120,550,000	1.29	2,721,624,698	4,842,174,698	1.34	2,120,550,000	1.29	2,721,624,698	4,842,174,698
Tana River	1.85	2,927,625,000	1.70	3,600,783,765	6,528,408,765	1.85	2,927,625,000	1.70	3,600,783,765	6,528,408,765
Tharaka Nithi	1.24	1,962,300,000	1.06	2,251,898,593	4,214,198,593	1.24	1,962,300,000	1.06	2,251,898,593	4,214,198,593
Trans Nzoia	1.82	2,880,150,000	2.03	4,306,007,670	7,186,157,670	1.82	2,880,150,000	2.03	4,306,007,670	7,186,157,670
Turkana	3.33	5,269,725,000	3.47	7,339,580,994	12,609,305,994	3.33	5,269,725,000	3.47	7,339,580,994	12,609,305,994
Uasin Gishu	2.00	3,165,000,000	2.32	4,903,858,318	8,068,858,318	2.00	3,165,000,000	2.32	4,903,858,318	8,068,858,318
Vihiga	1.47	2,326,275,000	1.29	2,741,081,827	5,067,356,827	1.47	2,326,275,000	1.29	2,741,081,827	5,067,356,827
Wajir	2.70	4,272,750,000	2.46	5,201,976,151	9,474,726,151	2.70	4,272,750,000	2.46	5,201,976,151	9,474,726,151
West Pokot	1.58	2,500,350,000	1.79	3,796,934,329	6,297,284,329	1.58	2,500,350,000	1.79	3,796,934,329	6,297,284,329
GRAND TOTAL	100	158,250,000,000	100	211,750,000,000	370,000,000,000	100	158,250,000,000	100	211,750,000,000	370,000,000,000

These allocations will be firmed up in the Division of Revenue Act and County Allocation Revenue Act (CARA), upon approval by National Assembly and Senate. Further, in accordance with the provision of Section 190 (1) (b) of the PFMA 2012, the Commission presents the determination of each county's equitable share based on the Third Basis for revenue sharing approved by Parliament in September 2020.

According to the BPS 2022, the Kshs 407.036 billion allocation to County Governments constitutes of Kshs 370 billion equitable share and conditional allocations of Ksh. 37.036 billions. Additional conditional allocations include leasing of medical equipment of Kshs 5.2 billion, supplement for construction of County headquarters of 0.454 billion and allocation from loans and grants of 31.382 billion. Conditional grants amounting to 31.382 billion, a reduction from 32.334 billion in the FY 2021/22, and Supplement for construction of County Headquarters amount increased from 332B in the FY 2021/2022 to 454 million in the FY 2022/2023 and the leasing of medical equipment reduced from 7.205 billion in the FY 2021/22 to 5.2 billion in the FY 2022/23. Out of the 407.036 billion allocation, Nakuru County Government's allocation stands at Kshs 13.998 billion. Each conditional allocation is distributed according to its objectives, criteria for selecting beneficiary counties and distribution formula. In the FY 2022/23 allocations to Counties is projected at Kshs 370B compared to 1.764T to the National Government as equitable share.

i. Allocation on Equitable Share

Nakuru County will receive a total equitable share allocation of Kshs 13.026B, same as the financial year 2021/2022.

ii. Allocation on Conditional Grants

In FY 2022/23, the National Treasury proposes to allocate Ksh 37.036 billion as additional allocations to County Governments. Nakuru County Government

Conditional grants as at 2022/23 is at Kshs 552.2 million down from Ksh. 862.2 million in the FY 2021/2022 depicting a decline by 35.9 percent.

This comprises of additional conditional allocations from the National Government share of revenue raised nationally and conditional allocation from proceeds of external loans and grants. The additional conditional allocations are meant to support specific national policy objectives to be implemented by County Governments.

The additional conditional grants were allocated through Division of Revenue Act and administered pursuant to provisions of Regulation 129-135 of the Public Finance Management (National Government) Regulations, 2015 and the Treasury Circular No. 8/2017 on “Guidelines for the Management of Intergovernmental Fiscal Transfers in Kenya.

However, the High Court Ruling on Petition No. 252 of 2016 in December, 2020 directed that the conditional or non-conditional allocations are not items to be provided for in the Division of Revenue Act and Consequently the Senate approved the Division of Revenue Bill, 2021 without the conditional grants. Subsequently, the Division of Revenue Bill, 2022 shall not contain the proposed additional conditional allocations to counties.

Further the Court also directed that there should be developed an alternative mechanism for disbursement of conditional grants to counties. In this regard, the Senate developed a County Governments Grants Bill, 2021 which has been passed by the Senate and is now at the National Assembly. The Bill is expected to provide mechanisms for disbursing and accounting for the additional allocations to counties going forward. The Bill is be expected to be an annual Bill.

The proposed additional conditional allocation shall be distributed based on its objectives, criteria for selecting beneficiary Counties and distribution formula determined in the Project Appraisal Documents and respective financing agreements.

a) Allocation for Leasing of Medical Equipment of Kshs. 153,297,872

The grant was intended to facilitate the leasing of modern specialized medical equipment in at least two health facilities in each County over the medium term. The objective is to facilitate easy access to specialized health care services and significantly reduce the distance that Citizens travel in search of such services. This grant is managed by the National Government on behalf of the County Governments. The FY 2022/23 allocation depicts a retention from the FY 2021/2022 allocation.

b) Loans and Grants amounting to Kshs. 552.2M

The County will receive the aforementioned amount representing proceeds from external loans and grants, for various programmes under health, urban development and the Agriculture sector. They include NARIG, ASDSP, DANIDA, and World Bank THS-UC. Final allocation will be detailed in the proposed County Government Grants Bill. Most of the grants from the World Bank Namely; KUSP and KDSP have come to end however the Counties hope that they will get other donors.

✦ The National Agricultural and Rural Inclusive Growth project (NARIG-P)

The Project Development objective for the NARIG-P is to increase agricultural productivity and profitability of targeted rural communities in selected counties, and in the event of an eligible crisis or emergency, to provide immediate and effective response. The project has four components: Supporting Community Driven Development; Strengthening Producer Organizations and Value Chain Development; Supporting County Community-Led Development; Project Coordination and Management.

✦ **Agriculture Sector Development Support Programme (ASDSP)**

The project objective is to support actors along prioritized value chains, strengthening capacity for commercialization, sustainability, climate change resilience, and inclusion of vulnerable people, especially women and youth. The Programme has three components which include: Development of a transparent system for improved agricultural sector coordination and harmonization and an enabling policy and institutional environment for the realization of the ASDS; Strengthening of environmental resilience and social inclusion of value chains; and Promotion of viable and equitable commercialization of the agricultural sector through value chain development.

IV. 2022/2023 BUDGET FRAMEWORK AND THE MEDIUM TERM

FISCAL FRAMEWORK SUMMARY

The County Government endeavours to ensure a balanced budget and enhance budget credibility. Over the next Medium term expenditure framework (2022/23-2024/25) period, the County Government intends to put more emphasis on economic recovery strategies to mitigate the unfavourable impacts of COVID 19. This will largely entail channelling more resources despite the tight resource constrains to the areas that were negatively affected by the pandemic in an effort to restore back the economic status and ensure a resilient and sustainable growth trajectory.

As outlined earlier in the CBROP and in this paper the fiscal framework will rely on the Medium-Term Plan (IV), the Big Four Agenda, the CIDP 2018-2022 and programmes geared towards Economic recovery from the COVID 19 pandemic. The enhanced efforts in revenue collection by Revenue Directorate, rollout of a new revenue management system, establishment of Nakuru County Revenue Authority, improved export market and increased private consumption and investments in the County will contribute positively to our Own Source Revenue collection by bridging the gap in financing thus ensuring smooth and effective roll out of development projects /programmes.

The fiscal framework for FY 2022/2023 budget is based on the policy priorities outlined in chapter (II).

The County Government will endeavour to adhere to fiscal responsibility principles and financial discipline including promotion of budget transparency, accountability and effective financial management of resources based on clearly set priorities to ensure that budgets are directly linked to plans.

Revenue Projections

The 2022/23 projection of Ksh. 16.858 billion will be a 3.9% decrease from the fiscal year 2021/22 where Kshs. 17.550 billion was actualised excluding the balances in

the County Revenue Fund. The decrease is majorly attributed to the lapse of some of the grants such as Kenya Urban Support Programme (KUSP) and uncertainties on what the County expects to receive from the donor grants due to an on-going litigation on how an alternative mechanism for disbursement of conditional grants to Counties should be devised. In this regard, the Senate developed a County Governments Grants Bill, 2021 which has been passed by the Senate and is now at the National Assembly. The expected revenue shortfalls will hence require robust resource mobilisation strategies in order to bridge the resource gap. It is projected that a total of Ksh 3.280 billion will be collected from own source revenue and Ksh 13.578 billion as exchequer releases.

The exchequer releases include the equitable share at 13.026 billion. The FIF is projected at Ksh 1.3 billion against an actual figure of Ksh 1.19 billion in the fiscal year 2020/21 translating to a growth trajectory of 8.9%. On the other hand, the local sources are projected at Ksh 1.980 billion against an actual performance in the fiscal year 2020/21 of Ksh1.712 billion depicting a 15.6% growth. In general, OSR will constitute 19.5% of total revenue, while receipts from National Government will constitute 80.5% of the total budget. Historically, the contribution of external revenue to the total revenue has been predominantly higher than internal revenue.

Expenditure Projections

The County will endeavour to achieve a balanced budget. In this regard, the total expenditures for the FY 2022/23 will be equal to the revenues forecasted, an amount of Ksh. 16.858 billion. The compensation to employees will account for 42.9 percent of the total budget, an allocation of Kshs. 7.2 billion. The proportion of the County wage bill is above the envisaged level of 35 percent of total revenues as recommended in Section 25 of the PFM (County Government Regulations) 2015.

The marginal growth in County allocation for salaries and wages is mainly on the account of natural rise in annual increments, proposed promotions and replacement of staffs that have exited through natural attrition. Allocation for other recurrent expenditures will increase by 11 percent from current Approved Budget amounting to Ksh 4.56 billion.

The County allocation for development expenditure will stand at 30 percent in FY 2022/2023 excluding balances carried forward. Total County development expenditure will reach Ksh 5.057 billion. An emergency allocation of Ksh 70 million has been provided for under the Office of the Governor to cater for County unforeseen expenditure pursuant to Section 110 of the PFM Act 2012. The Nakuru County Revenue Allocation Act, 2018 provides for allocation of not less than 45 of development budget excluding conditional grants. The proposed allocation to the 55 Wards in FY 2022/2023 has been set at Ksh 1.6 billion which translates to 48 percent of the equitable share of development expenditure.

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

Deficit Financing

Reflecting on the projected revenues and planned expenditure the fiscal deficit is projected to be nil. In line with the PFM Act 2012 borrowing can only be made to undertake development projects in line with the framework developed between the National and County Governments. In the MTEF period under review the County Government has projected a balanced budget with projected expenditures being fully funded by own source revenues, transfers from National Government and approved donor support.

Fiscal and Structural Reforms

The County Government has undertaken further reorganisation of its functions that has led to the establishment of the Nakuru County Revenue Authority and the Office of the County Attorney.

In line with provisions of the PFM Act 2012 and PFM Regulation 2015, the County has reviewed its policy framework to enable budgetary allocation to the new Entities in order to reflect on the new realities and comply with the provisions of the law.

The County Government operationalised the Nakuru County Revenue authority as an autonomous body mandated to collect and administer own source revenue pursuant to provisions of the Nakuru County Revenue Act of 2021. The Act states that the Authority shall come into operation by notice issued by the Governor and shall operate under the supervision of the CECM - Finance and Economic Planning. The Authority is responsible for assessing, collecting and accounting for all Own source revenues as provided in the constitution and any other relevant law.

The County Treasury has made some remarkable improvements towards revenue management by automating the system (County Integrated Financial Operations Management System) and ensuring that all Sub Counties are fully automated which has seen own source revenue grow by Ksh. 388 million in the fiscal year 2020/2021 compared to the fiscal year 2019/2020. In order to improve efficiencies and effectiveness in revenue collection, the creation of this Entity will necessitate more budgetary allocations in order to ensure execution of their mandate

The County Government has also established the Office of the County Attorney that is entitled to provide legal services to the County Government of Nakuru. The Office is established under The Office of the County Attorney Act No. 14 of 2020 and clearly spells out the mandate of the Office as; the principal legal adviser to the County Government; attend the meetings of the County Executive Committee as an ex-officio member of the Executive Committee; represent the County Executive in court or in any other legal proceedings to which the County Executive is a party, other than criminal proceedings; advise Departments in the County Executive on legislative and other legal matters; negotiate, draft, vet and interpret documents and agreements for and on behalf of the County Executive

and its agencies as well as being responsible for the revision of County Laws. The creation of this Entity will further cause budget implications as more resources will be allocated to the Entity to enable it carry on with its mandate.

Following the operationalisation of Nakuru City and Naivasha Municipal Boards and the dwindling support from the donor support under the KUSP, there is need to increase budgetary allocation to the two Entities, to enable their full operations. Further the proposed elevation of Molo and Gilgil towns to Municipalities is likely to present new budgetary needs, once they are in place in the MTEF period.

The County Government will continue to strengthen the automation in revenue collection through the County Integrated Financial Operations Management System that has seen an improvement in revenue collection as shown in 1st quarter of the FY 2021/22. The National Treasury has made recommendations for a single OSR system to be used across the 47 Counties. This will create uniformity. The County will continue to streamline monitoring and evaluation of County projects through operationalization of the electronic-County integrated Monitoring and Evaluation System that will help in fast-tracking of the development projects and also improve on efficiency and effectiveness.

The County will undertake the preparation of the County Statistical Abstract that will provide baseline indicators in all Sector for proper planning and decision making. This exercise will be undertaken in collaboration with the Kenya National Bureau of Statistics (KNBS).

The CIDP 2018-2022 will come to end in the course of next financial year. In this regard the County will prepare the CIDP 2023-2027 to guide the planning period. The County will also carry out the End Term Review of the CIDP 2018-2022, with the findings expected to inform on the next planning process.

Overall Budget Financing

The National Government has adopted cautious and pessimistic approach in forecasting revenues in the medium term to manage expectations and improve budget credibility. Fiscal policy over the medium-term aims at enhancing revenue mobilisation and furthering the fiscal consolidation plan to reduce budget deficit and strengthen our pending bill resolutions position while supporting our development programmes. The County Government will replicate this approach in estimating OSR to improve budget credibility. The County Government Will also continue partnering with private organisations and development partners through Public-Private Partnership approach in order to avail more resources required to implement development projects in the County.

Budgetary allocation for FY 2022/23 and the Medium Term.

The budgetary allocation between the County Executive and the County Assembly is summarized in the **Table 13** below:

Table 13: Summary of Budget Allocations

Details	Approved Estimates 2021/2022	CFSP 2022/2023	PROJECTION 2023/2024	PROJECTION 2024/2025
County Executive and County Public Service Board	20,769,868,451	15,055,603,145	16,561,163,460	18,217,279,805
Nakuru City & Naivasha Municipality	889,644,170	142,509,916	156,760,908	172,436,998
County Assembly	1,586,607,406	1,660,212,204	1,826,233,424	2,008,856,767
Total	23,246,120,027	16,858,325,265	18,544,157,792	20,398,573,571

Source: County Treasury

FY 2022/2023 and Medium-Term Budget Priorities

The paper aims at streamlining the medium-term development priorities towards a transformative development agenda facilitating a resilient sustainable economic growth with focus on post COVID-19 economic recovery strategies. In order to achieve this, the County Government will endeavour to pursue the flagship projects and other development projects as contained in the County Integrated Development Plan (2018-2022) and, the Annual Development Plan (ADP) 2022/23 and other County policies. These will be geared towards enhancement of quality services delivery and provision, creation of employment opportunities, improvement of the general welfare of the people and above all ensuring equity and minimising costs through elimination of duplication and inefficiencies will be addressed.

