



**COUNTY GOVERNMENT OF LAIKIPIA**

**DEPARTMENT OF FINANCE, ECONOMIC PLANNING, INNOVATION AND  
ENTERPRISE DEVELOPMENT**

**2022 COUNTY BUDGET REVIEW AND OUTLOOK**  
**PAPER**



**SEPTEMBER 2022**

## **COUNTY VISION, MISSION, AND CORE VALUES**

### **Vision Statement**

The greatest county with the best quality of life

### **Mission Statement**

To enable every household in Laikipia county to lead a prosperous life

### **Core Values**

People-centeredness

Equity

Accountability

Efficiency

Professionalism

Integrity

Innovativeness

Passion

## FOREWORD

The 2022 County Budget Review and Outlook Paper(C-BROP) has been prepared in line with Section 118 of the Public Finance Management Act, 2012 which requires a County Government to prepare this paper in respect of each financial year with an aim of reviewing achievements of pre-targeted objectives hence ensuring effectiveness and efficiency in resource mobilization and budget implementation. This is traced through realistic allocations of County Government resources and utilization of the same to meet the needs of the people.

The 2022 Budget Review and Outlook Paper (BROP) has been prepared against a background of economic slowdown occasioned by the ongoing Russia-Ukraine conflict, effects of the COVID-19 containment measures, higher-than expected inflation worldwide triggered by higher global oil and food prices and the impact of the global monetary policy that has created tighter financial condition. As a result, the global economy is projected to slow down to 3.2 percent in 2022 from 6.1 percent 2021.

Towards this end the county government put in place several measures to help in the recovery from the harsh economic conditions and bring back people to productive economic activities, these included

- a) Revitalization of trade through economic stimulus interventions that include financial and capacity building support to micro, small and medium enterprises.
- b) Infrastructural development through improvement of road network in urban and rural areas to spur economic growth through access to markets, movement of people, produce and goods hence creating job opportunities.

The fiscal performance of the FY 2021/22 budget was above average. Revenue performance was at 72 per cent while the expenditures were recorded at 71 per cent against the approved budget. Shortfalls in revenue were largely due to non-realisation of infrastructure bond and non-receipt of equitable share and conditional grants and drought conditions that affected local revenue cash flows. Own source revenue for the year 2021/22 increased by 7 per cent to KShs 902 million from 2020/21 collection of KShs 840 million. Expenditure performance was mainly affected by non-realised cash flows. In light of these developments, revenues for the FY 2022/23 will be enhanced and keenly monitored to ensure that set targets are achieved.

The expenditure and revenue policy framework for the 2022/23 financial year and the medium is guided by the following fiscal principles;

- i. Entrenching fiscal discipline in the management of Public Finances,
- ii. Aligning Laikipia County development agenda with the National Development Goals,

- iii. Support economic growth through enterprise and infrastructure development in order to create employment opportunities.
- iv. Enhancing public participation in the selection and implementation of projects to ensure equity in service provision.

Fiscal discipline will enable county sectors achieve set objectives at minimum cost. The implementation of the County budget will focus on enhancing business opportunities through enterprise development, enhancement of agriculture productivity, improve access to health care and upgrade public infrastructure among others.

Towards ensuring transparency and accountability the county will continuously engage stakeholders in development planning, implementation, and monitoring as required by the Constitution of Kenya 2010, Public Finance Management Act, 2012 and other guiding laws.

  
**Murungi Ndai**  
**County Executive Committee Member**  
**FINANCE AND ECONOMIC PLANNING**





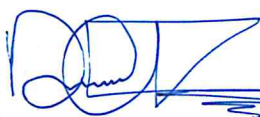
## ACKNOWLEDGEMENTS

The preparation of the County Budget Review and Outlook Paper 2022 is in line with the provisions of section 118 of the Public Financial Management Act; 2012. This has been achieved through concerted efforts of various stakeholders.

The Department of Finance and Economic Planning is grateful to the H.E. the Governor Joshua Irungu, H.E the Deputy Governor Reuben Kamuri and the entire County Executive Committee for their guidance in planning, implementation and review of the county planning and budget frameworks culminating in the development of this paper.

Special thanks to the CECM Finance and Economic planning Mr. Murungi Ndai for spearheading the formulation of this paper. I also recognize departmental teams led by Chief Officers for their inputs to this process.

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## ABBREVIATIONS

<b>ADP</b>	Annual Development Plan
<b>AGPO</b>	Access to Government Procurement Opportunities
<b>CBROP</b>	County Budget Review and Outlook Paper
<b>CDMS</b>	County Debt Management Strategy
<b>CFSP</b>	County Fiscal Strategy Paper
<b>CIDP</b>	County Integrated Development Plan
<b>CRA</b>	Commission on Revenue Allocation
<b>CSWGs</b>	County Sector Working Groups
<b>EAC</b>	East Africa Community
<b>FY</b>	Financial Year
<b>GDP</b>	Gross Domestic Product
<b>HFIF</b>	Health Facility Improvement Fund
<b>ICT</b>	Information Communication Technology
<b>IEBC</b>	Independent Electoral and Boundaries commission
<b>IFMIS</b>	Integrated Financial Management Information System
<b>KRA</b>	Kenya Revenue Authority
<b>MTEF</b>	Medium Term Expenditure Framework
<b>NSE</b>	Nairobi Securities Exchange
<b>PFM</b>	Public Finance Management
<b>PFMA</b>	Public Finance Management Act

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Legal basis for the preparation of CBROP

Preparation of the annual County Budget Review and Outlook Paper (CBROP) is guided by section 118 of the Public Financial Management Act, 2012 which states that:

- 1) The County Treasury shall-
  - a) Prepare a County Budget Review and Outlook Paper in respect of the County for each financial year; and
  - b) Submit the paper to the County Executive Committee by the 30<sup>th</sup> September of that year.
- 2) In preparing its County Budget Review and Outlook Paper, the County Treasury shall specify
  - a) The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year.
  - b) The updated economic and financial forecasts with sufficient information to show changes from the most recent County Fiscal Strategy Paper.
  - c) Information on-
    - (i) Any changes in the forecasts compared with the County Fiscal Strategy Paper or
    - (ii) How actual fiscal performance for the previous financial year may have affected compliance with the County Fiscal Strategy Paper for that financial year, and
  - d) Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.
- 3) The County Executive Committee shall consider the County Budget Review and Outlook Paper with a view of approving it, with or without amendments within fourteen days after its submission.
- 4) Not later than seven days after the CBROP is approved by the County Executive, the county Treasury shall-
  - a) Arrange for the paper to be laid before County Assembly and
  - b) As soon as practicable after having done so, Publish and publicize the paper.

