



REPUBLIC OF KENYA  
COUNTY GOVERNMENT OF NANDI  
THE COUNTY TREASURY

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CONCEPT NOTES ON THE PROGRAMME BASED BUDGET ESTIMATES  
FOR FY 2021/2022

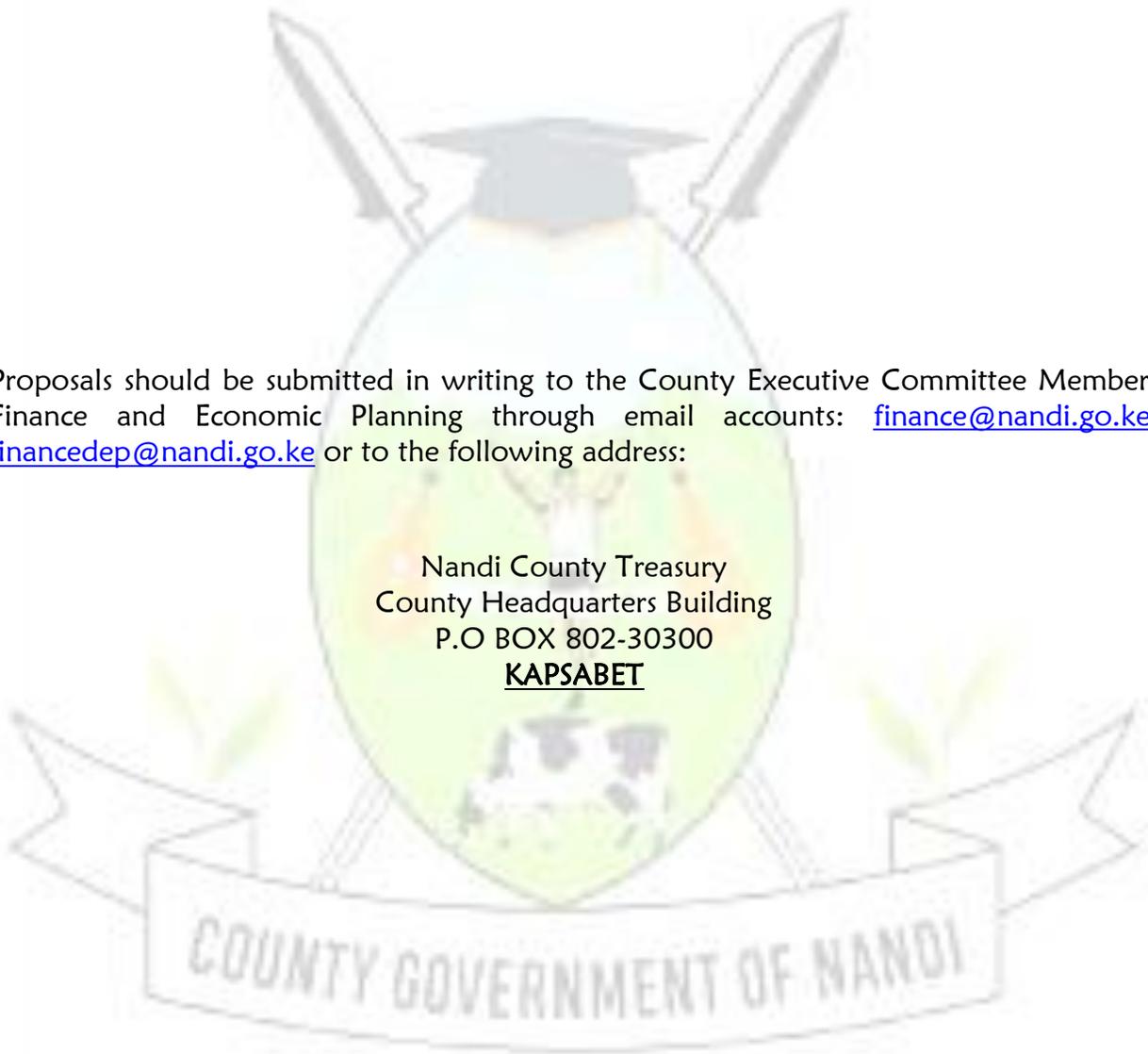
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“OPERATIONALIZATION OF PROGRAMMES FOR SUSTAINABILITY AND  
SOCIO-ECONOMIC TRANSFORMATION”