The County Government will continue to allocate resources towards its development needs with adherence to the fiscal responsibility principles and further ensuring budget credibility. It will also allocate its limited resources to strategic objectives outlined in this CFSP and the programmes and sub programmes prioritized by sectors/sub sectors. The following five strategic policies will therefore guide resource allocation in the FY 2022/23.

- I. Promotion of accessible and affordable healthcare for all County residents
- II. Achieving food nutrition, food security and promotion of agri-business
- III. Expansion of physical Infrastructure and operationalization of social infrastructure
- IV. Creating enabling environment for business
- V. Enhancing governance, transparency, accountability and human resource productivity in the delivery of public good and service

Criteria for Resource Allocation

The Constitution of Kenya, Articles 201, 202 and 203 stipulates that revenue raised nationally is shared equitably among the two levels of Governments and among County Governments to enable them provide services and perform the functions assigned to them under the Fourth Schedule of the Constitution. The equitable division of revenue between the two levels of Government takes into account the criteria specified in Article 203 of the Constitution. It is a requirement that, not less than 15 percent of all revenue collected by the National Government be allocated to the County Governments as sharable revenue. The County Governments' equitable revenue share allocation for FY 2022/23 is based on the 3rd formula which was approved by Senate.

County Government of Nakuru will allocate its resources with a reflection of the current sector spending levels in their programmes and provisions for new Entities namely Nakuru Revenue Authority and the Office of County Attorney. Non-discretionary expenditures such as payment of salaries and wages, pending bills and allocation to recurrent expenditure of the Executive and County Assembly as provided through CRA advisory takes the first charge.

The provisions of Section 4 of the Nakuru County Revenue Act 2018 and Regulation 32(1) of the PFM Regulations 2015 also directs the County to allocate at least 30 percent of total resources to development expenditure, and this has been complied with for the MTEF period.

As stated in the BPS 2022, equitable share will amount to Kshs.13. 026 billion while conditional grants amount of Ksh 552 million, as provided for in the BROP 2021. The own source revenue is projected at Kshs. 3.28billion inclusive of an FIF amount of Ksh 1.3 billion. The total resources available to the County amounts to Ksh. 16.858 billion.

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

- i. Programmes that are geared towards economic recovery and sustainability.
- ii. Linkage of the programmes with the objectives of the CIDP 2018-2022 Annual Development Plan 2022/2023 and Integrated Development Plans for Urban areas 2019-2023.
- iii. The programmes that address the core mandates of the respective Sectors and Sub Sectors and geared towards achievement of the Governor's Manifesto.
- iv. Ward project allocations in compliance with Section 4 NCRAA 2018 to support community-initiated projects for equitable development.
- v. Emphasis will be given to the on-going and multi-year projects to ensure completion and operationalization.
- vi. Priority will be given to paying outstanding pending bills/debts as per Pending Bills Committee report so as to maintain them at a sustainable level.

Details of Sector Priorities

The Sector ceilings for the MTEF period 2022/2023-2024/2025 is based on the above discussed resource allocation criteria and the highlighted key strategic policies in Chapter two. Detailed sector and sub sector priorities, including programmes and their expected output are outlined in the **Table 14** below.

Table 14: Medium Term Sector Ceilings FY 2022/2023 - 2024/2025

	SECTOR		APPROVED ESTIMATES FY 2021/2022	CFSP CEILINGS	PROJECTIONS		% of Total Expenditure (CFSP)		
				2022/2023	2023/2024	2024/2025	2022/23	2023/24	2024/25
1	Agriculture Rural and Urban Development	Sub Total	2,699,380,756	1,218,813,371	1,340,694,709	1,474,764,179	7.2%	7.2%	7.2%
		Recurrent Gross	780,981,252	667,120,126	733,832,138	807,215,352	5.7%	5.7%	5.7%
		Development Gross	1,918,399,504	551,693,246	606,862,570	667,548,827	10.9%	10.9%	10.9%
2	Education	Sub Total	1,454,360,537	786,614,931	865,276,424	951,804,066	4.7%	4.7%	4.7%
		Recurrent Gross	810,286,026	674,200,576	741,620,633	815,782,696	4.0%	4.0%	4.0%
		Development Gross	644,074,510	112,414,355	123,655,791	136,021,370	0.7%	0.7%	0.7%
3	Social Protection, Culture and Recreations	Sub Total	648,261,809	343,558,676	377,914,543	415,705,998	2.0%	2.0%	2.0%
		Recurrent Gross	405,705,133	250,735,569	275,809,126	303,390,038	1.5%	1.5%	1.5%
		Development Gross	242,556,676	92,823,107	102,105,417	112,315,959	0.6%	0.6%	0.6%
4	Energy, Infrastructure and ICT	Sub Total	2,758,416,871	821,128,737	903,241,610	993,565,771	4.9%	4.9%	4.9%
		Recurrent Gross	384,202,908	361,991,590	398,190,750	438,009,824	2.1%	2.1%	2.1%
		Development Gross	2,374,213,963	459,137,146	505,050,861	555,555,947	2.7%	2.7%	2.7%
5	Environment Protection, Water and Natural Resources	Sub Total	1,478,572,494	408,167,810	448,984,591	493,883,050	2.4%	2.4%	2.4%
		Recurrent Gross	364,340,105	286,392,002	315,031,202	346,534,322	1.7%	1.7%	1.7%
		Development Gross	1,114,232,388	121,775,808	133,953,388	147,348,727	0.7%	0.7%	0.7%
6	General Economics and Commercial Affairs	Sub Total	595,265,510	285,770,140	314,347,154	345,781,870	1.7%	1.7%	1.7%
		Recurrent Gross	256,630,952	194,801,890	214,282,079	235,710,287	1.2%	1.2%	1.2%
		Development Gross	338,634,558	90,968,250	100,065,075	110,071,583	0.5%	0.5%	0.5%
7	Health	Sub Total	7,584,459,439	6,581,187,903	7,239,306,693	7,963,237,362	39.0%	39.0%	39.0%
		Recurrent Gross	6,047,331,223	5,711,926,251	6,283,118,876	6,911,430,764	33.9%	33.9%	33.9%
		Development Gross	1,537,128,216	869,261,652	956,187,817	1,051,806,598	5.2%	5.2%	5.2%
8	Public Administration and National/ Inter County Relations	Sub Total	6,027,402,611	6,413,083,698	7,054,392,068	7,759,831,275	38.0%	38.0%	38.0%
		Recurrent Gross	3,623,067,588	3,653,659,682	4,019,025,650	4,420,928,215	21.7%	21.7%	21.7%
		Development Gross	2,404,335,023	2,759,424,016	3,035,366,418	3,338,903,060	16.4%	16.4%	16.4%
	TOTAL	Total Recurrent Gross	12,672,545,188	11,800,827,686	12,980,910,454	14,279,001,499	70.0%	70.0%	70.0%
		Total Development Gross	10,573,574,839	5,057,497,580	5,563,247,337	6,119,572,071	30.0%	30.0%	30.0%
		GRAND TOTAL	23,246,120,027	16,858,325,265	18,544,157,792	20,398,573,571	100%	100%	100%

Agriculture, Rural and Urban Development Sector

The Agriculture Rural and Urban Development Sector comprises of Agriculture, Livestock, Fisheries, and Lands, Physical Planning and Housing sub-sectors. The Agriculture, Livestock, Fisheries sub sector is mandated to promote and facilitate production of food and agricultural raw materials for food security, employment creation and incomes, management of crop pest and disease, sustainable use of land resources as a basis for agricultural enterprises and promotion of livestock enterprises development of fisheries; fisheries marketing and fish quality assurance. The overall mandate of the Lands, Physical Planning and Housing subsector is to implement land policy, undertake physical planning, land surveys & mapping and provide affordable and accessible housing.

Agriculture, Livestock and Fisheries Sub Sector

The Agriculture, Livestock and Fisheries Sub Sector is comprised of Agriculture, Livestock, Veterinary Services and Fisheries Directorates. The Sub sector is a key driver of the County's economic growth through enhancing food security, income generation, employment and wealth creation. The sub sector is expected to contribute 10 percent economic growth rate under Vision 2030 and about 60 percent to the county's economy. It also contributes to economic growth through forward and backward linkages with other sectors in the county and the country at large.

During the period 2018/19-2020/21, the sub sector implemented four programs namely; Administration, Planning and Support Services; Livestock Resources Management and Development; Fisheries Management and Development and Crop Development and Management which are in line with the Big 4 Agenda and Governor's Manifesto.

Some key achievements include; Revenue raised by sub sector was approximately Ksh.31.768M across ATC, AMS and licensing in veterinary services and fisheries. A total of 14,020,900 pyrethrum seedlings worth over Ksh. 45M were

supplied to over 2,540 farmers covering 635 acres of land. Approximately 20,656 farmers benefitted from 413,651 seedlings covering over 5000 acres across the county. The Sub Sector also excavated 7.5 km of cut off drain to reduce farm flooding in Njoro Sub County. Through the Agricultural Mechanization Services, the department excavated 8 Water pans across the county, and opened 126 kms of farm access roads across the county and established 10 additional plant clinics to aid in plant protection services with over 1126 litres of pesticides for crop control were distributed to farmers in the county. One coffee pulping machine was also procured during the period under review.

Approximately 60,000 one month old improved kienyeji chicks were procured for several farmer groups in the county, distributed 133 poultry incubators (176 and 528 eggs capacity) with 133 backup generators and voltage stabilizers with 39,948 fertilized eggs. The poultry incubators benefitted 111 farmer groups and one community-based organization.

The Department supported the purchase of milk pasteurizers, cooling system and dispensers for 4 dairy cooperative societies including Rongai (Acacia Dairies and Kamarus Dairy Coop), Njoro (Lare Njoro) and Kuresoi North (Starlight Dairy Farmers Co-operatives). Vaccinations were carried out in all sub counties against common notifiable diseases of cattle, sheep, goats, dogs and cats. Total of 409,040 vaccinations were done. The development of dairy value chain was also supported through construction and completion of 5 milk coolers. In livestock improvement stimulus project, the directorate procured and distributed 282 dairy goats to various farmer groups in Bahati (Kabatini), Subukia (Subukia) and Njoro (Mauche), 40 breeding sheep were also purchased for Gilgil (Elementaita) and undertook honey value addition by procuring and supplying honey to 18 farmer groups in Rongai (Soin).

The sub sector continued to support development of fisheries infrastructures to enhance productivity and fish marketing by expanding of Gatamayu fish ponds in Malewa West, purchase and supply of fishing equipment and three motor

boats for Kamere hustle youth group in Olkaria, installation and building of fish freezer and fish store at Kamere beach in Olkaria.

Under ASDSP program the Sub sector implemented capacity development training for both the extension officers and the fish value chain actors and 26 fish value chain organization have been trained in various aspects of fisheries management and establishments of demonstrations ponds and cages. It has also prepared strategic integrated value chain action plan (SIVCAP) for fish, cow milk and pyrethrum value chains; extended and innovation concepts have been developed.

Nakuru County is among the 8 NARIG-P implementing Counties selected to pilot Disruptive Agricultural Technology (DAT) innovations. Through DAT the sub sector achieved the following; Under Mshamba;-749 farmers already uploaded and 300 tonnes of potatoes have been traded so far and it is in the process of developing voice messages for farmers; Agri-Wallet;- have done recruitment & agent trainings and offering financial services to farmers on farm inputs; Digi-Cow;- have formed WhatsApp groups for Dairy POs and also developed a Digicow app a Mobile Based E-extension platform.

In the MTEF period 2022/23-2024/25, the sub sector has prioritized programs and sub programs that are geared towards increased productivity, reduced crop and animal pests and diseases and improve revenue collection and support farmer's income at household level as outlined in the MTP III, Kenya Vision 2030, the Big four Agenda, CIDP 2018-2022 and also the Governor's Manifesto flagship projects/interventions. The programs are critical, inter-related and address aspects of sector strategic objectives and sectoral mandates. The Sub sector will endeavour to increase its efforts in mobilizing of resources and create a conducive environment for more partnerships in order to achieve its mandate. The Sub Sector will also ensure fully enforcement of the new crop (Irish potato) regulations 2019 in every part of the county to ensure farmers investing their money in potato farming get what they deserve.

Large scale productivity as well as reducing the cost of production of farm products contributes tremendously to food security and farm incomes and therefore the county will ensure availability of high-quality seeds and increased field and grain store surveillance, establishing more cold stores like potato cold stores and creation of awareness on various modern technological ways of food storages for either processed or raw to ensure minimal or no post-harvest losses.

To increase livestock production, productivity, health and improve livestock products and by products as well as value addition, the Sub Sector will strive at improving breeding services, providing efficient animal health services with regard to prevention, control and eradication of animal diseases, enhance a county-wide livestock vaccination against the common diseases both livestock and poultry keeping as well as increasing the number of AI kits in the County. Establishment of additional cooling plants, distribution of pasteurizers, development of marketing networks, will also be pursued, towards wealth creation.

Fisheries development with the aim of increasing fish production will be beefed up through more stocking of fish fingerlings, restocking of public dams and installation of fish pond liners together with establishment of fish markets, fish processing facilities and fish safety assurance across the county.

In order to enhance dissemination of agricultural information to the farming communities for improved agricultural productivity, food security, and farm incomes the sub sector will work closely with all stakeholders and partners both existing and prospective for sector development and provision of efficient services to county divisions/units organizations and the public.

In order to implement the prioritized programs, the sub sector has been allocated Ksh. 994,402,523 million, Ksh 1,093,842,775 billion, and Ksh 1,203,227,052 billion, for the FY 2022/23, FY 2023/24, FY2024/25 respectively.

Land Housing and Physical Planning

Lands, Housing and Physical Planning is organized into two directorates namely the Directorate of Housing, and the Directorate of Land and Physical Planning. The subsector plays an important role in the socio-economic development of Nakuru County given that its operations revolve around land, a key factor of production. It is a key enabler of the Big Four Agenda on housing as well as the sustainable development goal number 11 that seeks to make cities and human settlements inclusive safe, resilient and sustainable. The subsector also accounts for approximately 17 percent of the county's own source revenue. The sub sector mandate is drawn from the Constitution of Kenya 2010, Physical and Land Use Planning Act 2019, County Government Act 2012, Urban Areas and Cities Act 2015, Housing Act Cap 117 and the National Housing Policy 2016 among other legislations.

During the FY 2018/19-2020/21 MTEF period, the Subsector's achievement included; preparation of the Land information management system, processing of titles, urban planning, affordable housing and the transfer of Alternative Building Materials technology. Notably, through the Housing development programme, the subsector rehabilitated 617 housing units in Kaloleni, Naivasha and Flamingo estates, fenced the Moi estate, upgraded 1.3KM of sewer line in Flamingo Ward, and built 1KM of new sewer line in Viwandani Ward, Naivasha Sub-county thereby connecting 150 households to sewer services. The subsector initiated works to establish and equip two Alternative Building Materials Technology Centres in Kware Polytechnic in Visoi Ward, Rongai Subcounty and Lare Polytechnic in Lare Ward, Njoro Subcounty while also training 150 housing stakeholders within the established ABMT centres on the new building technology. A feasibility study on affordable housing project in Naivasha was also done which is expected to be done through a private sector financing model. The County facilitated the issuance of 70,000 title deeds under the land titling programme.