## **1.2 Significance of the CBROP**

The purpose of this paper is to enable the county government review its previous fiscal performance and how it impacts on the financial objectives and fiscal responsibility principles set out in Section 107 of the PFM Act; its likely impact on the level of future revenues; expenditures; and set the preliminary sector ceilings to enable sectors prepare their annual estimates. C-BROP helps link policy formulation and planning to service delivery.

This review is based on the fifth fiscal year of implementation of the second County Integrated Development Plan and the Third Medium Term Plan (MTP III 2018-2022), that guided budget preparation and implementation in the County. This C-BROP is based on the MTEF priorities that include

- Development of fiscal framework that projects revenues and expenditure in the medium term (multi-year).
- Development of sectoral programs, objectives, outputs and activities.
- Review of programs, sub-programs and cost estimation.
- Development of sectoral expenditure frameworks, analysis of inter- and intra-sectoral trade-offs, consensus-building on strategic resource allocation.
- Definition of sector resource allocations setting medium term sector budget ceilings.
- Preparation of sectoral budgets and medium term programs based on budget ceilings

These take into account priority needs of the citizenry in the devolved system of government.

## **1.3 Objectives of the CBROP**

The core objectives of CBROP are:

- (i) To provide details of the actual fiscal performance of the financial year 2021-2022, and deviations from the approved budget of the same year.
- (ii) To specify the updated economic and financial forecasts in relation to the changes from the forecasts in the County Fiscal Strategy Paper of February, 2022.
- (iii) To provide information on any changes in the forecasts compared with the CFSP of February, 2022
- (iv) To specify how actual financial performance for the year 2021/22 may have affected compliance with the fiscal responsibility principles, or the financial objectives in the CFSP.



- (v) To provide reasons for any deviation from the financial objectives in the CFSP of February, 2022 together with proposals and timelines to address the deviations.

#### **1.4 Structure of the CBROP**

The County Budget Review and Outlook Paper is broadly classified into two: a review section and an outlook section.

It is further organized into five chapters. Chapter one introduces the C-BROP giving the legal framework, its significance and objectives. Chapter two provides the overview, County fiscal performance and its implications. Chapter three gives highlights on the recent economic developments and the outlook for period 2022/23 to medium term and risks to the outlook. Chapter four sets out the resource allocation framework across county departments by establishing the resource envelope and allocates these by setting expenditure limits or ceilings for each government department.

Chapter five provides a conclusion and next steps highlighting the value of the Budget Review and Outlook Paper.

## CHAPTER TWO:

### REVIEW OF FISCAL PERFORMANCE IN 2021/22

#### 2.1 Performance Overview

During the financial year 2021/22 the county realised total revenue of KShs. 6,345,318,592 against a budget of KShs 8,878,560,676 representing 71.5 per cent revenue performance, this was composed of equitable share, own source revenue, conditional grants and opening balances. Revenue performance was affected by non- realisation of set revenue targets from own source revenue, delayed release of equitable share for the month of June 2022 and conditional grants as shown in Table 1 below.

The county recorded an annual expenditure of KShs. 6,294,000,793 against a budget of KShs 8,878,560,676 during the financial year representing 70.9 per cent budget utilization; of this County Executive expenditure amounted to KShs 5,756,255,518 against a budget of KShs 8,340,703,410 representing 69.0 per cent utilization, while the County Assembly expenditure amounted to KShs 537,745,275 against a budget of KShs 537,857,266 representing 99.9 per cent budget utilization. The expenditure performance was mainly affected by reduced cash flows as a result of unrealised revenue targets.

#### 2.2 Fiscal Performance in 2021/22

##### 2.2.1 County Revenue Performance

The County realized KShs 4,725,364,426 in equitable share against a target of Kshs 5,136,265,679 representing 92 per cent while Own Source Revenue amounted to KShs 902,354,455 against a target of KShs 1,313,813,276 representing 68.7 per cent. In addition, KShs 165,882,387 of 2021/22 Conditional Grants was realized against a target of KShs 594,808,504 representing 27.9 per cent. The County revenue was further boosted by the release of Conditional Grants B/F for FY 2020/2021 amounting to KShs 526,365,809 against a target of KShs 561,453,951 representing 93.8 per cent, opening balances amounting to KShs 24,591,912 and County Revenue Fund (CRF) returns of Ksh.759, 603.

Own Source revenue receipts increased by KShs 61,957,822 from KShs 840,396,632 in 2020/21 to KShs 902,354,455 in 2021/22 representing 7.4 per cent growth. Conditional Grants receipts for 2021/22 decreased by KShs 481,066,186 from KShs 646,948,573 to KShs 165,882,387 representing a 74.3% decline, this was mainly attributed to Kenya Devolution Support

Programme (KDSP) whose funding was due 2020/2021 and delay in release of Climate Smart Agriculture Project (KCSAP) funding for 2021/22. The following factors affected revenue performance.

- (a) Delayed release of equitable share and conditional grants.
- (b) Non-realisation of the infrastructure bond funding
- (c) Delayed release of revenue by the National Treasury in respect to contribution of lieu in rates.
- (d) Under realization in collection of land rates and ground rents arrears due to non-compliance by the debtors.
- (e) Decline in collection of single business permit and liquor licences triggered by harsh economic conditions characterized by inflation trends which led many businesses being unable to operate smoothly.
- (f) Drought experienced across the county led to decline in horticultural, livestock, sand cess and slaughter fees.
- (g) Shortfall in revenue realized from building plans due to slow development occasioned by increased cost of building materials.

Table 1 below summarizes the overall county revenue performance in 2021/22 with comparatives for 2020/2021. It further provides the deviations from the approved revenue estimates and the growth realized against the previous year actuals. Annex 3 and 4 gives detailed analysis of the performance of own source revenue and conditional grants for financial years 2020/21 and 2021/22 respectively.