APRIL, 2021

Proposals should be submitted in writing to the County Executive Committee Member- Finance and Economic Planning through email accounts: [finance@nandi.go.ke](mailto:finance@nandi.go.ke), [financedep@nandi.go.ke](mailto:financedep@nandi.go.ke) or to the following address:

Nandi County Treasury  
County Headquarters Building  
P.O BOX 802-30300  
**KAPSABET**



## Introduction

The County Treasury has embarked on the process of preparing the Financial Year 2021/22 Budget Estimates as required by Section 125(1) (e) of the Public Finance Management Act, 2012, and the Constitution of Kenya. Article 201 of the Constitution requires openness and accountability, including public participation in financial matters. These requirements have always been upheld in the preparation of the annual County Budgets by the County Treasury.

This is the Fourth budget to be prepared under the second generation County Integrated Development Plan (CIDP 2018-2022) and will also form the fifth budget to be implemented under the 'Tuga Tai' administration. The budget aims at enabling the County achieve the objectives of the CIDP, H.E the Governor's Manifesto, the "Big Four" agenda, the Kenya Vision 2030, the Sustainable Development Goals (SDGs) as well as other global and regional initiatives.

The FY 2021/2022 Budget will endeavor to move the County economy towards a high growth trajectory by prioritizing policies, programmes and projects which build on gains made so far in key sectors of the County economy including completing, equipping and operationalizing projects initiated by the County Government since inception. This is in a bid to enhancing the productivity of investments done hence value for money. The Budget will also accord priority to projects that generate a broad based inclusive economic growth, as well as faster job creation and poverty reduction.

The FY 2021/22 Budget Estimates is prepared at a time when the global economy is grappling with the adverse effects of the covid-19 Pandemic and the ensuing containment measures. Advanced economies are projected to contract by 5.8 percent in 2020 from a growth of 1.7 percent in 2019. Domestically, the Kenyan economy has experienced significant income and productivity losses arising from the pandemic. The economy is estimated to slow down to around 0.6 percent in 2020 from a growth of 5.4 percent in 2019. Looking ahead, the economy is projected to recover and grow by about 6.4 percent in 2021 and above 6.2 percent over the medium term.

The county economy has not been spared by the outbreak of Covid-19 Pandemic and the swift containment measures. In 2020, the County economy was adversely affected by the disruption of not only the normal lives and livelihoods, but also to a greater extent businesses and economic activities. This largely affected the local revenue targets for the year. The updated Fiscal Economic framework is optimistic, given that the local revenue collection trend improved after the lifting of the Covid-19 containment measures. Despite the several challenges that still exist, the County Government will continue with its policy of expenditure rationalization with a view to provide more funds to core services, priority development programs and disaster preparedness.

The FY 2021/2022 County Budget will therefore be formulated taking cognizance of such risks and incorporate mitigation measures and strategies to increase the economy's resilience to cope with such adverse shocks. The fiscal and economic assumption underlying the FY 2021/22 budget entail the national post Covid economic recovery strategy leading to better economic situation within the county through timely release of funds by the National Treasury and improved local revenue collection. This is in addition to the continued implementation of the CIDP projects as well as H.E the Governor's Manifesto. The theme of the FY 2021/2022 Budget is *"Operationalization of Programmes for Sustainability and Socio-Economic Transformation"*

#### **Major Achievements under the Second CIDP (2018-2022)**

A review of the indicators of performance of the CIDP shows that despite registering lower than projected growth rates in the first three years of the plan, there are indications that the County economy is moving towards a higher growth trajectory. Significant progress has been achieved in implementing the plan with a number of initiatives that are geared towards economic empowerment and sustainable economic growth. Some of the major achievements are highlighted below.

#### **Health and Sanitation:**

- a) The County recorded a reduction in maternal mortality rate from the baseline of 362/100000 in FY 2018/2019 to 360/100000 in FY 2019/2020. The following factors contributed to the reduction:

- Completion and operationalization of 15 new health facilities which has improved access to health care in the county and especially by expectant mothers.
  - The recruitment and deployment of more nurses and other health care workers that aid in skilled birth delivery across the county
- b) The County immunization rate recorded slight decline from 67.5% to 62.2% due to outbreak of COVID-19 in the country. On the other hand, the county Infant Mortality Rate recorded a reduction from the baseline of 39/1000 in 2018/2019 to 38/1000 in 2019/2020. This is due to the increase in the number of facilities offering basic immunizations and essential services across the county.
- c) To ensure improved quality of care, the county has increased workforce in the health sector by employing staff across various cadres. Additionally, the county benefited from the National government programme through the Universal Health Care Program (UHCP) which saw an increase in workforce by about 200 staff. This has consequently led to an increase in the Doctor-Patient and Nurse-Patient ratios from 3:100,000 in 2018/2019 to 4:100000 in 2019/2020 and 46:100,000 in 2018/2019 to 57:100000 in 2019/2020 respectively.
- d) The County HIV prevalence rate remained constant at 2% in 2018/2019 and 2019/2020 subject to review upon release of the Kenya Population Based HIV Impact Assessment report, 2018.
- e) In a bid to improve referral services in the county, the government acquired and commissioned 10 additional ambulances.
- f) The department targeted to establish two Intensive Care Units (ICUs) by the year 2022. The first unit will be integrated in the Newborn Unit under the new KCRH Complex whose construction is ongoing while the other will be under the Chepterwai Hospital Complex. However, due to the COVID-19 pandemic, the county moved swiftly under the emergency fund program to set up two ICU units. A seven-bed and 8-bed ICU units are complete in KCRH and Nandi Hills hospitals respectively.
- g) On uninterrupted power supply in health facilities, the department planned to have at least 10 health facilities installed with standby generators and power upgrade through a dedicated grid from the KPLC sub-station by 2022. Towards this end, three hospitals have had standby generators installed. These are Kaptumo, Mosoriot and

Chepterwai. In total therefore, the county has five hospitals connected to uninterrupted power supply and this includes KCRH and Nandi Hills hospital.

- h) The department targeted to improve and operationalize three morgues by the end of the CIDP period. To this end, the county has constructed and operationalized two morgues, one in Nandi Hills County Hospital completed in 2018/19 FY and another at KCRH.
- i) Ongoing construction of Kapsabet County Referral Hospital with Mother and Baby Unit which is one of the County's Flagship projects.

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

- a) Construction of Nandi Cooperative Creameries (NCC) at Kabiyet as one of the county's flagship projects is at completion stage with installation of processing machines ongoing. This coupled with the construction of 30 milk cooling structures one per ward most of which (21) are complete, shall see real transformation of dairy sector as the county's economic mainstay.
- b) Construction and rehabilitation of cattle dips across the County.
- c) Provision of subsidized A.I services which has since been embraced by the county residents that has seen increase in milk productivity across the county.
- d) Increased total land coverage under avocado from 578Ha in 2018 to 790 Ha in 2019. This was achieved by distributing 46,000 avocado seedlings (to be planted on 212Ha of land) by farmers identified through Common Interest Groups (CIG) in all the sub counties. However, the target in the ADP of 20,000 avocado seedlings to cover 250 Ha of land was not met due to procurement constraints of the planned 10,000 seedlings to be planted on an additional 125 Ha of land.
- e) Increased land coverage under Macademia from 31Ha in 2018 to 125Ha in 2019. This was attained through distribution of 17,000 seedlings received as a support from the National Government State Department of Agriculture to organized farmer groups identified by WAOs and SCAOs in consultation with the respective Members of the County Assembly (MCAs).

### **Infrastructural Development**

The County Government has invested significantly in urban infrastructure as a result of which a robust growth has been realized in the jua kali, transport and retail trade sectors.