On financial performance, the subsector was able to achieve an absorption rate of 10%, 30% and 47% respectively in that period. The improved absorption rate was as a result of continuous implementation of various capital projects especially those under the Kenya Urban Support Programme which is funded by the World Bank. Pending bills too recorded a significant reduction occasioned by a deliberate move to settle all subsector outstanding debts.

In the medium term the subsector intends to continue with implementation of various projects under its current programmes namely; Administration Planning and Support Services, Land Use Planning & Survey and Housing Development and Management in the financial years 2022/23, 2023/24 and 2024/25. The subsector plans to focus on the implementation as well as completion of various ongoing projects. Approval of the county spatial plan, valuation roll and Land information Management system will be a key priority. Ongoing projects such as planning and survey of urban centres, titling of land, improvement of staff technical capacity, recruitment of new staff, rehabilitation of county houses, spread of alternative building materials technology and the implementation of affordable housing project in Naivasha will be prioritized. The subsector will further roll out the Kenya Informal settlement improvement program (KISIP) phase II towards infrastructure development in informal settlements within the County. The subsector plans to realize the elevation of Gilgil and Molo towns to municipality status as well as ensure that charters for the same are developed.

To achieve these priorities, the sub sector has been allocated Ksh 224,410,849 million, Ksh 246,851,934 million, and Ksh. 271,537,127 million, for the FY 2022/23, FY 2023/24, FY 2024/25 respectively.

Environment Protection, Water and Natural Resources

The sector is comprised of the Department of Water, Environment, Energy and Natural Resources with two Directorates namely: Environment, Energy, Natural Resources and Climate Change and Water and Sanitation. The mandate of the

sector includes; Formulation of Bills and policies, Greening and beautification, Integrated Solid waste management and Market cleansing, Enforcement of environment, water and energy policies, standards and regulations, Pollution control on public nuisance, air, land, water, noise and excessive vibrations, Natural resources management including Water catchments conservation, and riparian land protection and regulation, Climate change mitigation and adaptation, Conservation of County Parks, gardens, open spaces, beaches and recreation facilities, Promotion of alternative green energy solutions, Promotion of green economy initiative, Water sources identification, protection and management, Water and sanitation service provision and Waste water treatment and disposal.

The sector during the years under review FY 2018/19-2020/21, adopted the ISWM model which is guided by the following four strategy goals: Protection of public health, Reduction of poverty, Reduction of waste management cost and Protection of the environment. This has enhanced waste collection. The sector purchased 11No. Waste skips and 3 No. skip loader trucks, undertook capacity building of Departmental staff and engagement of casual workers, enhanced enforcement and compliance monitoring, Continuous disposal sites management and finally rigorous Environmental Education and awareness.

The sector also managed to plant more than 300,000 trees of various species in the sub-counties under climate change mitigation project, and normal tree growing programmes and partners contribution for the purpose of increasing forest cover. Rehabilitation of County parks i.e the ongoing Rehabilitation of Nyayo garden phases one to four is complete and greening and beautification of the stretch along Nakuru Nairobi highway is a success story under climate change mitigation and adaptation sub-programme The sector has partnered with various partners in beautifying our urban areas mostly town's roundabouts, open spaces, road medians, and open spaces especially in Nakuru and

Naivasha. The County rehabilitated the County designated disposal sites e.g. Gioto is a success story whereby the sites has received a facelift.

The sector implemented 412 No. water projects that contributed to increased water accessibility through 79 No. borehole drilling; 69 No. borehole equipping (including 17 No. of water boreholes solarised); desilting of 7No. Dams/ water pans, protected 3No. Springs and rehabilitation of 323No. Water projects and construction of 10 No. new water projects. This resulted in increased water production as well as coverage of approximately 0.025%.

In the next 2022/23-2024/25 MTEF period the sector will continue being guided by the Sustainable Development Goals which is responsible for ensuring clean environment for all by conserving the environment, building climate resilience, providing potable water and sustainable energy production and use. Going forward the sector will concentrate on the Integrated solid waste Management, tree growing, greening and beautification, pollution control on lentic-lotic ecosystems, air, land, noise and other public nuisance, Environmental education through creating awareness on environmental degradation, inculcating knowledge and skills on sound environmental management in order to change their attitudes towards the environment, and eventually participate in environmental management. Green energy promotion and provision of water services and management, promotion of Green Growth Economy, enforcement and compliance of environmental standards.

The sector also needs to undertake Completion of ongoing projects, Solarization of water boreholes, desilting of dams, climate change mitigation and adaptation, Purchase of 1No. Skip loader truck and skip bins, Purchase of Greening and beautification equipment and machineries, Construction of access road, eco toilet and office at Naivasha dumpsite and Rehabilitation of water supplies. There is need to enhance resource allocation due to the addition allocation of functions from Department of Trade specifically Market cleansing thus requiring more resources. In addition, the devolved function of sanitation to the directorate

of water require resources to execute the mandate. Energy sector is very crucial according to its devolved functions to Counties; therefore, allocation of resources to actualize the function is paramount, as will be guided by the County Energy Plan under preparation. The sector has been allocated Ksh 408,167,810 million, Ksh 448,984,591 million, and Ksh 493,883,050 million, for the FY 2022/23, FY 2023/24, and FY2024/25 respectively, in order to implement its priorities in the said MTEF period.

Energy, Infrastructure and Information, Communication and Technology Sector

The Sector is comprised of two subsectors namely; Infrastructure sub sector and ICT & E-Government sub sector. The County Government of Nakuru recognizes the Sector as a key enabler for sustained economic growth, development and poverty reduction.

The Infrastructure sub-sector aims at sustaining and expanding physical infrastructure to support a rapidly-growing economy in Nakuru County. It consists of the following Directorates; Roads and Transport, Public Works and Disaster Management. The sub sector functions include; infrastructure development and maintenance, management of County non-residential buildings, storm water management, street lighting Management and Fire-fighting and Disaster Management.

At the end of the plan MTEF period 2018/19-2020/2021, the sub-sector had accumulatively made the following achievements: Under the Boresha Barabara initiative the department graded a total 2929.38Km and gravelled 373.48Km of roads. Under contracted works, the department graded 892.85Km and gravelled 650.80Km. Under KUSP and KRB programmes, a total of 14Km of roads were tarmacked. The sub sector also constructed 13.5Km of new drainage networks, constructed 71 motorcycle sheds, built 19 motorable & footbridges, constructed 1 bus park and rehabilitated 4 bus parks. The sub-sector also maintained 3850 streetlights, installed 241 streetlights; Acquired 3 fire engines, constructed 2 fire-

stations in Nakuru (currently ongoing). 10 new fire-fighters were recruited in 2020/21 and a total of 95 fire fighters were trained in the period under review. The department acquired 14 lorries, 13 graders, 4 rollers, 3 excavators, 3 bulldozers, 1 backhoe and 1 wheel loader to boost Boresha Barabara initiative.

In the 2022/23-2024/25 MTEF period, the department plans to tarmac 15Km of new road networks, grade 5100Km and gravel 1500Km of roads under the Boresha Barabara initiative, grade 3000Km and gravel 1500Km of roads under contracted works; construct 35 motor able and footbridges, construct 30 Km of new drainage network, rehabilitate 2 bus parks, construct 100 bodaboda sheds, install 1200 streetlights and maintain 1800 streetlights. The last program on Fire fighting and disaster management the sub sector intends to construct 2 fire stations, recruit 60 firefighters and issue 600 compliance certificates.

The ICT and e-Government sub-sector mandate is to promote e-Government services, provide ICT services to other county departments, enhance ICT training and standards, promote public communication and dissemination of public information as well as provide public relations services.

The Sub sector in last MTEF period was able to implement various projects such as establishment of Local Area Networks in several sites, internet connectivity at the county headquarters and various departments, establishment of five (5) digital centres, establishment of data centre (Phase I), establishment of Wide Area Network, installation of free Wi-Fi at Naivasha bus park, Molo market, Gilgil town and Kabazi market, reinforcement of digital centres, upgrading of the county website and installation of CCTV system at Governor's office in Milimani. It was also able to conduct training on online work across all digital centers where over one thousand (1,000) youth were trained

The sub-sector plans to undertake several projects during the MTEF period 2022/2023-2024/25 under the following prioritized programmes: administration and planning services, information & communication services and ICT infrastructural development. The sub sector will continue in implementing projects

geared towards; ICT Infrastructure development, Public digital empowerment through establishment of digital centers and enhancement of e-Government services as its main area of focus. These projects are: completion of the data Centre, CCTV system installation in the municipalities & digital centres, establishment of 6 digital centres across the county, establishment of a call centre, expand WAN connectivity, installation of Local Area Networks in five (5) sites. These projects will transform Nakuru County into a knowledge-based economy. The projects are capital intensive and more budgetary allocation will be required to ensure that they are actualised.

The sector has been allocated Ksh 821,128,737 million, Ksh 903,241,610 million, and Ksh 993,565,771 million, for the FY 2022/23, FY 2023/24, and FY2024/25 respectively, in order to implement its priorities.

Education Sector

Education Sector has two directorates namely Education and Vocational Training. The role of the sector is to provide quality pre-primary education and to impart technical skills and appropriate science and technology to youth trainees with a vision of a globally competitive education, training, research and innovation for sustainable development and a mission to provide, promote and coordinate quality education and training.

In the performance review of 2018/2019-2020/2021 MTEF period, the Directorate of Education constructed 509 ECE classrooms, procured age-appropriate furniture to ECE Centres and trained all ECE coordinators on Report Writing and Senior Management Course. The department recruited 372 ECE teachers on permanent basis. The Directorate constructed 2 No. ECE Centres of Excellence in Naivasha and Nakuru West Sub-counties. The enrolment of ECE children in the County currently stands at 117,090 i.e. Public ECE 52,485 (26,402 boys and 26,083 girls) and 64,605 (32,648 boys and 31,957 girls) in our private ECE centres. The Directorate of Education facilitated the rolling out of bursaries worth Kshs

334,433,355 benefiting 87,512 needy students in both Secondary and Tertiary Institutions across all the 55 wards during the period under review.

During the period under review, the Directorate of Vocational Training recruited 22 instructors on permanent basis. Constructed 5 Vocational Training Centres spread across the County, 3 administration blocks and a Boys hostel at Dundori VTC. The Directorate of Vocational Training has 33 functional Vocational Training centres and ten others awaiting commissioning. The Directorate provided 600 attachment places and supervision to trainees. It was also able to hold four sensitisation sessions across the county to popularize Vocational Training and the programmes offered. To increase access, retention and completion rate, the Directorate further disbursed Kshs 211M to 12,045 trainees as Subsidized Vocational Training Centres Support Grant.

For the 2022/23-2024/25 MTEF period, the priorities of the Sector include equipping ECE Centres with furniture and outdoor play equipment, establishing vocational training and pre-primary centres of excellence in every Sub-County, providing ECE teachers to all public ECE Centres and instructors in public VTCs.

The subsector plans to construct and equip four Hostels to attract more students design and construct 10 Libraries which are to be constructed in the Centres of Excellence other Training Centres.

In order to implement the prioritized programmes, the Sector has been allocated Ksh 786,614,931 million, Ksh 865,276,424 million and Ksh 951,804,066 million for the FY 2022/2023, FY 2023/2024 and FY 2024/2025, respectively.

General Economic and Commerce Affairs Sector

General Economic and Commercial Affairs Sector comprise of the Department of Trade, Industrialization, Cooperatives and Tourism. The Sector plays a critical role in poverty eradication, employment generation, and regional development. It is also a key sector in revenue generation for the Government. The Sector key areas of focus are on Trade, Enterprise Development, Co-operative

Development, Alcoholic Drinks Control, Tourism and County Bus Terminus Management. For the period 2018/2019-2020/2021, the Sector's achievements included rehabilitation of thirty seven (37) markets, construction of twenty two (22) new markets, Partnering with National Government and World Bank to construct Multi-Storey Markets in Nakuru & Naivasha Market, which are currently ongoing. The Directorate also partnered with Micro Enterprise Support Program Trust and Eastern Africa Grain Council to develop Wet and Smart markets respectively. On consumer protection and improvement of fair trade practices, the County Unit of Weights and Measures calibrated 15,230 weighing machines and inspected 50 business premises. On Trade Development the subsector participated in nine (9) Exhibitions. It also supported the MSEs through business development services, linking MSEs to local and external markets and continued training MSEs on business skills. The Directorate of Tourism promoted local Tourism by holding four (4) key events and activating six (6) tourism. The Cooperatives Directorate facilitated the growth and development of cooperatives by holding trainings on enterprise development, provided value-addition equipment to two (2) Cooperatives, governance and Compliance. The Directorate of Alcoholic Drinks and Control licensed 2063 liquor outlets, prepared a draft scheme of service and staff establishment, developed and gazetted alcoholic drinks control regulations 2021, developed the citizen service charter, facilitated and supported 11 Sub County liquor licensing regulation committees and County Liquor Licensing Review Committee. The Directorate of County Bus Terminus Management allocated fifteen (15) picking and loading bays to various PSV operators at the Nakuru Bus Terminus. It also drafted the scheme of service, staff establishment and developed the citizen service charter. Five Regulations were approved and published i.e. Cooperative Development Revolving Fund Regulations 2021, Tourism and Marketing Regulations 2021, Nakuru Enterprise Fund Regulations 2021, Trade Regulations 2021 and Alcoholic Drinks Control Regulations 2021

The County has been identified in recent times as one of the best investment hub and indeed Nakuru County is the County of Unlimited Opportunities. For the period 2022/2023- 2024/25 the Trade Directorate will among other activities rehabilitate 15 markets and construct six new market, Carry out SMEs training and Funding, hold five Trade Exhibitions annually and undertake consumer Protection through verification of weighing and measuring instruments. The Directorate will establish Seven Business Incubation/ Enterprise centers by mostly converting the unused markets. Cooperative Directorate will capacity build Cooperatives, carry out spot checks, audits and support nine (9) Marketing Cooperatives with value addition equipment. The Tourism Directorate will promote local tourism by activating tourism sites and holding annual tourism events. The Alcohol Drinks Control Directorate will continue to oversee issuance of liquor licenses, hold sensitization Forums for Liquor Stakeholders and Train Liquor Committees. The County Bus terminus Management Directorate plans to improve the facilities at the County Bus termini and capacity building for PSV operators and other stakeholders on modern transport business practices and sensitize the stakeholders on proper utilization of the termini facilities.

In order to implement the prioritized programmes, the Sector has been allocated Ksh 285,770,140 million, Ksh 314,347,154 million and Ksh 345,781,870 million in the FY 2022/23, FY 2023/24 and FY 2024/25 respectively.

Health Sector

The Health Sector takes the lion's share of the entire Nakuru County budget with 32.6% in the current budget with Public Health and sanitation and Medical services divisions. During the MTEF period 2018/19-2020/21, the sector managed to recruit 367 healthcare workers. Recruited 98 health workers under UHC and 68 staff as interns. During the same period the county promoted 243 healthcare workers. The department is keen on automating health services with seven health facilities currently earmarked for full digitalization. The sector is also undertaking

key infrastructural projects in level IV and V facilities, with a focus on enhancing maternity, outpatient and inpatients services. The department is mandated to collect facility improvement fund (FIF). During the period under review, revenue collected amounted to Ksh.957 million Ksh.1085 billion and Ksh.1.194 billion respectively. This shows a significant increase in revenue collection.

Under medical services the sector expanded key service areas to address the rising burden of NCDs. Through partner support, a diabetes Centre of Excellence was established at the County Referral Hospital with over 9781 patients accessing specialized services.