**Table 1: County Revenue Performance**

Total Revenue and Grants	Financial year 2020/21	Financial Year 2021/22		Deviation (KShs) (Actual –Target) D=C-B	Growth (%) (From 2020/21- 2021/22 actuals) E=(C-A)/A*100
	Actual (KShs)	Targets (KShs)	Actuals (KShs)		
	A	B	C		
Opening Balance	229,834,793	23,561,384	24,320,988	759,604	-89.4
CRF Returns	1,989,102	759,602	759,602	0	-61.8
Opening Balance Emergency Fund	15,128,807	270,925	270,925	0	-98.2
Equitable Share	4,177,800,000	5,136,265,679	4,725,364,426	(410,901,254)	13.1
Own Source Revenue	840,396,632	1,313,813,276	902,354,455	(411,458,821)	7.4
Conditional Grants	646,948,573	594,808,504	165,882,387	(428,926,117)	-74.4
Conditional Grants B/F 20/21	508,610,084	561,453,951	526,365,809	(35,088,142)	3.5
Infrastructure Bond	0	1,247,627,355	0	(1,247,627,355)	-
<b>Total Revenue</b>	<b>6,420,707,991</b>	<b>8,878,560,676</b>	<b>6,345,318,592</b>	<b>-2,533,242,084</b>	<b>-1.2</b>



## 2.3 County Expenditure Performance

The total actual expenditure performance in 2021/22 was KShs 6,319,405,556 comprising of recurrent expenditure of KShs 4,496,381,758 representing 71.2 per cent budget absorption and development expenditures of KShs 1,823,023,798 representing 28.8 per cent budget absorption. As compared to the year 2020/21 the recurrent expenditure grew slightly by 1.1 per cent from KShs.4,448,597,983, while development expenditure increased by 28.7 per cent from KShs.1,416,837,088.

The overall county expenditure performance in 2021/22, details of growth in actual expenditure and the deviations from the approved estimates is illustrated in Table 2 .Specific expenditure items analysis are provided in Annexes 2.

**Table 2: County Expenditure Performance**

Expenditure	2020/21 Actual (KShs)	Financial year 2021/22		Deviation (KShs)	% Growth
		Target (KShs)	Actual (KShs)		
	A	B	C	D=C-B	E=C-A/A*100
<b>(1) Recurrent Expenditure</b>					
County Executive Recurrent	3,981,214,937	4,472,237,791	4,001,902,458	(470,335,333)	0.5
County Assembly	467,383,046	494,589,219	494,479,300	(109,919)	5.8
<b>Total</b>	<b>4,448,597,983</b>	<b>4,966,827,010</b>	<b>4,496,381,758</b>	<b>(470,445,252)</b>	<b>1.1</b>
<b>(2) Development Expenditure</b>					
County Executive	1,316,632,397	3,868,465,619	1,779,757,824	(2,088,707,795)	35.2
County Assembly	100,204,691	43,268,047	43,265,974	(2,073)	(56.8)
<b>Total</b>	<b>1,416,837,088</b>	<b>3,911,733,666</b>	<b>1,823,023,798</b>	<b>(2,088,709,868)</b>	<b>28.7</b>
<b>Total Expenditure</b>	<b>5,865,435,07</b>	<b>8,878,560,676</b>	<b>6,319,405,556</b>	<b>(2,559,155,121)</b>	<b>7.7</b>

### Recurrent expenditure performance

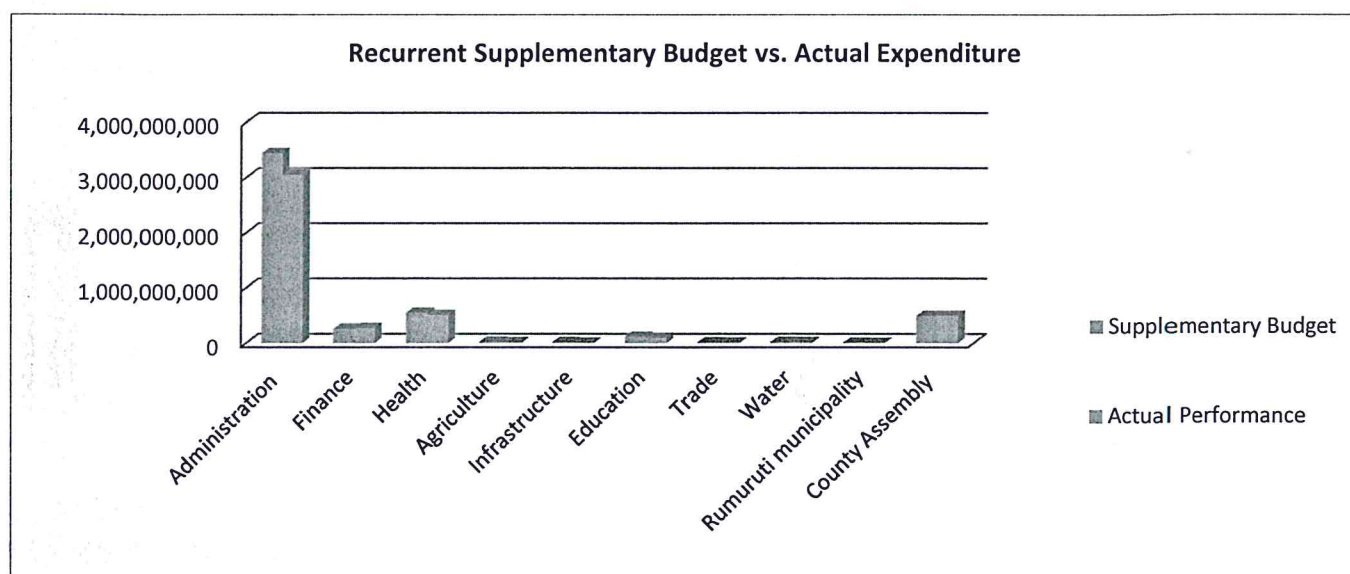
The sectoral expenditures were utilized by the 8 departments of the County Executive, Semi autonomous government entities and the County Assembly . These sectors recorded different rates of absorption on their recurrent expenditures in the year under review as indicated in *Table 3* and *Figure 1* below;



**Table 3: Performance of the Recurrent Budget in FY 2021/2022**

Sector	Allocated Budget – Supplementary (KShs)	Actual Performance (KShs)	Deviation(KShs)	Per centage performance
	A	B	C=B-A	D=B/A*100
County Administration and Public Service	3,442,628,700	3,047,931,552	(394,697,148)	89
Finance and Economic Planning	256,132,891	270,293,489	14,160,598	106
Medical Services and Public Health	550,587,363	510,100,598	(40,486,765)	93
Agriculture, Livestock and Fisheries	28,939,737	20,663,710	(8,276,027)	71
Land, Housing and Urban Development	23,536,268	11,277,949	(12,258,319)	48
Education, ICT and Social Services	117,677,793	98,074,590	(19,603,203)	83
Trade, Tourism and Co-operatives	16,215,450	15,852,730	(362,720)	98
Water, Environment and Natural Resources	26,019,589	22,707,840	(3,311,749)	87
Rumuruti municipality	10,500,000	5,000,000	(5,500,000)	48
County Assembly	494,589,219	494,479,300	(109,919)	100
<b>Total</b>	<b>4,966,827,010</b>	<b>4,496,381,758</b>	<b>(470,445,252)</b>	<b>91</b>