- a) In the transport sector, the County Government has in the past three years graded 2,382.55 KM, graveled 750.31 km and dozed 434.8KM of road network under the Road Maintenance Levy Fund and the County/Hired Machinery. In addition, the government has constructed seven box culverts and two foot bridges.
- b) On Trade, Investment and Industrialization sector, the government has constructed fresh produce markets in Kobujoi and Maraba trading centres which are operational, established a bus park/stage in Mosoriot, constructed ablution blocks in Kabiye, Maraba and Nandi Hills to improve market sanitation, constructed market stalls in Kaptumo, chemursoi, kabiye and Baraton trading centres. Other achievements in the section include construction to completion of 14 boda boda shades across the county, ongoing establishment of an incubation centre in Kapsabet and construction of ju kali sheds. In order to promote industrial development, the government has established a textile and apparel unit in Mosoriot which is nearing completion.
- c) To improve efficiency in service delivery, the Government in collaboration with World Bank has enhanced town and urban areas sanitation in Kapsabet Municipality through extension of the sewer line by 1.5km. In addition, Construction of six kilometer non-motorized transport facilities (Namgoi Trading Centre to Law Courts on Kapsabet boy's side and from public work offices –Kamobo on St. Peters Side; Athletic racing track from Kapsabet Bible college –Lode School academy/Marcel School) are ongoing at final stages of implementation. Construction of street lights and seven high mast floodlights in Major Street and urban areas is nearing completion. The county has also constructed and equipped a data center and a Call Center in Kapsabet and acquired five waste receptacles in that were distributed to major urban areas in the County including Kapsabet, Nandi hills, Mosoriot , kabiye, Baraton and Kaptumo.
- d) The Government has undertaken various development projects and programs that are geared towards nurturing and promoting talent and sports among the youth including up to 95% level of completion of Phase I of the Eliud Kipchoge Modern Athletics Training Camp in Kapsabet with the second phase at 80% level of completion. In addition, the third and fourth phases of Nandi hills stadium entailing construction of changing rooms, toilets, stone pitching & construction of spectator terraces respectively is ongoing together with completed improvement of 8 sport

fields with four others ongoing.. The Government established the Nandi County Youth Service (NCYS) that has seen 630 youths recruited into the programme and distributed 11 welding machines to 11 youth groups across the County.

- e) On increased access to Early Childhood Education, the Government has in the past three years constructed to completion 28 ECDE centres that are awaiting to be equipped with construction ongoing at advanced levels of completion in another 66 centres. The government has over the period issued a total of Ksh 150 Million to needy and deserving students and also subsidized fee in all the VTCs through disbursement of conditional grants.
- f) Considerable progress has been made by the government in a bid to ensuring that the citizens have access to safe clean water. To this end, 128 water projects have been successfully implemented and are operational, 34 projects have been completed and yet to be operationalized with works ongoing in another 20 projects. In addition to the construction of water projects, the county government acquired two drilling rigs to facilitate drilling of boreholes. The development of the County Spatial Plan to guide land use is at 60 percent level of completion with the development plan for Kipkaren Salient and Kiboswa Trading Centres at 80 percent while that of Romorio, Kiptegat and Mchanganyiko farm settlements at 90 percent completion pending approval by the Town Planning Committee.
- g) In order to tap into the county tourism potential and increase local revenue levels, the County Government completed the following works at Chepkiit Tourism site; construction of walkways, shades, dustbins, a water tank, benches and construction of an ablution block . Other works including fencing of the site, construction of a ticketing office/gate, signage and guard rails are ongoing at the site. In order to honour the County's heroes and heroines, the Government completed the renovation and restoration of the Jean Marie Seroney house, construction of a mausoleum and the ECDE centre at the Jean Marie Seroney Leadership centre. The provision of assistive devices and sewing machines bridges the socio-economic parity among the marginalized groups in the community. On Socio-economic empowerment, the government has distributed 252 sewing machines, 562 assorted assistive devices and 85 saloon kits to women and PWDs in the county.

## Critical Issues and Emerging Challenges

Despite the achievements in implementing the Second CIDP by the various sectors of the economy in the county, the following critical issues still remain:

- a) The agriculture sector which is the county main stay requires significant investment to increase agricultural production and profitability as a major enabler to potential rise in per capita income in the rural economy alongside production of primary raw materials that set stage for industrialization. The construction of the Nandi Cooperative Creameries in Kabyet is underway but in order for the mwananchi to reap from its gains, the project needs to be equipped and provided with other auxiliary amenities to operationalize. The project will be enabled by the continuous investment by the government on the subsidized A.I Services, continuous pest n disease control through disease surveillance and vaccinations to curb any disease outbreak as well as rehabilitation and construction of new dips as well as promoting cooperative movement by supporting community-led development strategies and equipping of the already constructed cooling structures.
- b) Despite major investment in the health sector, communicable and non-communicable diseases continue to exert pressure to the health care system. Priority need to be accorded the completion of new and refurbishment of existing health facilities. There is need to also adequately stock all the sub-county hospitals, ward level Health Centres and dispensaries with requisite drugs and equipment. This will reduce the radius of access to health care facilities to the desired less than 5km as per World Health Organization standards. The Kapsabet County Referral hospital requires to be expanded, modernized and equipped with all essential drugs and medical supplies specialized equipment necessary to handle all health related cases as well as referrals in view of upgrading to level five standard.
- c) Good Infrastructure is a key enabler to development of all the other sectors as it eases movement of goods, services and people thus facilitating agriculture, trade and commerce among others. With the investment done so far in the sector, sustainability still pose a challenge and it is for this reason that the county needs to scale up investment in infrastructure by opening up more new roads, upgrading and conducting routine maintenance of existing roads, as well as construction of bridges and footbridges which aims at significantly reduce the cost of doing business in the

county and easing mobility. Road network in major urban centres of the county remain inaccessible in all seasons hence the need for tarmacking to ease accessibility and business within the urban areas.