The Directorate of Public Health and Sanitation developed the PMTCT Business Plan aimed at sustaining the gains made in addressing the HIV scourge and towards 90-90-90 targets; the Nakuru County Nutrition Action Plan 2020/21-2024/25 which provides an umbrella framework and guidance in the implementation of nutrition interventions to address the immediate, underlying and basic causes of malnutrition. Various health promotion activities were undertaken during the reporting period which saw 89% of households in the county reached with health messages aimed at reversing the health trends.

With the outbreak of Covid-19 pandemic within the county, measures were instituted in response, aimed at suppressing the infection within the community. Some of these measures were; formation of county multi-sectorial coordination committee, Departmental Covid-19 coordination committee, Sub-county rapid response team(11), Ward level rapid response teams (55), procurement of covid-19 commodities including PPEs, establishment of thirteen (13) Covid-19 isolation centers in both public and private health facilities with a total bed capacity of over 600 beds and 10 quarantine centers with total bed capacity of over 1,500 and orientating health care workers on Covid -19 protocols and guidelines. In support to roll out of UHC, the county enlisted over 41,000 indigents households to NHIF, aimed at increasing access to health care services.

Moving forward into the next MTEF period the health sector will build on the gains that have already been made. Upgrading and operationalization of the completed projects shall be implemented to enhance service delivery. Upgrading shall be done on following health facilities; Mai Mahiu, Kabazi and Bahati Sub-County Hospitals. Operationalization will be done on the following health facilities; Nakuru CRTH, Naivasha, Olenguruone, Elburgon, Molo, Njoro, Gilgil, and Githioro.

The county shall continue strengthening the public health emergency operation center (PHEOC) to enhance response to emerging and re-emerging infectious diseases such as Covid-19.

Preventive and Promotive health services will be a priority to address the over 80% of the sanitation related disease burden. The department will also address the rising burden of NCDs through investing in awareness and screening services as well as specialized diagnostic and treatment facilities. These will include Oncology, Renal, Imaging and other specialized services. Community Health services shall be strengthened to support UHC through formation of additional CHUs and supporting CHVs with stipends.

Partner coordination and resource mobilization will also be strengthened to bridge the budgetary gaps and enhance efficiency and accountability.

To achieve these priorities and ensure a healthy County the Sector has been allocated Ksh 6,581,187,903 billion, Ksh 7,239,306,693 billion, and Ksh 7,963,237,362 billion, for the FY 2022/23, FY 2023/24, FY 2024/25 respectively.

Social Protection, Culture and Recreation Sector

The Social protection, Culture and Recreation sector has four directorates; Youth, Culture & Gender, Sports, and Social Services with its role being to; coordinate and developing of communities through management of sports activities; socio-cultural interventions for economic empowerment; promotion/regulation of responsible gaming and community empowerment of youths and coordination

of gender mainstreaming. Since devolution the County Government seeks to formulate and adopt relevant policies and legislation for protection and development of the social sector in line with the Constitution of Kenya. These include youth, culture and heritage, sports, gender and social services policies, for inclusiveness in development processes that involve bottom-up approach to social planning and implementation of programmes for sustainable socioeconomic and cultural development for all.

Key achievements for the Sector during the financial year 2018/19-2020/21 include; Initiated performance contracting in the department, the culture directorate was able to organize cultural festivals at both national and regional levels, train adjudicators as well as facilitators, Formation/launch of Bahati and Njoro GBV clusters totalling to 9 GBV clusters, Establishment and signing of MoU with Kenya Museum, Gender policy formulation on progress and is being undertaken by the directorate of culture in partnership with the Centre For Enhancement Of Democracy And Good Governance, Women Empowerment programmes conducted in four (4) sub-counties.

Capacity building was conducted for performing and visual arts, marking of all national and international days, cultural festive and sports competitions. Projects completed include the levelling sports grounds in Bahati, Upper Solai and Kamukunji, revamping of Kimathi grounds changing rooms. Stadia completed are Gilgil, molo and Rongai, St Teresa sport's centre and completion of two youth resource hub centres in Nakuru East which will enable the hosting of various games. Purchase of Land at Keringet to Establish a Sports centre was finally completed, Implementation of ward sports through funding of sports teams and equipping of youths throughout Nakuru County with assorted items was also achieved in the period under review. The sector was also able to support PWD during sports tournaments.

Under social services several social halls including Bondeni social hall, Gilgil, Shabab and Kayole social hall Naivasha social hall were equipped with assorted

equipment. Sensitization meetings on Disability mainstreaming and procuring and distribution of Mobility and assistive devices for distribution to needy PWD throughout the County, recruitment and registration of over 500 street boys & girls for rehabilitation.

In the next three years the Sector will concentrate more on completion of ongoing projects, developing and equipping of cultural centers, refurbishment and equipping of social halls as well as sports grounds and stadiums across the county, equipping street families dropping centre at Njoro home craft, completion of Keringet sports centre.

In order to implement the prioritized programmes, the Sector has been allocated Ksh. 343,558,676 million, Ksh 377,914,543 million and Ksh 415,705,998 million for the FY 2022/2023, FY 2023/2024 and FY 2024/2025, respectively.

Public Administration and National/International Relations Sector

This sector comprises nine sub sectors namely; Office of the Governor & Deputy, Finance & Economic Planning, Public Service, Training and Devolution, County Public Service Board, Nakuru City, Naivasha Municipality, Nakuru County Revenue Authority, Office of the County Attorney and County Assembly of Nakuru.

The Office of the Governor and Deputy Governor draws its mandate from the Constitution of Kenya, 2010, the County Government Act, 2012 and also Executive Order of November 2018. It plays an important role in providing overall leadership, policy direction in resource organization, management and accountability in order to provide quality service delivery. Implementation of the Sub Sector's mandates is done through the overarching programmes. The Executive also represents the County in National/International fora, signs County Bills to Laws and also Governor's Warrant which allows money to be drawn from County Revenue Fund as per PFM Regulations, 2015. The sub-sector is also responsible for resource organization, management and accountability in a bid to enhance the provision

of quality service delivery. The sub-sector ensures there is a conducive working environment and promotes positive mutual working relationships between the County Government and its internal and external stakeholders as well as promote peace and order within the County, promote democracy, good governance, unity and cohesion within the County.

During the MTEF period 2018/19-2020/21 the Sub-Sector provided overall leadership and policy direction in resource mobilization, management and accountability for quality service delivery. Ensured regular attendance Council of Governor and 24 cabinet meetings to participate in policy formulation, appointed two new CECs, run training programs for youth groups and Parents/Guardians to persons with disability. It also initiated construction of the Milimani Annex Office Block.

During MTEF period 2022/2023-2024/2025 the subsector will prioritize its programmes against the backdrop of its previous achievements. It will steer its implementation towards improving its performance through restructuring its programmes ranging from administration services, the management of County affairs and the provision of coordination and supervisory services. The Sub Sector will also ensure completion of the ongoing construction of Milimani annex office block. The subsector will steer the County Government to the third administration, in line with Devolution requirements.

Finance & Economic Planning sub sector is comprised of five directorates namely; Internal audit, Supply Chain Management, Economic Planning, Finance and External Resource Mobilization. The sub sector is mandated to carry out as to monitor, evaluate and oversee the management of public finances and economic affairs of the County Government. Further mandates include to coordinate the preparation of the annual budgets; guide and control implementation of the same. Other obligations include; management of County public debt; mobilisation of County financial resources for budget needs both locally and externally; preparation of financial statements as well as being the

custodian of government assets; developing and implementing financial & economic policies in the County; providing leadership in County in the acquisition and disposal of public assets.

During the period 2018/19 – 2020/21 the subsector achieved the following; initiated construction of County Treasury Building; provided capacity building opportunities for its' staff including training in budget preparation, financial reporting, Planning, monitoring and evaluation, promotional courses such as Senior Management Course, Strategic Leadership Management Programme, Supervisory among others; Acquired a new revenue system CIFOMS to improve efficiency in revenue collection; and had all County departments using automated financial systems. The sub-sector also adhered to the legal framework and guidelines governing public finance management by timely preparation of Budget Circular, CBROP, CFSP, Sector reports and Budget estimates; preparation of the annual procurement plan and quarterly procurement reports; Annual Financial Statement and quarterly financial reports. The subsector also strengthened the planning function through operationalization of County planning offices by deploying staff to all County departments; conducted M&E activities; tracked implementation of the Nakuru County CIDP by producing a MTR document; prepared three ADPs.

In the 2022/23-2024/25 MTEF period, the Subsector's key priorities will include; completion of the County Treasury office block; Strengthening management and usage of funds to ensure prudence in financial management and reporting; empowering the subsectors' staff by according them opportunities to attend long and short-term programs to enhance their skills and empower them in performance of their duties; Issue guidelines in budget implementation and do follow-ups to ensure projects and planned activities are realized within the set timelines; Ensure that all statutory documents are submitted to the County Assembly and other Entities as per the requisite directives/legislations; Advise other departments on funding opportunities that may arise due to PPPs external

funding opportunities and guide the departments in the formulation of concept notes, papers and proposals for seeking funds with external partners; Further institutionalizing planning in the County entities; and regularizing monitoring and evaluation within the activities in the County entities. It will also ensure fully operationalization of Nakuru County Revenue Authority, and prepare the CIDP 2018-2022 End term Review report. The County will also prepare the CIDP 2023-2027 to guide in the next planning period.

Public Service Training and Devolution sub sector is the main administrative department of the County Government. The department executes its mandate in six Directorates, namely; Human Resource Management, Administration, Legal Services, Enforcement, Civic education & public participation and Disaster and Humanitarian Assistance. Legal Directorate is the principal legal advisor to the county government, handles conveyance matters, drafting consent, preparation and execution of county legal documents, litigation for the County Government as well as drafting legal instruments. A major cost factor for the sub-sector remains in litigation. By end of FY 2020/21 the county government had 21 court cases which were concluded, 41 cases still pending and 676 ongoing cases at the courts of law.

Going forward, the Office of the County Attorney has been established as new entity, pursuant to Office of the County Attorney Act of 2020. The office will offer legal advisory to the County Government entities and represent the county government in all the cases. The office is spearheading the ADR mechanism to reduce some of the cases in court. In the MTEF period 2022/23-2024/25 the Office of the County Attorney has been allocated Ksh 27.4 million.

HRM deals with matters of employees including HR Planning, Job Analysis and Design, Training and Development, Performance Management, Staff compensation and remuneration, Staff Welfare and Industrial Relations. Directorate of Administration is mandated with coordination, supervision, planning, directing and controlling to ensure efficient and effective service

delivery at subcounty and Ward levels. The Directorate of Enforcement is charged with, but not limited to execution of county laws, inspection for compliance with trade licenses and permits, prevention of crime, enforcement of cess barriers and offering security of county government assets. The Disaster management and humanitarian assistance directorate is tasked with managing disaster occurrences and offering humanitarian assistance, this has been achieved by mitigating, preparedness, response and recovery in the event of a disaster and or an emergency within the county. The sub sector priority development projects in the next MTEF period remain in the provision of Sub-County, ward offices and purchase of vehicles for officers. The department has prioritized recruitment of 103 enforcement officers, purchase of uniforms and other enforcement accessories for enforcement officers. The legal directorate has prioritized the operationalization of the Office of the County Attorney Act 2020, recruitment of a county solicitor and 4 legal officers.

The Nakuru County Public Service Board sub draws its mandate from Section 59 of the County Government Act 2012. The Board is guided by the Code of Regulations for Civil Servants and the Public Service Commission Act among other relevant instruments. The Board is charged with the responsibility of maintaining high levels of professional ethics by affording adequate and equal opportunities to all cadres of the County Public Service.

The Board recruited 165 number of officers, 147 in the department of Agriculture Livestock and Fisheries, 15 in the department of Finance and Economic Planning and 3 in the department of Lands. The Board also promoted officers in various departments: 23No officers in the department of Finance, 4No Officers in the department of economic planning 94No Department of Public Service Training and devolution and 23No in the department of Health. 2No Board members were also appointed which has now seen the Board being fully constituted- the chairman and a member. The Board installed 3No.Bulk filing system, refurbished

4No offices for Board members and acquired equipment and tools to aid in the day today's operations

The sub-sector in the next MTEF period 2022/23-2024/25 will continue to work towards enhancing service delivery by developing Human Resource Management system that will enhance speedy receiving of Job applications, long listing, and shortlisting of candidates and conducting interviews within a specified period, Setup video conferencing and automation of offices, purchase motor vehicle(s) for ease of transport. Similarly, the Board will continue to improve Human Resource productivity through staff and Board members trainings. The Board is also expected to develop its five years strategic plan.

Naivasha Municipality is created as per the requirements of the Urban Areas and Cities Act 2011 which provides the criteria for a Town to be upgraded to a Municipality. During the MTEF period 2018/19-2020/21 Naivasha Municipality realised the following activities/projects namely; construction of wholesale market phase II, Training and organizing workshops for Board Members, Rehabilitated board offices, tarmacked 3.7KM of roads, Developed and adopted IDEP.

The key priorities in the next period include; Increase the number training and workshops conducted, Recruit 71 officers in order to enhance Human Resource Productivity, Tarmacking of 10KM of Roads, 20 KM Roads and storm water drainage in Naivasha Municipality, Construction of 200 parking lots , Construct 17KM Non- Motorized Transport Facilities, Installation 55 number of Street Lights, Expanding urban green space by planting over 10,000 trees (Kenyatta garden rehabilitation), Procurement of two no. skip loader and 10 No. skips and Construction of fire station

Nakuru Municipality was elevated to Nakuru City following the award of a Charter by H.E the President on 1st December, 2021 pursuant to provisions of the Urban Areas and Cities Act 2011. The mandate of the City include; overseeing the affairs of the City, develop and to adopt policies, plans, strategies and Programmes and promote and undertake infrastructural development and services within the City.

During the period under review the sub sector achieved: 11 percent rehabilitation of Afraha Stadium -Phase 1 which is expected to be complete by the end of FY 2021/2022, Constructed 3.6km storm water drainage in Kiamurogi & Kipkelion roads, Purchased of 2 No fire Engines, Constructed a Fire and Disaster Management Centre, Developed a draft IDEP, Recruited the Municipal Manager 2 No. citizen fora held despite COVID 19 stringent measures. In accordance with the Act, the report on conferment of city status was adopted by County Assembly of Nakuru and submitted to the Senate and later on forwarded to His Excellency the President so as to confer a City Charter to Nakuru Municipality, a process that was concluded in December 2021 with conferment of the Charter.

During the next MTEF period, the Department plans to complete the refurbishment of Afraha Stadium Phase 1, tarmacking of 8.0km of roads and also recruit 38 more staff. The department also intends to develop an Integrated Strategic Urban Mobility Plan (ISUMP) during the planned MTEF period and also rehabilitate a total of 14.5 km of storm water drainage.