**Figure 1: Recurrent Budget against Actual Performance FY 2020/21**



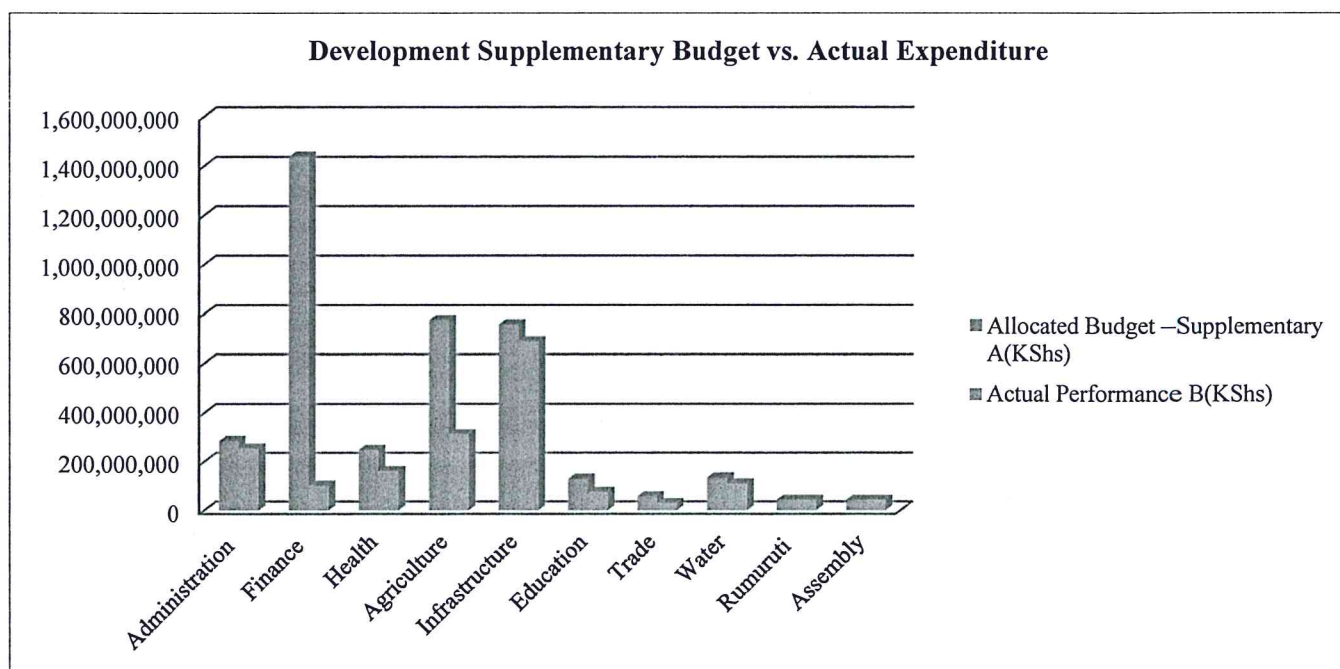
## Development expenditure performance

The Sectoral expenditures were utilized by the 8 departments of the County Executive, Semi-autonomous government entities and the County Assembly. These sectors recorded different rates of absorption on their development expenditures in the year under review as indicated in Table 4 and Figure 2 below;

**Table 4: Performance of the Development Budget FY 2021/2022**

Sector	Allocated Budget – Supplementary	Actual Performance	Deviation	Percentage performance
	A(KShs)	B(KShs)	C=B-A(KShs)	D=B/A*100
County Administration and Public Service	284,965,065	254,564,078	(30,400,987)	89
Finance and Economic Planning	1,437,401,686	101,726,329	(1,335,675,357)	7
Medical Services and Public Health(including leasing of medical equipment)	248,540,500	161,731,934	(86,808,566)	65
Agriculture, Livestock and Fisheries	774,949,312	312,652,054	(462,297,258)	40
Land, Housing and Urban Development	757,925,482	688,864,296	(69,061,186)	91
Education, ICT and Social Services	128,903,643	76,222,638	(52,681,006)	59
Trade, Tourism and Co-operatives	57,800,000	29,652,710	(28,147,290)	51
Water, Environment and Natural Resources	134,024,255	110,388,109	(23,636,146)	82
Rumuruti municipality	43,955,676	43,955,676	-	100
County Assembly	43,268,047	43,265,974	(2,073)	100
<b>Total</b>	<b>3,911,733,666</b>	<b>1,823,023,798</b>	<b>(2,088,709,868)</b>	<b>47</b>

**Figure 2: Development Budget against Actual Performance FY 2021/22**





### **2.3 Fiscal Balance (Net Position)**

In 2021/22 the county did not achieve a balanced fiscal framework. Revenue performance was at 71.5 per cent while overall budget absorption was 70.8 per cent. This performance was mainly attributed to unrealised own source revenue targets and infrastructure bond together with unremitted equitable share and conditional grants. The reported expenditure was based on available cashflow since county governments use International Public Sector Accounting Standards (IPSAS) cash standard for reporting. Balances and accruing pending bills will be planned for and prioritised in financial year 2022/2023.

### **2.4 Implications of 2021/22 Fiscal Performance on Financial Objectives Contained in the 2022/23 Approved Budget.**

According to the 2021/22 revenue performance, the local revenue target of KShs 1,312,813,276 was not achieved affecting the overall budget implementation. To mitigate this, the County Revenue Board will review the revenue targets and implement various revenue enhancement interventions in the year 2022/23. These will include

- Enhanced adoption of e- revenue systems, the expansion of the tax base and providing better business environment leading to higher levels of tax compliance, implementation of the new valuation roll that will boost collection of landrates, enforcement on collection of accrued arrears and carrying out taxpayers' awareness in regards to payment of taxes.
- Timely follow up of donor funding will be scaled up to build on the resource basket.
- Develop and adopt more measures to ensure effective and efficient utilisation of scarce resources which will result into cost savings on non-core expenditure hence releasing funds for key government programs .

In 2022/23 the County expects significant improvement in absorption of development funds by focusing on aligning recurrent and development expenditure, timely procurement of goods and services through the e- procurement platform and timely funding of activities. Overall this will help in achievement of County objectives that are geared towards improvement of services to the residents/public.

## CHAPTER THREE

### RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

#### 3.1 Introduction

This section provides an analysis of the recent macroeconomic developments and their impact on the implementation of 2021/22 County budget. It also discusses their prospects for growth given the recent economic events and circumstances.