Given the catalytic effect of trade and industry in sustaining inclusive growth and huge potential for job creation, the completion and operationalization of the Textile and apparel unit in Mosoriot is paramount. This will also be achieved through constructions and commissioning of markets stalls, market shades and fresh produce markets in most trading centres as well as regulating open air markets across the county. The ongoing construction of the boda boda shades should also be completed. There is need to also continue investing in infrastructure with focus on the completion and equipping with all necessary facilities the Kipchoge Keino Athletics Training camp, Nandi hills and Kaptumo Stadia as well as other ongoing sporting facilities.

- d) Access to quality early childhood education is critical as it forms a solid foundation for the learner. In addition to the gains made so far, the government needs to complete, equip with requisite material and operationalize all the ongoing ECDE centres as well as the VTCs. Provision of adequate bursaries to the needy and deserving students remain essential in increasing access to quality basic education.
- e) Efficient use of natural resources is central to economic, social and cultural development. Realization of universal access to water remains a significant challenge in the county and requires huge investments in water supply infrastructure. The county government should continue investing in the sector through completion and operationalization of all the ongoing water projects, with the aim of doing distribution lines to ensure a greater number of households are connected to clean, piped water.
- f) Other key and emerging challenges relate to the outbreak of COVID 19 pandemic and its costly response and containment measures, high expectation from the Public for development and other socio-economic programmes, expanding wage bill which limits funds meant for development, delays in disbursement of funds by the National Treasury, inadequate financial resources, low local revenue collection and inadequate policy and legal framework.

### **Medium Term Development Strategy**

The county government of Nandi is committed to implementing priority programmes so as to achieve the aspirations of her citizen as outlined in the County Integrated Development Plan (CIDP 2018-2022), H.E the Governor's Manifesto, the County Annual Development Plan (CADP 2021-2022), the "Big Four" Agenda, Post Covid -19 Economic Recovery Strategy and the MTP III priorities while taking into account the need to optimally allocate the scarce resources (as annexed) to high impact programs during the plan period.

This budget will build on the transformation we have achieved so far and emphasize the need to support the sectors with a high potential in spurring the economy. Whilst consolidating earlier gains, the Budget for the FY 2021/2022 will primarily focus on completion, equipping and operationalization of priority programmes aimed at economic transformation as anchored in H.E the Governors manifest. These priorities notwithstanding, the Government will strive to ensure that public spending leads to high quality outcomes within a sustainable and affordable framework.

The following criteria will be used in apportioning the capital budget for FY 2021/2022:

1. ***On-going projects:*** Priority is accorded to completion, equipping and operationalization of on-going capital projects and in particular infrastructure projects with high impact on poverty reduction, equity and employment creation, these include: Hospital Complex with Mother and Baby Unit at KCRH, Nandi Cooperative Creameries (NCC) at Kabiyet, Nandi Textile (NATEX) and Eliud Kipchoge Modern Athletics Training Camp.
2. ***Equipping with requisite equipment the complete yet not operational projects;*** these relate majorly to health facilities, ECDE centres and cooling structures among others.
3. ***Post-Covid19 Recovery;*** Consideration is further given to interventions supporting Post-Covid19 recovery as indicated in the socio-economic recovery and re-engineering document including disaster and emergency preparedness.
4. ***Settling of pending bills;*** the county government anticipates settling the accrued pending bills and reducing to minimum levels.
5. ***Strategic policy interventions;*** further priority is given to policy interventions

covering the entire county on social equity, socio-economic wellbeing especially on special interest groups and medical cover for the county staff.