The County Assembly of Nakuru is among the forty-seven (47) County Assemblies in Kenya established under Article 176 (1) of the Constitution. As envisaged by Article 177 (1), the Assembly consists of members elected by registered voters of the Wards, each Ward constituting a single member constituency. The Assembly further consists of a number of special seat members necessary to ensure that no more than two-thirds of the membership of the Assembly are of the same gender and the number of members of marginalized groups, including persons with disabilities and the youth all nominated by political parties in proportion to the seats received in that election in that County by each political party. The sub sector's objectives includes; To attain a cohesive, social economically and politically developed county based on the rule of law, constitutionalism and participative democracy, To promote democratic and accountable exercise of power in Nakuru county through progressive legislation, faithful representation and effective public oversight, Provide overall policy and leadership direction for

county prosperity, Promote prudent economic, financial and fiscal management for growth and economic stability, Promote good governance and accountability in management of public affairs at the county, Provide quality, efficient, effective, results based and ethical public services and Strengthen legislation and oversight over public agencies and promote good governance During the MTEF period 2018/19 - 2020/21 the Sub sector managed to achieve the following; The Construction of Phase II office Block is ongoing, More than 83 motions debated, Equipping and Configuration of the Chamber was completed, Public Gallery was Completed, Refurbishment of Hansard Equipment, Completion of Office Block, Construction of Speakers House is complete only landscaping remaining and 15 petitions were filed and others pending

The County Assembly Sub Sector plays an important role in county development. It provides overall leadership and oversight in the management of the county affairs, During the 2022/23 – 2024/25 MTEF period, the County Assembly will play a critical role in the realization of the county development agenda. The sub Sector appreciates that its programs are geared towards improving the welfare of the county and hence acknowledges the role played by its key stakeholders in the budget making process. Furthermore, the Sector will endeavour to meet the diverse expectations of the stakeholders which largely revolve around good governance, macro-economic stability and improved service delivery.

In order to achieve its targets in the FY2022/23 – 2024/25, the PAIR Sector has been allocated Ksh. 6,413,083,698 billion, Ksh. 7,054,392,068 billion and Ksh. 7,759,831,275 billion for FY 2022/23, FY 2023/2024 and FY2024/2025 respectively.

Public Participation/Sector Hearings and Involvement of Stakeholders

The next MTEF period begins on an electioneering year and therefore the budget making process for financial year 2022/2023 started on August 2021. The Public Finance Management Act 2012, the County Government Act 2012 and Article 201 of the Constitution of Kenya calls for openness, accountability and public participation in financial matters. The County Treasury issued a circular in accordance to Section 128 of the Public Financial Management Act, 2012 that provided guidelines and procedures for budget preparation in 2022/23-2024/25 Medium Term Expenditure Framework (MTEF) period. The guidelines applied to all the County Government Departments, Entities, Municipal Boards and the County Assembly. Sector Working Group was launched on September 2021, while the County Budget and Review Outlook Paper 2021 was finalized and approved in October 2021. All sectoral activities, retreats and engagement forums were held in the month of October and November 2021.

Section 117 of the PFM Act 2012 obligates the County Treasury to take into account views of among others, the public and interested persons/groups in preparing the CFSP. Public participation provides an all-inclusive avenue for identifying and prioritizing government projects and activities under the budgeting process by all stakeholders and the general public. The County in the process of preparing the CFSP 2021, made a public notice on local dailies on 9th November 2021, concerning public hearings on the County Sectoral budget proposals and recommendation for the 2022/2023-2024/2025 MTEF period. The Public participation took five days from 15th to 19th November, 2021 and due to COVID-19, all protocols issued by the Ministry of Health on social distancing, wearing of face masks and sanitizing were strictly enforced and ensured full adherence. The purpose of the hearings was to provide a platform where members of the public interrogated the County Sectoral performance in the previous 2018/19-2020/21 MTEF period and gave their input for the next financial year's budget and MTEF period. All Sectors and Sub Sectors were well represented

and were given a chance to deliberate on their gains for the last three years and also demonstrate their plans for the next financial year. This gave the public a chance to evaluate its performance, give proposals for the next budget and also give recommendations on areas of improvement in all the Sectors.

The County also made its submissions based on the Draft 2022 BPS with regard to strategic priorities, policy goals and proposed County allocations for the financial year 2022/2023 with reference to their impact on County Government of Nakuru planning and formulation, coordination and management of budget. The County Treasury will also share the draft CFSP to the National Treasury and CRA for their inputs, comments and recommendations.

V. CONCLUSION AND NEXT STEP

The set of policies outlined in this CFSP aims at striking a balance between circumstances which keep changing and the emerging issues and are broadly in line with the CIDP and the fiscal responsibility principles outlined in the PFM law. They are also consistent with the national strategic objectives which set a basis for County Government allocation of public resources.

Details of these strategic objectives are contained in the County Integrated Development Plan (2018-2022). The policies and sector ceilings annexed herein will guide the Sectors/Departments in final adjustments of the 2022/23 MTEF budget.

Budgetary resources are usually limited thus it is imperative that Departments prioritize their programmes within the available resources to ensure that utilization of public funds are in line with County Government priorities. Departments need to carefully consider detailed costing of projects, strategic significance, deliverables (output and outcomes), alternative interventions, administration and implementation plans in allocating resources. There is also need to ensure that recurrent resources are being utilized efficiently and effectively before funding is considered for programmes.

Proper implementation of the budget is critical towards providing services that will promote sustainable growth. Sustainability requires greater effort from all the stakeholders including County Government Departments, Civil Society, Communities, County Assembly and development partners to get things done. This means providing for continuous consultation, finding solutions and encouraging innovation to build a sustainable County.

Going forward, and in view of the recent policy change involving reorganization of County Government functions that resulted into constitution of the Nakuru County Revenue Authority and the Office the County Attorney as well as the conferment of the Nakuru Municipality to City Status and limited resources, MTEF budgeting will entail adjusting non-priority expenditures to cater for the priority

sectors and the new entities. Resource allocation and planning process will be modified in the context of the above realities while this paper will provide final ceilings for adjustment of the draft estimates and finalization of the budget process.

Proper implementation of the budget is thus critical towards providing services that will promote sustainable growth. Sustainability requires greater effort from all the stakeholders including County Government Departments, Civil Society, Communities, County Assembly and development partners. This means providing for continuous consultation, monitoring finding solutions and encouraging innovation to build a sustainable County.

ANNEXURES

Annex I: County Government of Nakuru Operations FY 2022/2023 - 2024/2025

IFMIS CODE	REVENUE SOURCE	APPROVED ESTIMATES	CFSP	PROJECTIONS		ANNUAL GROWTH	% GROWTH		
		2021/2022	2022/2023	2023/2024	2024/2025		2022/23	2023/24	2024/25
1520101	Property tax (Plot rent and Land rates)	340,000,000	390,000,000	409,500,000	429,975,000	50,000,000	14.7%	5.0%	5.0%
1520201	Trade License	330,200,000	370,000,000	388,500,000	407,925,000	39,800,000	12.1%	5.0%	5.0%
1550101	Market Fees	40,000,000	70,000,000	73,500,000	77,175,000	30,000,000	75.0%	5.0%	5.0%
1590112	Building Approval	70,000,000	80,000,000	84,000,000	88,200,000	10,000,000	14.3%	5.0%	5.0%
1520325	Cess	30,000,000	40,000,000	42,000,000	44,100,000	10,000,000	33.3%	5.0%	5.0%
1530301	Royalties	230,000,000	230,000,000	241,500,000	253,575,000	-	0.0%	5.0%	5.0%
1580401	Stock/ Slaughter fees	20,000,000	27,000,000	28,350,000	29,767,500	7,000,000	35.0%	5.0%	5.0%
1560101	House Rent	30,000,000	50,000,000	52,500,000	55,125,000	20,000,000	66.7%	5.0%	5.0%
1590132	Advertising	121,000,000	130,000,000	136,500,000	143,325,000	9,000,000	7.4%	5.0%	5.0%
1550221	Parking fees	250,400,000	282,200,000	296,310,000	311,125,500	31,800,000	12.7%	5.0%	5.0%
1420223	Liquor Licensing	60,000,000	80,000,000	84,000,000	88,200,000	20,000,000	33.3%	5.0%	5.0%
1530331	County Park Fees	403,447	800,000	840,000	882,000	396,553	98.3%	5.0%	5.0%
1530331	Water And Sewerage	-	-	-	-	-			
1580211	Health fees and charges	70,000,000	90,000,000	94,500,000	99,225,000	20,000,000	28.6%	5.0%	5.0%
1540105	Other Fees and Charges	120,130,000	140,000,000	147,000,000	154,350,000	19,870,000	16.5%	5.0%	5.0%
	Sub Total Local Sources	1,712,133,447	1,980,000,000	2,079,000,000	2,182,950,000	267,866,553			
1580211	Facility Improvement Fund	1,400,000,000	1,300,000,000	1,339,000,000	1,379,170,000	(100,000,000)	-7.1%	3.0%	3.0%
	SUB TOTAL (AIA & Local Sources)	3,112,133,447	3,280,000,000	3,418,000,000	3,562,120,000	167,866,553	5.4%	4.2%	4.2%
9910201	Balance in County Revenue Fund	5,695,548,026				(5,695,548,026)	-100.0%		
1580211	Balance in Facility Improvement Fund (FIF) Account					-			
1310101	Donor Grants (DANIDA)	23,211,375	23,211,375	25,532,513	28,085,764	-	0.0%	10.0%	10.0%
1310102	Loans and Grants CRA			-	-	-		0.0%	0.0%
1330203	Kenya Devolution Support Program (KDSP) Level I								
1330203	Kenya Devolution Support Program (KDSP) Level II	120,374,189		-	-	(120,374,189)	-100.0%	0.0%	0.0%
1310102	World bank National Agricultural and Rural inclusive growth Projects (NARIGP)	269,563,385	269,563,385	296,519,724	326,171,696	-	0.0%	0.0%	0.0%

IFMIS CODE	REVENUE SOURCE	APPROVED ESTIMATES	CFSP	PROJECTIONS		ANNUAL GROWTH	% GROWTH		
		2021/2022	2022/2023	2023/2024	2024/2025		2022/23	2023/24	2024/25
1310102	Agricultural Sector Development Support Projects (ASDSP II)	26,343,334	26,343,334	28,977,667	31,875,434	-		0.0%	0.0%
1330104	Grant to Compensate Forgone User Fees			-	-	-		0.0%	0.0%
1310102	Conditional Fund -Kenya Urban Support Project (KUSP) - Urban Development Grant	429,739,100		-	-	(429,739,100)	-100.0%	0.0%	0.0%
1310102	Conditional Fund -Kenya Urban Support Project (KUSP) - Urban Institutional Grant			-	-	-		0.0%	0.0%
1310102	Conditional Fund - World Bank - Kenya Informal Settlement Improvement Project II (KISIP II)	300,000,000		-	-	(300,000,000)		0.0%	0.0%
1310102	Nutrition International Grant	10,000,000		-	-	(10,000,000)		0.0%	0.0%
1330104	Conditional Fund -Leasing of Medical Equipment	153,297,872	153,297,872	168,627,659	185,490,425	-		0.0%	0.0%
1330104	Conditional Fund -Free Maternal Health			-	-	-		0.0%	0.0%
1330102	Grant to Road Maintenance Fuel Levy Fund (RMFLF)			-	-	-		0.0%	0.0%
1330104	Grant For Level 5 Hospital			-	-	-		0.0%	0.0%
1310102	World Bank THS-UC Conditional allocation	79,792,976	79,792,976	87,772,274	96,549,501	-		0.0%	0.0%
9910201	Grant for Rehabilitation of Youth Polytechnics			-	-	-		0.0%	0.0%
9910201	Work Injury Claims Benefits			-	-	-			
9999999	C.R.A Equitable Share	13,026,116,323	13,026,116,323	13,156,377,486	13,287,941,261	-	0.0%	1.0%	1.0%
	SUB TOTAL	20,133,986,580	13,578,325,265	13,763,807,322	13,956,114,081	(6,555,661,315)	-32.6%	11.0%	11.0%
	GRAND TOTAL	23,246,120,027	16,858,325,265	17,181,807,322	17,518,234,081	(6,387,794,762)	-27.5%	15.2%	15.2%
	Allocation For Ward Projects								
	Total Development Budget	10,573,574,839	5,057,497,580	5,563,247,337	6,119,572,071	(5,516,077,259)	-52.2%	10.0%	10.0%
	<i>Less Development Conditional Grant</i>	1,425,877,447	1,411,205,267	1,552,325,793	1,707,558,373	(14,672,180)	-1.0%	10.0%	10.0%
	<i>Debt Resolution</i>	55,000,000	200,000,000	220,000,000	242,000,000	145,000,000	263.6%	10.0%	10.0%
	<i>Ongoing Projects</i>	5,337,225,409		-	-	(5,337,225,409)	-100.0%	0.0%	0.0%
	<i>Nakuru City & Naivasha Municipality</i>	97,000,000	115,000,000	126,500,000	139,150,000	18,000,000	100.0%	10.0%	10.0%
	Equitable Allocation	3,658,471,983	3,331,292,313	3,664,421,544	4,030,863,699	(327,179,670)	-8.9%	10.0%	10.0%
	<i>County Assembly HQ Development</i>	210,853,014	200,000,000	220,000,000	242,000,000	(10,853,014)	-5.1%	0.0%	0.0%
	<i>Flagship HQ development</i>	1,847,618,969	1,731,292,313	1,684,421,544	1,852,863,699	(316,326,656)	0.0%	0.0%	-
	45% of Equitable Allocation for Ward Projects	1,600,000,000	1,600,000,000	1,760,000,000	1,936,000,000	-	0.0%	10.0%	10.0%

IFMIS CODE	REVENUE SOURCE	APPROVED ESTIMATES	CFSP	PROJECTIONS		ANNUAL GROWTH	% GROWTH		
		2021/2022	2022/2023	2023/2024	2024/2025		2022/23	2023/24	2024/25
	Expenditure:								
	Current Expenditure:								
	Compensation to Employees	7,527,385,136	7,231,906,237	7,882,777,798	8,592,227,800	(295,478,899)	-3.9%	0.0%	0.0%
	Operations and Maintenance	4,618,828,557	3,358,487,201	3,660,751,049	3,990,218,644	(1,260,341,356)	-27.3%	0.0%	0.0%
	Current Grants And Other Transfers	526,331,495	1,210,434,247	1,307,268,987	1,411,850,506	684,102,752		0.0%	0.0%
	Sub Total:	12,672,545,188	11,800,827,686	12,850,797,835	13,994,296,950	(871,717,503)	-6.9%	0.0%	0.0%
	Capital Expenditure:								
	Acquisition Of Non-Financial Assets	6,680,153,371	1,846,292,313	2,194,711,314	2,649,243,176	(4,833,861,058)	-72.4%	0.0%	0.0%
	Capital Grants To Governmental Agencies	3,893,421,468	1,611,205,267	1,772,325,793	1,949,558,373	(2,282,216,201)	-58.6%	0.0%	0.0%
	Other Development		1,600,000,000	1,760,000,000	1,936,000,000	1,600,000,000	0.0%	0.0%	0.0%
	Sub Total:	10,573,574,839	5,057,497,580	5,727,037,107	6,534,801,548	(5,516,077,259)	-52.2%	0.0%	0.0%
	Grand Total:	23,246,120,027	16,858,325,265	18,577,834,942	20,529,098,498	(6,387,794,762)	-27.5%	0.0%	0.0%
	DEFICIT/ SURPLUS	-	0						
	PERCENT OF TOTAL BUDGET								
	Current Expenditure:	55%	70.0%	69%	68%				
	Capital Expenditure:	45%	30.0%	31%	32%				

Annex II: Trend in Growth of Equitable share of Revenue

EXCHEQUER RECEIPTS TRENDS	ALLOCATION	GROWTH	% GROWTH
2013/2014 (Base Year)	5,936,875,619	5,936,875,619	100%
2014/2015	7,082,152,961	1,145,277,342	19%
2015/2016	8,116,330,943	1,034,177,982	15%
2016/2017	8,757,624,645	641,293,702	8%
2017/2018	9,271,400,000	513,775,355	6%
2018/2019	9,451,400,000	180,000,000	2%
2019/2020	10,476,150,000	1,024,750,000	11%
2020/2021	10,476,150,000	-	0%
2021/2022	13,026,116,323	2,549,966,323	24%
2022/2023 (BPS 2022)	13,026,116,323	-	0%