#### 3.2 Recent Economic Developments

##### 3.2.1 International Scene

The world real economic growth rate stood at 5.9 per cent in 2021 compared to a contraction of 3.1 per cent reported in 2020. The growth was mainly attributed to easing of COVID-19 restriction measures which increased global trade. The growth was manifested in advanced economies and Emerging Markets and Development Economies (EMDEs) which expanded by 5.0 per cent and 6.5 per cent respectively. The Sub Saharan Africa (SSA) and East African economies grew by 3.7 per cent and 4.9 per cent respectively in 2021. The growth in SSA was supported by increased agricultural production, high commodity prices and increased international tourist arrivals. Favourable weather conditions bringing about increased cereal outputs supported growth in the East African economies.

The world inflation rate rose to 4.3 per cent in 2021 from 3.2 per cent in 2020. The rise was attributed to high prices of agricultural and energy commodities and supply chain disruptions. The advanced economies registered 2.8 per cent, EMDEs 8.4 per cent while for Sub Saharan African economies it increased to 10.7 per cent.

The world trade volume increased by 9.3 per cent in 2021 compared to a contraction of 8.2 per cent in 2020, reflecting increased demand and activities in the economy. The unemployment rate eased from 6.6 per cent to 6.2 per cent in 2021 as businesses reopened and the number of working hours increased after the relaxation of COVID-19 restrictions.



### 3.2.2 Domestic Performance

The Kenyan economy recovered from the crippling effects of the COVID-19 pandemic to expand by 7.5 per cent in 2021 compared to a contraction of 0.3 per cent in 2020. This was attributed to resumption of most economic activities after the lifting of COVID containment measures instituted in 2020 to curb the spread of the Virus. The improved economic growth was supported by improved economic performance in key sectors of the economy including Manufacturing (6.9%), Wholesale and Retail Trade (7.9%), Real Estate (6.7%), Transport and storage (7.2%), and Financial and Insurance activities (12.5%). However, Agriculture, forestry and Fishing contracted by 0.2 per cent due to dry weather conditions.

To accelerate economic recovery, favourable monetary policy options were instituted which include the Central Bank Rate which has remained at 7.0 per cent. Inflation rate rose from 5.4 per cent in 2020 to 6.1 per cent in 2021 due to the increase in fuel and food items prices.

On international trade, the volume of trade amounted to KShs 2,894.9 billion in 2021 compared to KShs 2,287.3 billion in 2020. This was occasioned by a 30.9 per cent growth in imports to KShs 2,151.2 billion (from increased expenditure on petroleum products, iron, steel, animal fats and oil and vehicles) and a 15.5 per cent increase in total exports to KShs 743.7 billion on account of horticultural products, articles of apparel and clothing accessories, titanium ores and concentrates. The balance of trade deficit grew to KShs 1,407.6 billion in 2021 implying that exports could only cater for 34.6 per cent of the country's imports. The current account balance widened from a deficit of KShs 510.1 billion in 2020 to a deficit of KShs 663 billion in 2021 owing to faster growth of merchandise imports relative to exports. In the first half of 2022, the domestic export from the economy has reported a general upward trend recording KShs 54 billion in January, 67.5 billion in March, 70.7 billion in May before a slump to 68.5 billion in June.

In the first half of 2022, the economy registered rising inflation standing between 5.39 and 5.56 for January and March, 6.47 and 7.91 for April and June before settling at 8.53 per cent in August. The Kenyan Shilling continued to depreciate against the US Dollar rising from 113.38 in January to 115.40 in April to 117.29 in June and finally at 120.33 in August. However, it appreciated against the Sterling Pound dropping from 153.59 in January to 150.11 in April before reporting 139.11 in August 2022. The trend is replicated for the Euro which exchanges at KShs 128.42 in January, 124.14 in June and at KShs 120.64 in August. The East African

currencies reported mixed performance with the Kenyan shilling depreciating against the Ugandan Shilling (KShs 31.13 in January to KShs 31.91 in June and KShs 31.7 in August) while appreciating against the Tanzanian Shilling (KShs 20.33 in January, KShs 19.87 in June and KShs 19.37 in August)

The manufacturing sector recorded a growth of real value added of 6.9 per cent compared to a contraction of 0.4 per cent in 2020. The share of manufacturing to GDP was 7.2 per cent while volume of output expanded by 6.0 per cent. The growth was mainly due to increased production of non-metallic mineral products like cement, leather and related products and dairy products.

Construction sector registered a growth of 6.6 per cent compared to a growth of 10.1 per cent in 2020. This was supported by growth in public residential buildings and road construction.

Tourism sector recovered significantly in 2021. International visitors' arrivals expanded by 50.3 per cent due to the reopening of the country's source markets, relaxation of travel restrictions and the rising rate of COVID-19 vaccination. Hotel bed-nights occupancy rose by 45.1 per cent to 5.5 million. Domestic tourism expanded notably with hotel bed-nights occupancy of local residents growing by 49.1 per cent to 3.8 million. In the first half of 2022, the visitor's arrival at Jomo Kenyatta International Airport (JKIA) and Moi International Airport (MIA) has increased by 54.6 per cent from 69, 932 in January to 108,166 in June.

### **3.2.3 County Economic Performance**

In 2021, the opening of national economy led to resumption of service sector which led to growth of both the local and national economy. The county created incentives for businesses creation and expansion through the economic stimulus package whereby businesses borrowed loans at cheaper rates.

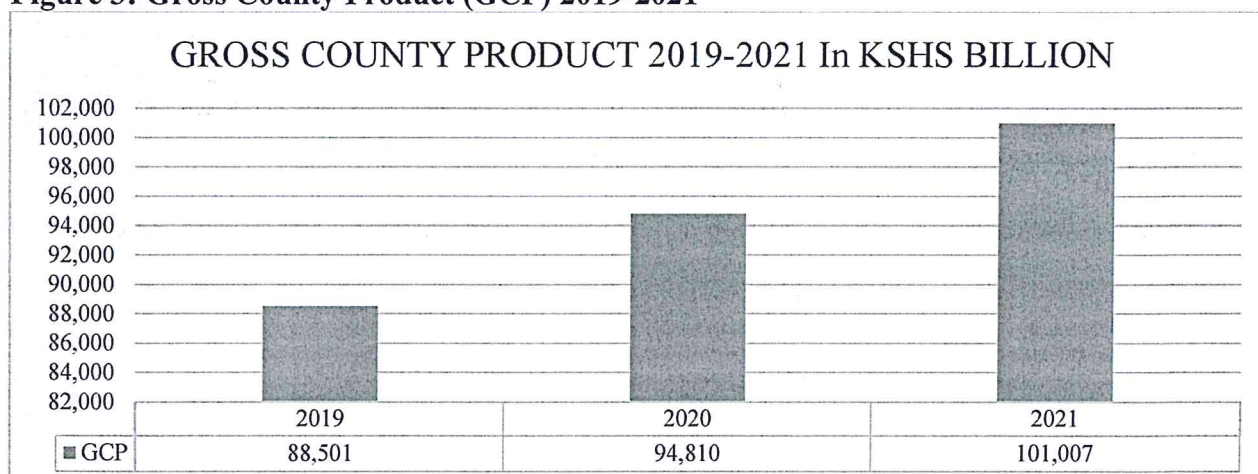
The continued Infrastructural development like opening up of rural roads led to improved marketing of agricultural products even with the agricultural sector being negatively affected by dry spells. The beef and horticulture production promoted county's contribution to export trade. The horticultural produce is marketed locally and also exported outside the country through exporting companies like AAA growers, Frigoken, Home grown among others.