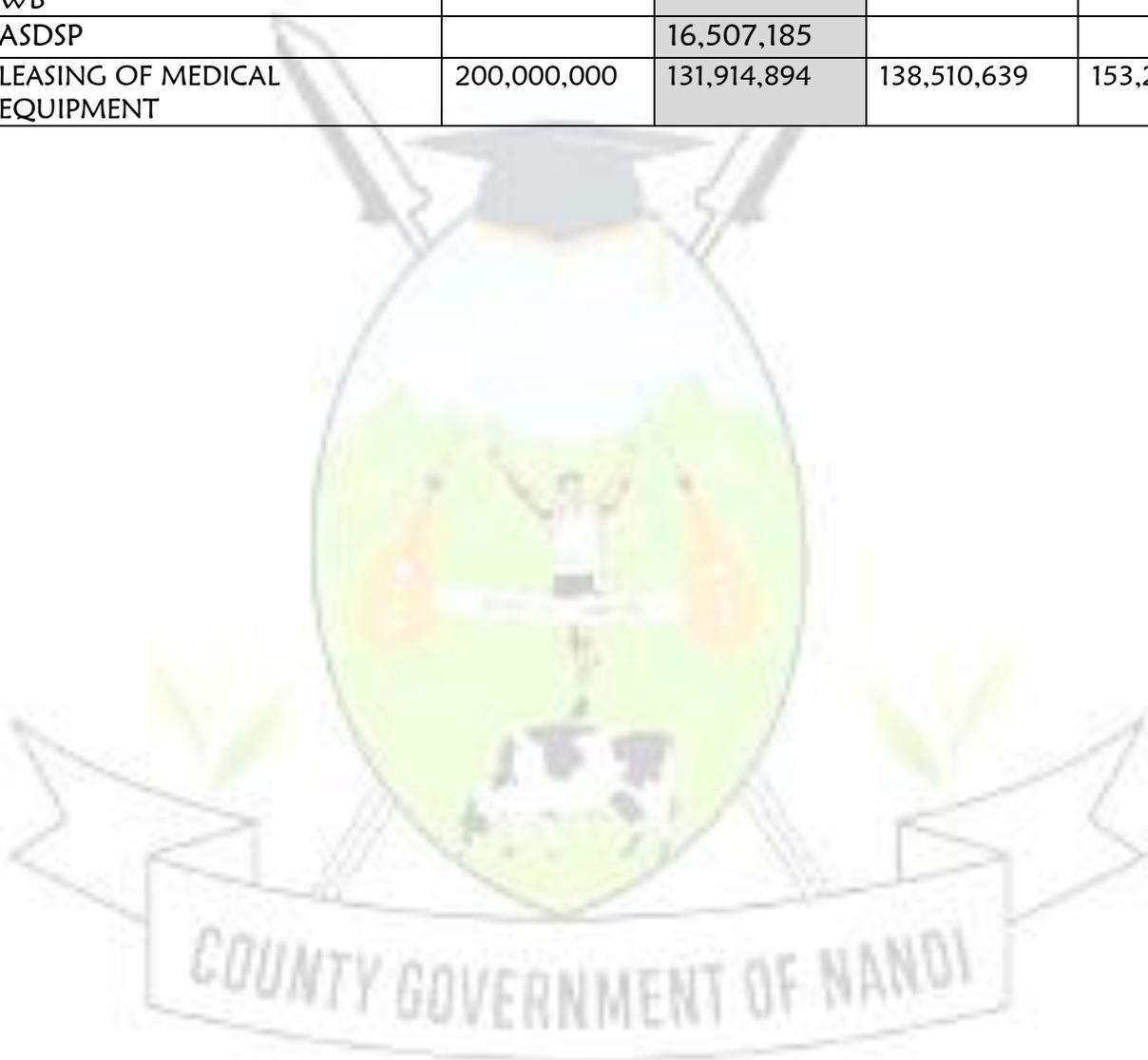
***Note: Proposals of specific projects can be submitted through the provided email accounts and address for a consideration in the FY 2021/2022 Budget estimates.***