Annex III: Total Expenditure Sector Ceilings for the Period 2022/2023 - 2024/2025

	SECTOR	SUB SECTOR	APPROVED ESTIMATES FY 2021/2022	CFSP CEILINGS 2022/2023	PROJECTIONS	
					2023/2024	2024/2025
1	Agriculture Rural and Urban Development					
1.1		Agriculture, Livestock and Fisheries				
		Compensation to Employees	403,189,384	394,479,779	433,927,757	477,320,533
		Operations & Maintenance	224,115,975	138,402,435	152,242,678	167,466,946
		Development Gross	773,463,491	461,520,309	507,672,340	558,439,574
		Sub Total	1,400,768,850	994,402,523	1,093,842,775	1,203,227,052
1.2		Land, Housing and Physical Planning				
		Compensation to Employees	96,942,386	86,790,108	95,469,119	105,016,031
		Operations & Maintenance	56,733,508	47,447,804	52,192,584	57,411,843
		Development Gross	1,144,936,013	90,172,937	99,190,231	109,109,254
	Sub Total	1,298,611,907	224,410,849	246,851,934	271,537,127	
	SUB TOTAL (SECTOR)		2,699,380,756	1,218,813,371	1,340,694,709	1,474,764,179
2	Education					
2.1		Education				
		Compensation to Employees	420,014,968	398,124,293	437,936,722	481,730,395
		Operations & Maintenance	305,500,885	168,874,157	185,761,572	204,337,729
		Development Gross	467,024,596	23,062,231	25,368,454	27,905,299
		Sub Total	1,192,540,449	590,060,680	649,066,748	713,973,423
2.2		Vocational Training				
		Compensation to Employees			-	-
		Operations & Maintenance	84,770,173	107,202,126	117,922,339	129,714,572
		Development Gross	177,049,914	89,352,125	98,287,337	108,116,071
	Sub Total	261,820,087	196,554,250	216,209,675	237,830,643	
	SUB TOTAL (SECTOR)		1,454,360,537	786,614,931	865,276,424	951,804,066

	SECTOR	SUB SECTOR	APPROVED ESTIMATES FY 2021/2022	CFSP CEILINGS 2022/2023	PROJECTIONS	
					2023/2024	2024/2025
3	Social Protection, Culture and Recreation					
3.1		Youth, Culture, Gender, Sports and Social Services				
		Compensation to Employees	112,671,433	107,393,377	118,132,715	129,945,986
		Operations & Maintenance	293,033,700	143,342,192	157,676,411	173,444,052
		Development Gross	242,556,676	92,823,107	102,105,417	112,315,959
		Sub Total	648,261,809	343,558,676	377,914,543	415,705,998
	SUB TOTAL (SECTOR)		648,261,809	343,558,676	377,914,543	415,705,998
4	Energy, Infrastructure and ICT					
4.1		Infrastructure				
		Compensation to Employees	140,506,933	111,915,281	123,106,809	135,417,490
		Operations & Maintenance	209,824,076	221,832,112	244,015,323	268,416,856
		Development Gross	2,347,413,963	441,047,457	485,152,203	533,667,423
		Sub Total	2,697,744,972	774,794,850	852,274,335	937,501,769
4.2		ICT and E-Government				
		Compensation to Employees			-	-
		Operations & Maintenance	33,871,899	28,244,197	31,068,617	34,175,479
		Development Gross	26,800,000	18,089,689	19,898,658	21,888,524
	Sub Total	60,671,899	46,333,886	50,967,275	56,064,003	
	SUB TOTAL (SECTOR)		2,758,416,871	821,128,737	903,241,610	993,565,771
5	Environment Protection, Water and Natural Resources					
5.1		Water, Environment, Energy and Natural Resources				
		Compensation to Employees	271,863,541	217,313,857	239,045,243	262,949,767
		Operations & Maintenance	92,476,564	69,078,145	75,985,960	83,584,555
		Development Gross	1,114,232,388	121,775,808	133,953,388	147,348,727
	Sub Total	1,478,572,494	408,167,810	448,984,591	493,883,050	
	SUB TOTAL (SECTOR)		1,478,572,494	408,167,810	448,984,591	493,883,050

	SECTOR	SUB SECTOR	APPROVED ESTIMATES FY 2021/2022	CFSP CEILINGS 2022/2023	PROJECTIONS	
					2023/2024	2024/2025
6	General Economics and Commercial Affairs					
6.1		Trade, Industrialization, Cooperatives and Tourism				
		Compensation to Employees	88,702,498	61,044,455	67,148,901	73,863,791
		Operations & Maintenance	167,928,454	133,757,435	147,133,179	161,846,496
		Development Gross	338,634,558	90,968,250	100,065,075	110,071,583
		Sub Total	595,265,510	285,770,140	314,347,154	345,781,870
	SUB TOTAL (SECTOR)		595,265,510	285,770,140	314,347,154	345,781,870
7	Health					
7.1		Health Services				
		Compensation to Employees	4,279,090,703	4,148,136,225	4,562,949,848	5,019,244,832
		Operations & Maintenance	1,768,240,521	1,563,790,026	1,720,169,028	1,892,185,931
		Development Gross	1,537,128,216	869,261,652	956,187,817	1,051,806,598
		Sub Total	7,584,459,439	6,581,187,903	7,239,306,693	7,963,237,362
	SUB TOTAL (SECTOR)		7,584,459,439	6,581,187,903	7,239,306,693	7,963,237,362
8	Public Administration and National/Inter County Relations					
8.1		Office of the Governor and Deputy Governor				
		Compensation to Employees	101,577,564	100,523,424	110,575,766	121,633,343
		Operations & Maintenance	242,439,554	230,139,554	253,153,509	278,468,860
		Development Gross	106,287,733	110,511,000	121,562,100	133,718,310
		Sub Total	450,304,851	441,173,978	485,291,376	533,820,513
8.2		County Treasury				
		Compensation to Employees	544,493,512	555,366,462	610,903,108	671,993,419
		Operations & Maintenance	492,311,998	366,090,451	402,699,496	442,969,446
		Development Gross	503,768,300	2,172,035,584	2,389,239,142	2,628,163,057
	Sub Total	1,540,573,811	3,093,492,497	3,402,841,747	3,743,125,921	

	SECTOR	SUB SECTOR	APPROVED ESTIMATES FY 2021/2022	CFSP CEILINGS 2022/2023	PROJECTIONS	
					2023/2024	2024/2025
8.3		Public Service, Training and Devolution				
		Compensation to Employees	599,445,948	538,880,126	592,768,139	652,044,952
		Operations & Maintenance	254,561,456	174,650,543	192,115,597	211,327,157
		Development Gross	85,119,295	57,377,432	63,115,176	69,426,693
		Sub Total	939,126,699	770,908,101	847,998,911	932,798,803
8.4		County Public Service Board				
		Compensation to Employees	32,994,117	30,836,606	33,920,267	37,312,293
		Operations & Maintenance	65,300,000	41,612,918	45,774,210	50,351,631
		Development Gross	11,177,144	7,500,000	8,250,000	9,075,000
		Sub Total	109,471,261	79,949,524	87,944,476	96,738,924
8.5		Nakuru City				
		Compensation to Employees	16,275,204	13,143,586	14,457,945	15,903,739
		Operations & Maintenance	32,990,145	36,966,330	40,662,963	44,729,259
		Development Gross	840,378,821	65,000,000	71,500,000	78,650,000
		Sub Total	889,644,170	115,109,916	126,620,908	139,282,998
8.6		Naivasha Municipality				
		Compensation to Employees	8,433,360	9,092,422	10,001,664	11,001,831
		Operations & Maintenance	30,032,526	29,699,734	32,669,707	35,936,678
		Development Gross	473,208,528	50,000,000	55,000,000	60,500,000
		Sub Total	511,674,414	88,792,156	97,671,372	107,438,509
8.7		Office of the County Attorney				
		Compensation to Employees		400,000	440,000	484,000
		Operations & Maintenance		20,000,000	22,000,000	24,200,000
		Development Gross		7,000,000	7,700,000	8,470,000
		Sub Total	-	27,400,000	30,140,000	33,154,000

	SECTOR	SUB SECTOR	APPROVED ESTIMATES FY 2021/2022	CFSP CEILINGS 2022/2023	PROJECTIONS	
					2023/2024	2024/2025
8.8		Nakuru County Revenue Authority				
		Compensation to Employees		-	-	-
		Operations & Maintenance		46,045,322	50,649,854	55,714,840
		Development Gross		90,000,000	99,000,000	108,900,000
		Sub Total	-	136,045,322	149,649,854	164,614,840
8.9		County Assembly				
		Compensation to Employees	411,183,585	458,466,236	504,312,860	554,744,146
		Operations & Maintenance	791,028,619	1,001,745,968	1,101,920,565	1,212,112,621
		Development Gross	384,395,202	200,000,000	220,000,000	242,000,000
		Sub Total	1,586,607,406	1,660,212,204	1,826,233,424	2,008,856,767
	SUB TOTAL (SECTOR)		5,515,728,197	6,413,083,698	7,054,392,068	7,759,831,275
	TOTAL	Total Compensation to Employees	7,527,385,136	7,231,906,237	7,955,096,861	8,750,606,547
		Total Operations & Maintenance	5,145,160,052	4,568,921,449	5,025,813,593	5,528,394,953
		Total Development Gross	10,573,574,839	5,057,497,580	5,563,247,337	6,119,572,071
		GRAND TOTAL	23,246,120,027	16,858,325,265	18,544,157,792	20,398,573,571

Annex IV: Total Recurrent Expenditure Ceilings for the Period 2022/2023 - 2024/2025

VOTE	Source of Funding	APPROVED ESTIMATES 2021/2022	CFSP CEILINGS 2022/2023	PROJECTIONS	
				2023/2024	2024/2025
Office of the Governor and Deputy Governor	Gross Allocation	344,017,118	330,662,978	363,729,276	400,102,203
	Local Revenue	52,063,252	33,886,187	37,274,806	41,002,286
	Emergency Fund	70,000,000	70,000,000	77,000,000	84,700,000
	CRA Equitable Share	221,953,866	226,776,791	249,454,470	274,399,917
County Treasury	Gross Allocation	1,036,805,510	921,456,913	1,013,602,604	1,114,962,865
	Local Revenue	188,442,667	119,789,399	131,768,339	144,945,172
	Conditional Grant	45,002,000	-	-	-
	CRA Equitable Share	803,360,843	801,667,514	881,834,266	970,017,692
County Public Service Board	Gross Allocation	98,294,117	72,449,524	79,694,476	87,663,924
	Local Revenue	18,675,882	9,418,438	10,360,282	11,396,310
	CRA Equitable Share	79,618,235	63,031,086	69,334,194	76,267,614
Public Service, Training and Devolution	Gross Allocation	854,007,404	713,530,669	784,883,736	863,372,109
	Local Revenue	162,261,407	92,758,987	102,034,886	112,238,374
	CRA Equitable Share	691,745,997	620,771,682	682,848,850	751,133,735
Health	Gross Allocation	6,047,331,223	5,711,926,251	6,283,118,876	6,911,430,764
	Local Revenue	876,901,695	585,193,960	643,713,357	708,084,692
	AIA	1,186,162,817	910,000,000	1,001,000,000	1,101,100,000
	Other Conditional Grants	70,605	-	-	-
	User Foregone Fees	38,723,265	38,723,265	42,595,592	46,855,151
	Level 5 Grant	207,102,460	261,710,982	287,882,081	316,670,289
	CRA Equitable Share	3,738,370,382	3,916,298,043	4,307,927,847	4,738,720,632
Trade, Industrialization, Cooperatives and Tourism	Gross Allocation	256,630,952	194,801,890	214,282,079	235,710,287
	Local Revenue	38,879,881	18,824,246	20,706,670	22,777,337
	Enterprise Fund	52,000,000	50,000,000	55,000,000	60,500,000
	CRA Equitable Share	165,751,071	125,977,644	138,575,409	152,432,950
Infrastructure	Gross Allocation	350,331,009	333,747,393	367,122,132	403,834,346
	Local Revenue	66,562,892	43,387,161	47,725,877	52,498,465
	CRA Equitable Share	283,768,117	290,360,232	319,396,255	351,335,881
Education, Vocational Training, ICT and E-Government	Gross Allocation	844,157,925	702,444,773	772,689,250	849,958,175
	Local Revenue	103,431,338	67,100,134	73,810,148	81,191,162
	Bursary & Counterpart Funding	299,782,461	186,289,894	204,918,883	225,410,772
	CRA Equitable Share	440,944,126	449,054,745	493,960,219	543,356,241
Agriculture, Livestock and Fisheries	Gross Allocation	627,305,359	532,882,214	586,170,435	644,787,478
	Local Revenue	119,188,018	69,274,688	76,202,157	83,822,372
	CRA Equitable Share	508,117,341	463,607,526	509,968,278	560,965,106

VOTE	Source of Funding	APPROVED ESTIMATES 2021/2022	CFSP CEILINGS 2022/2023	PROJECTIONS	
				2023/2024	2024/2025
Land, Housing and Physical Planning	Gross Allocation	153,675,893	134,237,912	147,661,703	162,427,874
	Local Revenue	27,012,055	17,450,929	19,196,021	21,115,624
	Conditional Grants	11,507,181		-	-
	CRA Equitable Share	115,156,657	116,786,983	128,465,682	141,312,250
Youth, Culture, Gender, Sports and Social Services	Gross Allocation	405,705,133	250,735,569	275,809,126	303,390,038
	Local Revenue	71,858,975	25,445,624	27,990,186	30,789,205
	Sports & Disability Allocation	27,500,000	55,000,000	60,500,000	66,550,000
	CRA Equitable Share	306,346,158	170,289,945	187,318,940	206,050,833
Water, Environment, Energy and Natural Resources	Gross Allocation	364,340,105	286,392,002	315,031,202	346,534,322
	Local Revenue	69,224,620	37,230,960	40,954,056	45,049,462
	CRA Equitable Share	295,115,485	249,161,042	274,077,146	301,484,861
Nakuru City	Gross Allocation	49,265,349	50,109,916	55,120,908	60,632,998
	Local Revenue	9,360,416	6,514,289	7,165,718	7,882,290
	Conditional Grant	-	-	-	-
	CRA Equitable Share	39,904,933	43,595,627	47,955,190	52,750,709
Naivasha Municipality	Gross Allocation	38,465,886	38,792,156	42,671,372	46,938,509
	Local Revenue	7,308,518	5,042,980	5,547,278	6,102,006
	Conditional Grant	-	-	-	-
	CRA Equitable Share	31,157,368	33,749,176	37,124,093	40,836,503
Office of the County Attorney	Gross Allocation	-	20,400,000	22,440,000	24,684,000
	Local Revenue	-	2,652,000	2,917,200	3,208,920
	CRA Equitable Share	-	17,748,000	19,522,800	21,475,080
Nakuru County Revenue Authority	Gross Allocation	-	46,045,322	50,649,854	55,714,840
	Local Revenue	-	5,985,892	6,584,481	7,242,929
	CRA Equitable Share	-	40,059,430	44,065,373	48,471,910
County Assembly	Gross Allocation	1,202,212,204	1,460,212,204	1,606,233,424	1,766,856,767
	Local Revenue	228,420,319	189,827,587	208,810,345	229,691,380
	CRA Equitable Share	973,791,885	1,270,384,617	1,397,423,079	1,537,165,387
SUB TOTAL		12,672,545,188	11,800,827,686	12,980,910,454	14,279,001,499