Laikipia County is a key tourist destination. The key attractions are wildlife in private and community ranches, safari lodges for ride horseback, walk the hills, strong Maasai culture and conservation efforts, which have made Laikipia famous.



The Gross County Product (GCP) for Laikipia grew by 6.5% from KShs 94.8 billion in 2020 to KShs 101 billion in 2021, supported by positive growths in most of the county sectors as depicted in the following figure 3.

**Figure 3: Gross County Product (GCP) 2019-2021**



Some of the sectors that recorded significant recovery included accommodation and food service activities (52.5%), Education (21.4%), other service activities (18.9%) and Mining and Quarrying (18.1%). The growth was also supported by improved performance in Manufacturing, Wholesale and Retail Activities, Transport and storage, administrative support services and Professional and technical services coupled with sustained growth in water supply and waste collection, Information and communication, real estate and public administration and defence activities. However, the growth was constrained by contraction in agricultural activities mainly owing to erratic and poorly distributed long rains as well as inadequate short rains in 2021.

The County economic performance for the period 2019-2021 is as captured in the following table 5.

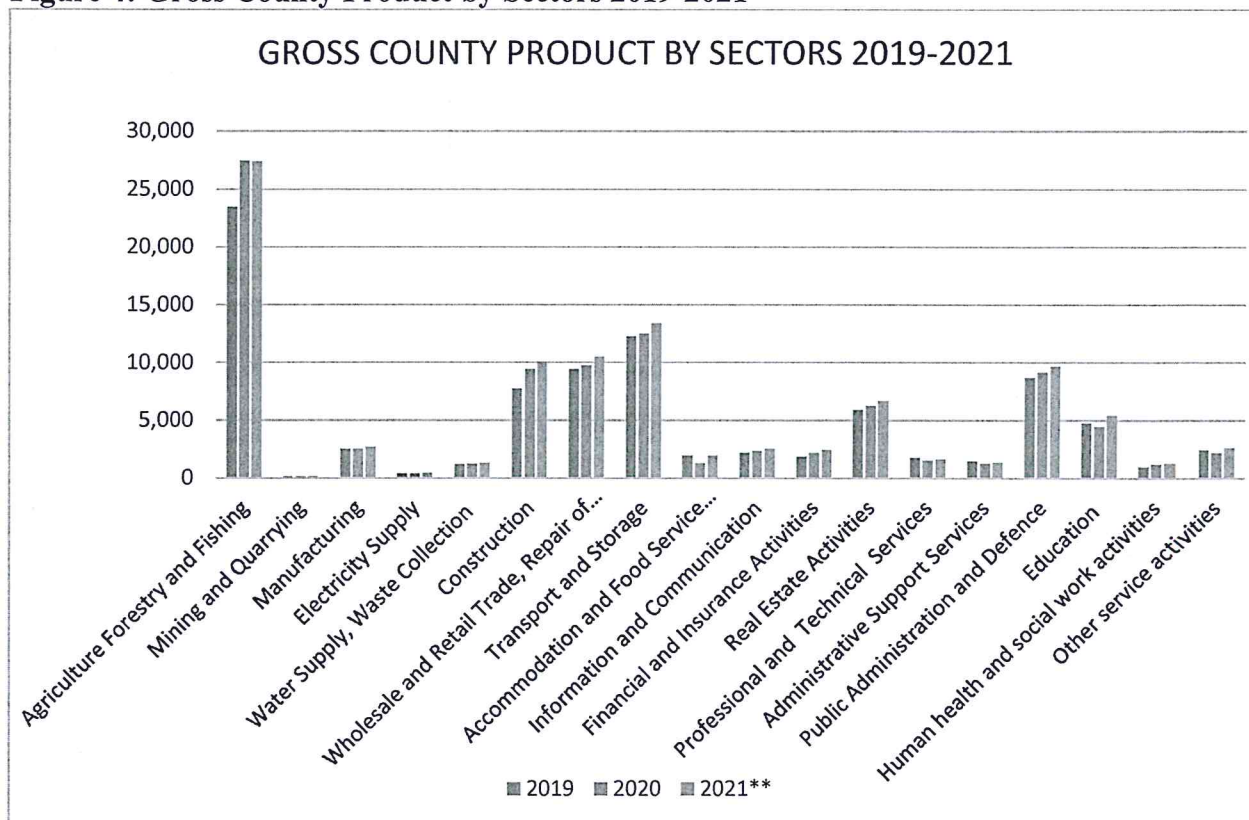
**Table 5: County Economic Performance 2019-2021**

Economic Activities	GCP at Current Prices, KShs Million		
	2019	2020	2021**
Agriculture Forestry and Fishing	23,474	27,469	27,414
Mining and Quarrying	123	136	161
Manufacturing	2,502	2,535	2,710
Electricity Supply	396	417	435
Water Supply, Waste Collection	1,198	1,246	1,326
Construction	7,732	9,450	10,074
Wholesale and Retail Trade, Repair of Motor Vehicles	9,461	9,752	10,522
Transport and Storage	12,296	12,522	13,424
Accommodation and Food Service Activities	1,967	1,285	1,960
Information and Communication	2,182	2,346	2,552
Financial and Insurance Activities	1,849	2,180	2,453

Economic Activities	GCP at Current Prices, KShs Million		
Real Estate Activities	5,923	6,267	6,687
Professional and Technical Services	1,750	1,552	1,639
Administrative Support Services	1,495	1,274	1,348
Public Administration and Defence	8,716	9,191	9,706
Education	4,779	4,484	5,444
Human health and social work activities	947	1,186	1,257
Other service activities	2,459	2,217	2,636
FISIM1	-748	-701	-740
<b>Total</b>	<b>88,501</b>	<b>94,810</b>	<b>101,007</b>

The trend in each of the sectors is as clearly depicted in figure 4.