Annex 1: Resource envelope for FY 2021-2022

MEDIUM TERM FISCAL FRAMEWORK FY 2019-2020 to 2021-2022					
CODE	REVENUE ITEMS	Medium Term Projections			2021-2022
		2018-2019	2019-2020	2020-2021	
<b>1</b>	<b>Total Anticipated Revenue</b>	<b>8,046,964,890</b>	<b>8,133,676,476</b>	<b>7,611,517,867</b>	<b>7,815,273,342</b>
1.1	<b>Local Revenue</b>	<b>459,293,246</b>	<b>376,829,833</b>	<b>405,408,260</b>	<b>300,106,429</b>
1520100	Land Rates	46,682,200	23,807,922	24,284,080	19,184,423
1520500	Plot Rent/House rent	5,100,662	1,560,802	1,592,018	1,257,694
1420328	Single Business Permits	36,430,791	29,727,525	30,322,076	23,954,440
1420328	Loiquor Licensing	12,120,000	5,439,456	5,548,245	4,383,114
1420405	Market Fees	15,595,046	10,657,655	10,870,808	8,587,938
1330405	Agriculture	9,090,000	6,119,388	6,241,776	4,931,003
1420345	Cess	156,456,200	156,456,200	159,585,324	122,529,356
1420507	Kiborgok Tea Proceeds	18,913,963	18,134,708	18,497,402	14,612,948
1580401	Slaughter Fees	638,320	820,369	836,776	661,053
1550105	Kiosks & stalls	3,535,000	7,247,457	7,392,406	5,840,001
1550000	Trade Fair	2,020,000	2,060,400	2,101,608	1,660,270
1420404	Parking Fees	46,018,822	32,388,047	33,035,808	26,098,288
1450100	Vetenary	6,565,000	4,754,373	4,849,460	3,831,073
1580100	Health and Sanitation	83,042,200	64,374,313	65,661,799	51,872,821
1420403	Sewerage and Water	686,800	665,509	678,819	536,267
1530000	Advertising	4,242,000	2,812,446	2,868,695	2,266,269
1530000	Physical Planning	2,020,000	1,339,260	1,366,045	1,079,176
1530000	Weights % Measures	3,030,000	2,008,890	2,049,068	1,618,764
1530000	Tourism and Co-op Development	1,414,000	1,442,280	1,471,126	1,162,190
1530000	Hire of Exhauster	2,222,000	1,473,186	1,502,650	1,187,094
1530000	<b>OTHER FEES</b>	<b>3,470,242</b>	<b>3,539,647</b>	<b>3,610,440</b>	<b>2,852,248</b>
<b>1.2</b>	<b>GOVERNMENT FUNDING</b>	<b>6,802,400,000</b>	<b>6,843,294,705</b>	<b>6,394,414,458</b>	<b>6,990,869,041</b>
1.2.1	CRF Fund Balances	1,433,000,000	1,604,294,705	1,013,914,458	
1.2.2	CRA EQUITABLE SHARES	5,369,400,000	5,239,000,000	5,380,500,000	6,990,869,041
			-	-	
<b>1.3</b>	<b>Conditional allocations from NG</b>	<b>196,712,989</b>	<b>202,710,317</b>	<b>212,845,833</b>	
1.3.1	CHFS -County Health Facility Supplies		-	-	
1.3.2	COMPENSATION OF USER FEE	18,086,363	18,086,363	18,990,681	
1.3.3	RMLF	141,371,626	151,830,656	159,422,189	
1.3.4	Development of Youth Polytechnics	37,255,000	32,793,298	34,432,963	
			-	-	
<b>1.4</b>	<b>Conditional Allocations from Development partners</b>	<b>588,558,655</b>	<b>710,841,621</b>	<b>596,628,512</b>	<b>524,297,872</b>
1.4.1	DANIDA -HSPS3	17,111,250	16,031,250	16,832,813	
1.4.2	KDSP - World Bank	44,551,044	30,000,000	31,500,000	
1.4.3	W.B -Transforming of Health Systems	97,229,498	46,342,186	48,659,295	

1.4.4	W B. -National Agricultural and rural growth project	140,435,163	343,929,300	361,125,765	
1.4.5	Other Loans and grants	-	-	-	
1.4.6	Kenya Urban Support project (KUSP)	177,231,700	177,231,700		
1.4.7	European Union Water Tower Programme	72,000,000	72,000,000		
1.4.8	Food and Agriculture Organization	40,000,000			
1.4.9	urban institutional grant (U.I.G) WB		8,800,000		
1.5.0	ASDSP		16,507,185		
1.5.1	LEASING OF MEDICAL EQUIPMENT	200,000,000	131,914,894	138,510,639	153,297,872



## Annex 2: Proposed Budget Ceilings for FY 2021/2022

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

COUNTY GOVERNMENT OF NANDI