Annex V: Total Development Expenditure Ceilings for the Period 2022/2023 - 2024/2025

VOTE	Source of Funding	APPROVED ESTIMATES 2021/2022	CFSP CEILINGS 2022/2023	PROJECTIONS	
				2023/2024	2024/2025
Office of the Governor and Deputy Governor	Gross Allocation	106,287,733	110,511,000	121,562,100	133,718,310
	Local Revenue	20,194,669	14,366,430	15,803,073	17,383,380
	CRA Equitable Share	86,093,064	96,144,570	105,759,027	116,334,930
County Treasury	Gross Allocation	503,768,300	2,172,035,584	2,389,239,142	2,628,163,057
	Local Revenue	95,715,977	48,364,626	53,201,089	58,521,197
	Debt Resolution		200,000,000	220,000,000	242,000,000
	Ward Allocation		1,600,000,000	1,760,000,000	1,936,000,000
	CRA Equitable Share	408,052,323	323,670,958	356,038,054	391,641,859
County Public Service Board	Gross Allocation	11,177,144	7,500,000	8,250,000	9,075,000
	Local Revenue	2,123,657	975,000	1,072,500	1,179,750
	CRA Equitable Share	9,053,487	6,525,000	7,177,500	7,895,250
Public Service, Training and Devolution	Gross Allocation	85,119,295	57,377,432	63,115,176	69,426,693
	Local Revenue	16,172,666	7,459,066	8,204,973	9,025,470
	CRA Equitable Share	68,946,629	49,918,366	54,910,203	60,401,223
Health	Gross Allocation	1,537,128,216	869,261,652	956,187,817	1,051,806,598
	Local Revenue	198,570,562	14,403,685	15,844,054	17,428,459
	AIA	492,019,995	390,000,000	429,000,000	471,900,000
	Other Conditional Grants	422,849,780	256,302,223	281,932,445	310,125,690
	Level 5 Grant		112,161,850	123,378,035	135,715,838
	CRA Equitable Share	846,537,659	96,393,894	106,033,283	116,636,611
Trade, Industrialization, Cooperatives and Tourism	Gross Allocation	338,634,558	90,968,250	100,065,075	110,071,583
	Local Revenue	64,340,566	11,825,873	13,008,460	14,309,306
	CRA Equitable Share	274,293,992	79,142,378	87,056,615	95,762,277
Infrastructure	Gross Allocation	2,347,413,963	441,047,457	485,152,203	533,667,423
	Local Revenue	364,458,592	19,565,374	21,521,911	23,674,102
	RMFLF Grant	429,210,848	290,544,581	319,599,039	351,558,943
	CRA Equitable Share	1,553,744,523	130,937,502	144,031,253	158,434,378
Education, Vocational Training, ICT and E-Government	Gross Allocation	670,874,510	130,504,044	143,554,448	157,909,893
	Local Revenue	127,321,753	8,347,840	9,182,623	10,100,886
	Conditional Grant	760,020	66,289,894	72,918,883	80,210,772
	CRA Equitable Share	542,792,737	55,866,311	61,452,942	67,598,236

VOTE	Source of Funding	APPROVED ESTIMATES 2021/2022	CFSP CEILINGS 2022/2023	PROJECTIONS	
				2023/2024	2024/2025
Agriculture, Livestock and Fisheries	Gross Allocation	773,463,491	461,520,309	507,672,340	558,439,574
	Local Revenue	90,413,756	21,529,767	23,682,743	26,051,018
	Conditional Grants	297,601,617	295,906,719	325,497,391	358,047,130
	CRA Equitable Share	385,448,118	144,083,823	158,492,206	174,341,426
Land, Housing and Physical Planning	Gross Allocation	1,144,936,013	90,172,937	99,190,231	109,109,254
	Local Revenue	74,149,876	11,722,482	12,894,730	14,184,203
	Conditional Grant	754,673,509	-	-	-
	CRA Equitable Share	316,112,629	78,450,455	86,295,501	94,925,051
Youth, Culture, Gender, Sports and Social Services	Gross Allocation	242,556,676	92,823,107	102,105,417	112,315,959
	Local Revenue	46,085,768	12,067,004	13,273,704	14,601,075
	CRA Equitable Share	196,470,907	80,756,103	88,831,713	97,714,884
Water, Environment, Energy and Natural Resources	Gross Allocation	1,114,232,388	121,775,808	133,953,388	147,348,727
	Local Revenue	205,578,416	11,500,175	12,650,192	13,915,212
	Climate Change Mitigation Prog	32,240,723	33,312,923	36,644,215	40,308,637
	CRA Equitable Share	876,413,249	76,962,710	84,658,981	93,124,879
Nakuru City	Gross Allocation	840,378,821	65,000,000	71,500,000	78,650,000
	Local Revenue	10,830,000	8,450,000	9,295,000	10,224,500
	Conditional Grant	783,378,821	-	-	-
	CRA Equitable Share	46,170,000	56,550,000	62,205,000	68,425,500
Naivasha Municipality	Gross Allocation	473,208,528	50,000,000	55,000,000	60,500,000
	Local Revenue	7,600,000	6,500,000	7,150,000	7,865,000
	Conditional Grant	433,208,528	-	-	-
	CRA Equitable Share	32,400,000	43,500,000	47,850,000	52,635,000
Office of the County Attorney	Gross Allocation	-	7,000,000	7,700,000	8,470,000
	Local Revenue	-	910,000	1,001,000	1,101,100
	CRA Equitable Share	-	6,090,000	6,699,000	7,368,900
Nakuru County Revenue Authority	Gross Allocation	-	90,000,000	99,000,000	108,900,000
	Local Revenue	-	11,700,000	12,870,000	14,157,000
	CRA Equitable Share	-	78,300,000	86,130,000	94,743,000
County Assembly	Gross Allocation	384,395,202	200,000,000	220,000,000	242,000,000
	Local Revenue	73,035,088	26,000,000	28,600,000	31,460,000
	CRA Equitable Share	311,360,114	174,000,000	191,400,000	210,540,000
SUB TOTAL		10,573,574,839	5,057,497,580	5,563,247,337	6,119,572,071

Annex VI: Adherence To Fiscal Responsibility Principles

In line with Article 201 of the Constitution of Kenya 2010, Section 107 of the Public Finance Management Act (PFMA), 2012 the County Government has adhered to the fiscal responsibility as envisaged in the aforementioned statutes.

1) The County Government's recurrent expenditure shall not exceed the County Government's total revenue

The County Government has always implemented a balanced budget and ensures that a maximum of 70 percent is allocated towards recurrent expenditure. Recurrent expenditures as per the Approved Estimates for the FY2021/2022 is 54.5% of the total budget. For the FY2022/2023, the recurrent expenditure is projected at 70% of the total expenditure.

2) Over the medium term, a minimum of 30% of the County budget shall be allocated to development expenditure

The County Government of Nakuru has over time continued to adhere to the stipulated allocation requirement of a minimum of 30 percent to its development budget. In the medium term FY2019/2020-FY2021/2022, the County's allocation for development expenditure stood at 35%, 47.3% and 45.5% respectively. The development expenditure for the next MTEF period FY2022/2023 – 2024/2025 will reach Ksh 5.06 billion, Ksh. 5.563 billion and Ksh. 6.119 billion respectively.

3) The County Government's expenditure on wages and benefits for public officers shall not exceed a percentage of the County Government revenue as prescribed by the regulations.

Section 25(1) (b) of the PFM (County Governments) Regulations, 2015 requires that County Governments' wage bill shall not exceed 35 percent of their total revenue. The wage bill in the FY 2022/23 is estimated at 42.9% of the County budget which is still higher than the prescribed 35%.

The high percentage rate is however occasioned by other factors including SRC salary harmonization, implementation of pension scheme after passing of the County Governments' Retirement Scheme Act (2019), worker's collective bargaining agreements.

4) Over the medium term, the County Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.

Nakuru County Government has continued to ensure that it maintains a rationalized and balanced budget. Deliberate efforts exercised by the County enabled the clearance of any existing loans and as a result, the County is also working towards sorting the remainder of existing pending bills.

The County is committed to comply to this principle through ensuring that borrowings; if any will be informed by the County Debt Management Strategy Paper and all borrowing shall be used to finance development expenditure.

5) Public debt and obligations shall be maintained at a sustainable level as Approved by County Government (CG)

Pursuant to Section 107(2) and 107 (4) of the PFM Act, County debt ought to be maintained at sustainable levels and does not exceed a percentage of its annual revenue in respect of each financial year by resolution of the County Assembly.

Prudent financial management and improved credibility of the budget associated with realistic revenue estimates is expected to ensure that the County continues to maintain a balanced budget ensuring realistic revenue estimates which equals total expenditure with the aim of limiting the level of pending bills. Focus will also be on ensuring the reduction of current debt through servicing of pending bills.

6) Fiscal risks shall be managed prudently

The County Government has improved its macroeconomic forecasts and regularly reviews the impact of macroeconomic projections and its implications to the budget. The County Government will continue to put measures in place to enhance revenue collection, majorly through automation and widening of revenue bases. Expenditure rationalization will also be continuously pursued.

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

The County Government coordinates the collection of its local revenue to provide for revenue raising measures relating to County taxes, licenses, fees and charges through the preparation of the annual Finance Act. The County's realistic own source revenue targets have generally registered improvements in the County's revenue performance over the medium term. Operationalization of the recently acquired revenue system and legislative reviews of the current revenue related laws through the Finance Act are reforms the County will also adopt with the aim of strengthening local revenue performance.

Annex VII: Statement Of Specific Fiscal Risks

This section provides an assessment of fiscal risks that the County is exposed to that may affect the achievement of the macroeconomic targets and objectives detailed in this fiscal strategy paper. The fiscal risks arise from assumptions that underlie fiscal projections the growing wage bill, pending bills, magnitude of development projects, the pension scheme for staff among others.

- I. Roll over of projects continue to expose the County to various risks including; completion, political and reputational risk due to increased magnitude of projects to be implemented in a subsequent year. This also increases the possibility of redundancy and obsolescence as a result of projects losing relevance due to prolonged period to completion.
- II. Decline in funding under loans and grant and reclassification of conditional grants as unconditional grants will adversely impact on the operationalization of County programmes which were supported by the donor funding.
- III. The continuous growth in share of compensation to employees poses the greatest fiscal risk yet to the County budget outlook in the next MTEF period. The County has overtime exceeded the fiscal responsibility of 35% in its expenditure on wages and benefits for public officers. This is likely to further be exacerbated by the growing needs among County Departments to recruit key technical staffs as well as operationalization of the Naivasha Municipality and Nakuru City Boards which might also require additional staffing.
- IV. The reclassification of a substantial amount of ineligible pending bills as eligible will pose an operational risk associated with delayed disbursement tied to their settlement.

**Annex VIII: Sector Composition and Sector Working Groups for MTEF Budget
2022/2023-2024/2025**

CLASSIFICATION OF FUNCTIONS OF GOVERNMENT (COFOG)	SECTOR	SECTOR COMPOSITION(S)
General Public Services	Public Administration and National/Inter County Relations	Office of The Governor and Deputy Governor
		County Public Service Board
		Finance and Economic Planning
		Public Service, Training and Devolution
		Nakuru City
		Naivasha Municipality
		Office of the County Attorney
		Nakuru County Revenue Authority
		County Assembly
Recreation, Culture and Social Protection	Social Protection, Culture and Receptions	Dept. Of Culture, Dept. Of Sports Dept. Of Social Services
Education	Education	Dept. Of Education Dept. of Vocational Training
Economic Affairs	Agriculture Rural and Urban Development	Agriculture, Livestock and Fisheries
		Land, Physical Planning and Housing
	General Economics and Commercial Affairs	Trade, Tourism And Cooperatives
	Energy, Infrastructure and ICT	Infrastructure ICT And E-Government
Environment Protection	Environment Protection Water and Natural Resources	Water, Environment, Energy and Natural Resources
Health	Health	County Health Services
Macro Working Group	Macro Working Group	Department of Finance and Economic Planning

Annex IX: CFSP 2022 Public Hearings Highlights

SECTOR	SUB SECTOR	ISSUES RAISED	FEEDBACK
Environment Protection, Water and Natural Resources	Environment Protection, Water and Natural Resources	What is the department doing to improve access to water within Nakuru?	Chemususu project is at an advanced stage of completion (95%) and is likely to benefit residents of Kiamunyi and Rongai since the main tank for the project will be installed at kwa Musonik.
			Itare dam project may be re initiated after completion of talks between the contractor and CRWWDA.
		What initiatives are there for water recycling?	Sensitization of recycling toilet water which can be reused for other purposes such as tree planting, toilet use etc. is underway to reduce wastage of thousands of cubic meters of water.
		Progress on Kasambara and sogonoi boreholes that aims at improving water access	Kasambara is equipped and solarized. Sogonoi borehole is already drilled and will be equipped with solarized plumbs in FY 2021/2022.
		Water rationing by NAWASCCO.	Demand is as high as 70 million liters daily for Nakuru town only. NAWASCCO produce only 40m liters which necessitate rationing. However, NAWASCCO has 18 boreholes being drilled that will likely solve this problem
		Response and measures taken to address to sewerage system damages	There is a toll-free line to report sewerage spills for immediate action.
			The KFD bank has partner to increase the sewerage trunk pipes to 18 inches from the current 9.
		Tariffs charged on tree nursery growing	WASREB determines the tariffs charged by NAWASCO. However, talks are underway to supply nurseries with non-treated water which is cheaper.
		The county should purchase trees from tree nursery growers	There's an initiative in collaboration with partners to purchase tree seedlings from locally.
		Greening of Nakuru i.e sustainability of Nyayo gardens	Plans are underway with NAWASCCO to have a dedicated line for night irrigation of all parks as a way for maintaining the green aesthetics.
Reverting Nakuru to how green it was in 1975	Increased population has implicated the gradual degradation of the green and clean state of the county. Foreseeable government interventions alongside public goodwill and stewardship is the way forward in achieving this endeavor		

SECTOR	SUB SECTOR	ISSUES RAISED	FEEDBACK
General Economics and Commercial Affairs	General Economics and Commercial Affairs	What are the tourism sites mapped	Sites mapped include Lake Solai, Lake Naivasha, Lake Elementaita, akira plains and others.
		How is the trade department ensuring that the struggling revenue streams such as CESS are uplifted	CESS varies with harvest seasons and is likely to struggle more when farm output is low
			There are measures put in place by the county such as establishment of NRA to boost the revenue performance
		How has the department mainstreamed the SDGs	The trade department has mainstreamed SDGs in all their processes by supporting adoption of technological innovations, value addition, etc.
		Trainings for SMEs	The County will purchase the much needed machines for groups in Barma market and hold exhibitions to help them increase their competitiveness and find markets for their produce.
			There are talks with USAID on how to develop training centers in the county to help traders through a collaborative effort
		The Rhonda market which has stalled and without infrastructure	Traders are taken to the market but persistently leave creating room for vandalism of the market infrastructure, the residents should express need and own and funds will be allocated for completion
		Provision of loans to small entrepreneurs in the county	The county is in the process of operationalizing the enterprise fund in the FY 2021/2022.
		Persons with disability and access to market space	County is very responsive to PWD needs in the construction of markets. Buildings also conform to ESIA guidelines
		Recommendation that the county government should promote culture as a tourism attraction and use of artist to reach out to drug abusing youth in the county	A proposal worth considering
		Mushrooming of wines and spirits that have become problematic to the county.	There are many programs both for sensitization and rehabilitation to reduce the liquor menace in the county.
What is the county doing to enhance rehabilitation in schools	Interdepartmental collaboration with the department of youth to prevent Child drug abuse are being initiated		
Rollout of cooperative revolving fund	The fund has an act and a policy but is yet to be operationalized.		