**Figure 4: Gross County Product by Sectors 2019-2021**



### 3.3 Economic Outlook

The world economy is likely to attain a moderate growth of 4.4 per cent in 2022 from a recovery of 5.9 per cent registered in 2021. The risk to this lower growth outlook is largely due to the ongoing conflict in Eastern Europe through disruption of supply chains, rising global oil prices and inflationary pressures and the resurgence of the COVID-19.

In the domestic front, the economy is projected to stabilize at 6.0 per cent supported by a recovery in agriculture, industry and service sectors. The risks to this performance include re-emergence of COVID-19 variants and possible adverse weather conditions. To realize economic



stability, the government will ensure inflation will remain within the target range of +/-5 while pursuing stable interest rates to support growth in private sector credit.

The foreign exchange market is largely expected to remain stable with foreign exchange reserves proving buffers against shocks in the market. The current account deficit is projected at 5.9 per cent of GDP in 2022 supported by a rebound in horticulture and tea exports as well as increased inflows of remittances.

The total revenue collections including Appropriation in Aid and grants projections for 2022/2023 will be at KShs 2.4 trillion which is equivalent to 17.5 per cent of GDP. The ordinary revenue is projected at KShs 2.14 trillion equivalent to 15.3 per cent of the GDP. The projected total expenditures stand at KShs 3.3 trillion equivalent to 23.9 per cent of GDP with the development expenditures (including allocation to foreign financed projects, contingency fund and conditional transfer to counties) at KShs 715.5 billion. From the foregoing, the fiscal deficit is projected to decline to KShs 862.5 billion equivalent to 6.2 per cent of budget compared to KShs 1,024.3 billion equivalent to 8.1 per cent of GDP in 2021/2022. This will be financed through net external borrowing of KShs 280.7 billion equivalent to 2.0 per cent of GDP and net domestic financing of KShs 581.7 billion equivalent to 4.2 per cent of the GDP.

In the local scene, the County may report repressed economic performance. This is informed by reduced agricultural activity due to delayed and reduced rainfall and high cost of inputs during the long rains planting session. Economic activity in the service sectors like accommodation and food and food services may be affected by the high fuel prices and inflation rate.

### **3.4 Progress Report on Budget Implementation**

This report is presented at a time when the national economy is being impacted by both external and internal shocks. Prolonged drought impacted our local economy and led to reduced agricultural production. Increased fuel and fertilizer prices due to the on-going Russia-Ukraine war negatively affected the county's agricultural production. The county prioritized payment of essential services like salary and other services and is still being faced with financial challenges as the wage bill for 2021/22 is still higher than the recommended 35 per cent of the total county revenue.

The County Annual Procurement Plan 2022/23 and two-year prequalification plan (2022/23-23/24) are in place and uploaded to the IFMIS. In addition, continued sensitizations on compliance with AGPO and e-procurement system are expected to ensure inclusivity and



efficiency in supply chain management. The county leadership is still on the progress of restructuring its procurement process to ensure successful bidders are published and publicized.

Despite the economic challenges faced nationally and locally, the county realized increased revenue collection by 7.4 per cent as compared to the financial year 2020/21. The local revenue collection during the period July-mid September 2022, recorded KShs. 111,836,922, which represents 8.6 per cent realization of the projected annual target of KShs. 1,295,719,999. This slow start to the collection may be attributed to the prolonged droughts and political uncertainties which have impacted both local and national economy.

There has been delayed disbursement of funds from the National government. Improvement in the budget implementation is expected this financial year as the new administration is trying its best to ensure the same and also revenues from the National Treasury and Own Sources are expected to flow normally.

### **3.5 County Economic Outlook and Policies**

The national economic growth is projected at 6.0% supported by rebounds in most economic activities that had contracted significantly due to measures instituted to curb the spread of COVID-19 in 2020. On the local scene, the County Government will continue to implement policies, strategies and reforms to ensure sustained growth and recovery amongst key priority sectors. Consistent growth will be contributed through increased production of goods and services in: agriculture, horticulture, wholesale and retail trade, tourism, construction, manufacturing and transport industry.

The county government fiscal policy focuses government spending in support of the seven key areas of focus which are critical in improving and sustaining the county economic growth, namely:

**(a) Agriculture, Livestock and Food Security:** The county plans to improve food production through various interventions including; provision of subsidy for irrigation equipment and tools; provision of incentives for climate smart agricultural practices; construction of mega dams and desilting of existing dams; establishment of value addition and agro-processing facilities; provision of subsidized farm inputs; strengthening of extension services; supporting of agri-business and access to markets and technology and financial support to NCPB warehouses. To

harness the potential of livestock production, measures in place include; promotion of fodder production by farmers, initiation of livestock breed improvement, promotion of animal health and investment in value addition and processing of meat and other livestock products.

**(b) Enterprise Development and Wealth Creation:** the county government has prioritized up-scaling of access to affordable credit by businesses and farmers through enhanced allocation for co-operative revolving and enterprise fund and negotiation with financial services providers. Other measures include: establishment of business advisory services to offer training and support; facilitation of business incubation and acceleration support services; construction of two modern markets in the county; provision of street lighting and parking; and reduction of cost of doing business in the county by reviewing and rationalizing all licensing and business approvals.

**(c) Energy, Roads Infrastructure and Urban development:** Under energy sector, investments will be geared towards adoption of renewable energy by the communities; establishment of wind and solar energy farms; and facilitation of an enabling legal and policy framework for up-scaling sustainable production, distribution and marketing of alternative sources of energy. Plans in the roads sector include improvement of the county road networks; lobbying of national government to tarmac major roads designated as KeNHA and KeRRA roads; maintenance and rehabilitation of existing roads; and opening of new roads especially in insecurity prone regions. Under physical planning and urban development, the county plans to facilitate adequate provision of cost-effective public infrastructure; efficient approval for housing and other structural drawing approvals; issuance of title deeds for plots in small towns and shambas; finalization of surveying of administrative boundaries within the county; resolution of land issues and dispute promptly; and fencing and development of county properties.

**(d) Youth empowerment and job creation:** measures to promote skills and business training among the youth include; establishment/ rehabilitation, modernization and equipping of TVETs; provision of bursary to students pursuing tertiary education; and setting up of innovation fund. To promote enterprise development among the youth, the county plans capacity building of budding businesses; establishment of innovation and incubation hubs in each subcounty; hosting of annual business competition and exhibitions; provision of business funds to youth and market linkages; and implementation of the 30% government procurement rule. Other measures include;



facilitation of structured youth engagement platforms and development of youth leadership development training; improvement of sports and recreation facilities; supporting rehabilitation of youths from substance abuse; and engagement of CHWs in providing psychosocial support.