SECTOR	SUB SECTOR	ISSUES RAISED	FEEDBACK
Social Protection, Culture and Recreation	Social Protection, Culture and Recreation	Why funds for the youth were reallocated to address COVID 19	The county reallocated its funds and realign all departments budget towards COVID19 mitigations
		Why gender based recovery center is not complete in Elburgon and Njoro	The project has been delayed by land ownership issues
		Youth are not empowered effectively particularly on protecting their ideas and innovation. Case in Point MPESA Developer who sold a multi-billion idea for a few million shillings	County offers services to help advice youth on how they can patent their innovations. Also 80 million from the ward envelope fund was allocated towards youth empowerment with motorbikes, salon kits, bakery kits etc.
		Majority of the programs targets are not met for PWDs issues., such as AGPO, mobility kits, etc.	There's a PWD fund in Nakuru county that is being implemented and PWDs are encouraged to leverage the fund for personal and professional growth.
			AGPO's 30% is not for PWDs only but also includes women and youth.
		Why is the department not lobbying for more funds to support artists?	The sector continue lobbying for increment in budget ceilings from county treasury to secure more funding.
		Ill treatment of artist in contradiction with the UNESCO treaties.	A consultative meeting with partners, CGN, and creatives is in the pipeline to streamline most of these issues, particularly those facing artists.
		Delayed roll over projects espoused in the CIDP that concern the youth	Budget ceilings are too low to address most of the issues including the plight by artists and creatives.
	Reason for low employment rate among the youth	The county has done recruitments and currently paid internship opportunities are still in place. Youths are encouraged to check out and apply for job opportunities	
Agriculture Rural and Urban Development	Agriculture Rural and Urban Development	Lack of effective beach management planning	County is considering acquisition of land, establish BMUs and develop a beach management plan.
		Gazettement of landing beaches in lake Naivasha in order to effectively compete with private developers	The ungazetted beaches sit on non-riparian land and cannot be gazetted unless they have BMUs and county owned title deeds.
		Progress of avocado, pyrethrum, chicken pawpaw, etc and all other initiative by county. What does the department do to follow up on the progress of the investments	Increased PPPs concerning Pyrethrum and revival of major pyrethrum firms in the county is an indicator of pyrethrum and avocado investment growth. Food security monthly report from sub-counties and quarterly M&E reports contain information on the achieved outputs from these projects

SECTOR	SUB SECTOR	ISSUES RAISED	FEEDBACK
		Follow up on implementation of the fishpond in Malewa west and community involvement	Extension services are offered in every sub county by extension officers who makes follow-ups and reports to the responsible parties.
		Pollution and fishing in Lake Nakuru (fish deemed unsafe for consumption)	Fish in lake Nakuru is under KWS and fishing is prohibited. County government is discouraging people from eating fish from lake Nakuru over the concerns of safety.
		Long periods of title deed processing and inefficiencies in land registrar's office	There are consultations with National Government to have the offices running more efficiently. County promised to improve inefficiencies by employing more officers.
		Inadequate staff yet there are many unemployed youth	Yes, there is a challenge of inadequate staff especially surveyors and valuers due to low budgetary allocations towards employment of such. The sector will also leverage the 550 internship positions to recruit officers trained on valuation and surveying to assist or bridge this gap
		Partitioning of lands in Egerton and Njoro for housing/ development purposes threatens the prospect of food security. (Subdivision of agricultural land)	The sector has prepared a County Spatial Plan that is still awaiting approval by the County Assembly. The public will be educated on the importance of urban settlement to relieve stress on agricultural land
		Rogue Rhonda and Kaptembwo land subdivision (20x80) (20x20) etc.	Rogue subdivision of lands to such small quantity is unlawful and such cases are not issued with title deeds
		Role of National Land Commission	NLC is an independent office and has the role to deal with historical land injustices and taking care of public land.
		Suggestion to have the County to use suggested prototypes in the County estates.	The public ought to consult with the LHPP department to have prototypes to help upgrading of estates (private).
		Encroachment of land set aside for industrial areas.	KAM is encouraged to have consultation with the County government to agree on a sustainable way to have both access to their premises and the kiosks which offer services to the industries workers
		Land for EPZ zones.	The department shall have discussions with the Trade department to set up an area and plans for an EPZ (recommended in Salgaa).
Education	Education	Attachment opportunities for students in the County Government	The County offers attachment and through departmental HR. Students are encouraged to make requests for the same.

SECTOR	SUB SECTOR	ISSUES RAISED	FEEDBACK
		The issue of multiyear projects that are stalled and re-advertised after 5 years.	Stalled projects arise from previous open contracts (didn't have time limits), but now mechanisms have been put in place making it easier to terminate non performing contractors.
		Access to county bursary funds in light of HELB inefficiencies	Bursaries are available and forms can be accessed through the ward admin who has a committee that approves bursaries.
		Strategies to boost VTC enrolment rate in the county	All students including those with E grade are admitted. Removal of uniforms requirement has boosted enrolment rate. County is marketing its VTCs through various sittings at the respective VTCs and in some cases holding sessions in churches.
		Reasons for low enrolment in VTC	100 percent transition to secondary education, competition from TTI's and inadequate hostels.
		The concern of the high cost of lunch program for learners	The County Assembly impedes the school feeding program for ECE by removing allocations for feeding programs during budget approvals. However, some MCA's have the feeding programme approved from their ward kitty and thus citizens are encouraged to attend Ward public participations and suggest the same for ECEs.
		The complete ECDEs what is their enrolment rate	The reported ECEs are in use
		No public participation for ECE bill which seems to criminalize opening of ECEs	The bill is yet to get to public participation stage and thus the public is encouraged to raise issues of concern during the public participation forum.
		The degrading nature of Nakuru schools in terms of grades.	The national government bears the burden of low performing high school, primary schools and universities as the mandate under the fourth schedule of CoK, 2010 falls under them.
Energy Infrastructure and ICT	Infrastructure	No street lighting around Langalanga/Afraha	There is a budgetary allocation for installation of more lights and to service the existing.
		Is there a policy to ensure buildings are PWD friendly	It is a requirement that all buildings to be Disability friendly by having ramps and it's being enforced
		Road safety around schools	There are plans to install bumps and marking near schools as per the budget and the public is advised to attend ward public participations to capture the same in the concerned wards
		Quality of our roads	The department is focusing on employing more engineers to ensure quality
		Road naming to consider "ordinary people".	The request shall be forwarded to the executive for consideration.

SECTOR	SUB SECTOR	ISSUES RAISED	FEEDBACK
	ICT Sub Sector	Relocation of Afraha Digital hub due to the constructions in Afraha Stadium	There are plans by the county government to relocate the hub to Nyayo gardens
		Measures to control the influx of cybercriminals and hackers	It is a national security issue but the county has installed security measures in its systems.
Health Services	Health Services	Limited drug supply in the health facilities	The limited drug supply is on account of budgetary constraints and late disbursement of funds which is being addressed especially in the most critical areas
		Post-natal counselling of teenagers and other mothers undergoing PPD.	The County is working to reduce teen pregnancies in collaboration with the World Bank through reproductive health campaigns in the most affected areas.
		Concern on how the department will improve access to free contraceptive and family planning healthcare	Family planning services are free in public hospitals and there is reproductive health campaign
		Recommendation to have each facility with psychiatric health professional. CHVs should be trained on identifying and providing mental health care. There is no support for CHVs leading to withdrawal of services	Community Health Volunteers (CHVs) have been trained on problem management plans and counselling services and provide referral for the most critical cases. They also receive stipends.
		Lack of water supply and electricity in some dispensaries	Solarization of dispensaries without electricity and installation of water tanks to facilities without metered water is going on
		Understaffing of youth friendly facility in Gilgil should be solve by staffing with friendly personnel	The health department will sit down with DSW representatives and discuss their memorandum which contains most of these issues.
		Retaining patients and dead bodies on account of health bills	The county is implementing a waiver system for only patients that are beyond any reasonable doubt unable to pay their hospital bills completely.
		Recommendation to build health training schools and drug manufacturing plants in Nakuru	Once the hospital equipment is done, they will be equipped with training facilities to help train health professionals as they work.
		Seclusion of teen mothers and rainbow mothers (those who gave birth to still born babies)	Focus still on preventing maternal and infant mortality but the recommendation was duly noted
		Open avenue for conversations	There is an open social media platforms that support government/ public communications for sustainable service delivery

SECTOR	SUB SECTOR	ISSUES RAISED	FEEDBACK
		Lack of interpreters in the hospitals and maternal health wings for deaf patients	One interpreter per hospital will be employed, and nurses have been trained on basic sign language
Public Administration and International Relations	Nakuru Municipality	Sewage and storm water runoff in Rhonda and the need to redirect water from Rhonda to Ndarugo	This is one of the World Bank funded projects where 60 million has been allocated to build a sewer line in Rhonda leading away from Rhonda to a treatment facility.
		Expansion of Alms house in Nakuru municipality	There is a budgetary allocation to expand the existing alms house.
		Recommend solutions to Insecurity in Nakuru municipality	Providing the youth with jobs will help address insecurity by providing them with better ways to earn an income away from delinquency and criminal activities.
		Poor maintenance of storm water drainage to prevent clogging	There is funding to recruit youth who will regularly maintain these drainage channels.
		Development of orphan schools and school for street children	Concern that Seclusion increases stigma among the orphaned children hence recommendation was not adopted. Efforts to re-integrate street children back to school at no charge will be undertaken in collaboration with the National government
	Office Of the County Attorney	Recommendation to focus more on out of court settlement and meditation to reduce court backlog	There's an ADR programme in place with one case so far that was resolved by alternative dispute
		Transparency of active cases to the public	The public should use the internet and download the cause list from the Kenya law report website where all information of open and closed cases are available.
		Urgent resolution of pending legal fees for cases handled by external advocates.	The process of paying pending bills has been initiated and most of the fees negotiated to sustainable levels.
	Naivasha Municipality	Update of Lanet Airport Constructions	Airport Construction in Lanet barracks is ongoing
		Poor drainage in Karagita	14 km of drainage will be constructed in the coming MTEF period with the coverage including Karangita area.
		Damages on Old dispensary road	The road has been rehabilitated and expanded.
		Poor revenue enforcement in Karagita kiosks and businesses	Municipality is not mandated to collect revenue. However, this will be forwarded to County Treasury
		Criteria for recruiting the 71 officers that are targeted and whether there was inclusion of PWD's	Secondment of staff from departments and the remaining gap was done by the NCPSB. PLWDs and marginalized groups are given the first priority when recruiting.
		Proposed construction of sky scrapers in Naivasha Municipality owing to a more favorable soil Profile	Zoning has been done to map areas that can have high density development with buildings as high as 10 stories already under construction in Naivasha

SECTOR	SUB SECTOR	ISSUES RAISED	FEEDBACK
	Nakuru Revenue Authority	There should be cess controls to avoid tax evasion	Cess controls have been enhanced by the CIFOMS to eliminate any form of revenue spills
		Reasons for the change in the revenue collection systems (from LIFOMS to ZIZI to CIFOMS)	Progressive update of systems has been undertaken to curb loopholes from the subsequent systems. CIFOMS currently promote full automation of revenue streams unlike LIFOMS and ZIZI.
		Recommendation on change of management to curb corruption in revenue collection, number of accounts the county operate and civic education on tax payments	Recommendations noted and will be considered upon further consultations
	Public Service Training and Devolution	Recruitment of village administrators	Inadequate budgetary allocation has hampered recruitment.
		Inadequate civic education meetings for county plans	There are ward administrators that help with the civic education. Other platforms will be introduced to improve on
		So many PA's with some hindering service delivery by the responsible public officer	One personal assistant per officer, complaints should be lodged with the PSTD department for appropriate action
		Efforts on youth employment	There are internship opportunities, and others yet to be advertised for enforcement officers.
	County Public Service Board	Reason for the high number of acting directors in the county	Acting in certain position is only allowed for six months. There have not been any departmental requests.
		Need for casuals passing through the correct procedures	All employees pass through NCPSB when recruiting regardless of employment terms.
		When will the interns will be employed	Already advertised and they target 10 per ward interns.
		Allow friendly early retirement terms in order to allow employment for other people	There is a provision on early retirement from age 50. The board will develop a policy on the same.
		Wrong designations such as accountants being placed as administrators and vice versa	There will be communication with the department Chief officers on matters regarding redeployment and re-designations.
		County should have a third of the employment opportunities to county residence	Most employment chances are given within the counties. All the internship chances are for graduates from Nakuru County
Chances for employment for PWDs.		PLWDs are always the first priority, and the issue is that most of them don't apply. The County is also working with the National Association for PWDs on matters recruitment. The county hopes to achieve the 5 percent threshold recommended by law for any organization.	

SECTOR	SUB SECTOR	ISSUES RAISED	FEEDBACK
		Employment of Unskilled labor on PWDs	Recruitment is done purely as per departmental requests and based on the schemes of service /qualification as per the employment act.
		Sign language people should be part in the service delivery points	It is underway as there is such request. Budgetary constraints also a main cause as some departments has no budgetary provision for recruitment.
		Successful employed candidates should be publicized in the notice boards	Recommendation noted
	Office Of The Governor And The Deputy Governor	Duplication of roles by departments	The county work as one unit, each department has its mandate hence no duplication of projects
		Public participation on governors' projects	The CFSP makes the priorities which are from the public during sector hearings
		Signage should be placed for identification of whoever is doing the project	Signage for projects are always erected at construction sites.
	County Assembly	The county assembly should capacity build residents on the cost and technical implication for various proposed ward projects	Having technical officers represented during ward public participation will be considered
		Transparency in terms of ongoing stalled new and completed ward projects	Information on status of projects available in county website (published)
		Fast Tracking of construction MCA offices which should be PWD friendly in terms of access, and established in areas that are centralized within the ward	MCAs offices are built mainly on available public land to reduce the budgetary implication. In the event such land is unavailable, Land has to be procured first
		Who is responsible for staffing of the MCA offices	Staffing for legislatures is dictated by CRA ceilings. Appointments are made by the county assembly service board
	Finance And Economic Planning	Fast tracking of the payment of pending bills	The debt management strategy paper outlines the strategy to offset pending bills.
			All eligible pending bills were paid. The ineligible pending bills will be budgeted for once the scrutiny is completed and they are deemed eligible.
			The pending bills committee determines the share for paying pending bills.
		Quality of projects and use of substandard materials	The public were encouraged to address issues on quality of projects, corruption and transparency of public funds to concerned department's accounting officer.
	Corruption and lack of transparency in ward bursary allocation		

SECTOR	SUB SECTOR	ISSUES RAISED	FEEDBACK
		Public should participate in reducing mismanagement of public finances	
		Delays in procurement, the county should recruit more procurement staff to speed up procurement process	Measures are in place to strengthen the procurement process to fast-track project implementations
		Operationalization of the NRA	Recommendations will be taken into account and will be subjected to Budgetary implications
		Confirming of acting officers	
		Budgetary allocation for employment of staff in departments with inadequacy	
		Comment on the effort by county treasury to host the sector hearings in an open and transparent manner	County government through the CECM appreciates attendees and their participation as well as the positive feedback from the public.
		Commendation on the prudent financial management and the prudence of the assembly and the ongoing developments implemented by the county executive	The Sub Sector acknowledge and appreciate the positive feedback from the public
		Recommendation for stringent measures to enhance effectiveness, accountability, transparency, and efficiency	Recommendations will be considered