**(e) Water and Sanitation:** the county government plans to promote universal access to safe domestic water through construction of boreholes, water storage tanks, water management and distribution to all households; establishment of rural water services board; provision of at least 50,000 water tanks to household across the county; promotion of rainwater harvesting, storage, and treatment; extension of water infrastructure to more households in all the three municipalities; construction of more dams and water pans to increase supply for domestic and livestock consumption; provision of water facilities in schools and TVETs; construction of new sewer treatment plants and up-scaling of solid waste management systems in the county.

**(f) Health and wellness:** measures in place to improve the healthcare service delivery in the county include; establishment of a strong human resource for health programme through reinstatement of all dismissed health professionals; recruitment of more specialized healthcare workers; improvement of working conditions for healthcare personnel; and capacity building and motivation of community healthcare workers; adequate supplies and equipping of all hospitals in the county; universal enrolment of all Laikipians into NHIF social health insurance; establishment of functional Community Health Units (CHU) in all locations in the county; creation of health centers of excellence in every ward and service delivery dispensaries in every location; establishment of one more KMTC College in the county; support nutrition programme in every health facility; establishment and equipping of emergency and rescue services department and digitization and automation of health care services.

**(g) Education and Early Childhood Development:** measures to improve quality and access to education services in the county include; employment of ECDE teachers; provision of bursary for training of ECDE teachers; refurbishment of ECDE classrooms as well as providing them with water and toilets; procurement and supply of teaching and learning materials for ECDE; initiation of a feeding programme for ECDE children; and provision of bursary to needy students in high school and university.

### **3.6 Medium Term Fiscal Framework**

Over the medium term, the County Government will continue to pursue prudent fiscal policy to assure economic stability. The county will ensure full compliance with the principles of public finance as set out in chapter twelve of the Constitution of Kenya 2010 and the fiscal responsibility principles as outlined in section 107 of PFM Act, 2012. The fiscal policy aims at enhancing local revenue mobilization and expenditure rationalization to minimize costs and risks to budget implementation, while considering other alternative sources of revenue to enhance funding of development projects.

With respect to revenue, the County Government intends to implement and sustain strong revenue collection strategies that will realize 100 per cent of estimated revenue targets in 2022/2023 and higher in subsequent years. Local revenue collection in the year is projected at KShs 1,295,719,999 and the County Finance Act 2022 is expected to be fully implemented. Measures in place to enhance local collections include; strengthened operations of Laikipia County Revenue Board and partnerships, continuous automation of revenue collection streams, implementation of cashless mode of payment, revenue mapping of new and existing revenue streams, improved tax compliance, updating of the records and valuation rolls for all towns, capacity building of revenue collection staff, sustained enforcement in the implementation of the finance Act and adoption of best practices in revenue collection and administration. It is expected that the amount of revenue collected will be 43% per cent higher in year 2022/2023 than in 2021/2022. In addition, the county government over the medium-term may from time to time borrow within and outside Kenya such sums of money in such amount and on such terms and conditions as to interest, repayment, disbursement or otherwise as the County Executive Committee Member may find fit, either through; issuance of county treasury bonds; bank overdraft facility from the Central Bank of Kenya; or by any other loan or credit evidenced by instruments in writing.

On expenditure, the County Government will continue with rationalization of expenditure to improve efficiency and reduce wastages. The Government will continue implementing e-procurement, lowering the payable days to a target of 14 days, and link the performance management system with IFMIS for timely reporting. Further the Government will strengthen the audit department to undertake its functions effectively. The Government will prioritize



implementation and completion of ongoing projects and programmes as set out in the budget. The County Government will also adhere to strict project timelines and budgets through projects' field inspection visits and robust public engagements. Joint initiatives with development partners will be pursued to support increased public expenditure on capital projects. To address the issue of high wage bill, the county will limit recruitments to only areas with critical needs. Further, the County Government will continue to enhance capacity building of the county personnel on performance management, areas of specialization, financial management and prudence.

Citizens' engagements and public participation will be enhanced to ensure smooth implementation of the Finance Act 2022, participatory legislation, development planning, budgeting and programmes/projects implementation.

### **3.7 Risks to the Outlook**

- a) **Natural Disasters and man-made hazards;** the forecasted below normal rainfall during the year is indicative of increased risk of worsening the drought conditions in Laikipia North and parts of Laikipia East. In addition, the distribution of the October, November and December (OND) 2022 seasonal rains is likely to be poor in both time and space. This may lead to lower production of food crops and animal feeds, poor water regeneration, and gradual declines in livestock body conditions and production, limiting households' access to food and income. It is therefore advisable for the relevant county departments to evaluate the predicted seasonal rainfall scenarios for planning and decision making to build resilience in all the related social economic activities in the county.
- b) **Persistence of Covid-19 pandemic;** The emergence of new COVID-19 variants that may require broader reinstatement of containment measures, in the country and its trading partners could lead to renewed disruptions to trade and tourism. Additionally, the economy will be exposed to risks arising from public expenditure pressures, particularly wage and other recurrent expenditures, putting strain on the fiscal space. The national Government in collaboration with the county government and other stakeholders will enhance the vaccination programme and take appropriate monetary and fiscal policy measures to preserve macroeconomic stability and strengthen resilience in the economy.
- c) **Technological Risks;** Roll out of the different e-government applications such as IFMIS, GHRIS, IPPD, i-Tax, e-procurement and e-citizen services are important indicators of the

significance of technological innovations. However, disruption of mobile services due to infrastructural challenges or cybercrime and fraud could result in a significant loss of potential Government revenue, customer deposits and market confidence. To mitigate against such threats, the county and national government together with other stakeholders will continue to sensitize all users on the importance of enhancing cyber security and prioritizing the implementation of cyber security policies.

- d) **Changes in the Macroeconomic Assumptions;** Kenya's economy is projected to grow by 6.0% in 2022 supported by rebounds in most economic activities that had contracted significantly due to measures instituted to curb the spread of COVID-19. Inflation is projected to edge up to 7.0 per cent, close to the upper end of the target band (7.5 per cent), caused by higher energy and food prices. However, the economy is expected to remain competitive in the external market with the exchange rate against major currencies remaining stable even amidst high inflation. Due to the uncertainties in the economy since the onset of the pandemic and geo-political conflicts in Eastern Europe, the unexpected changes in these outcomes may lead to lower local revenue collections and increased expenditure. However, the national government in collaboration with county governments will monitor the above risks and take appropriate measures to safeguard macroeconomic stability.
- e) **Budget implementation and Revenue Enhancement;** The county government will continue mitigating internal risks that include delays in passage of the finance related bills, labour unrest by the unionized members, court cases on revenue collections, weak implementation of large development projects and competing political environment which would adversely affect the outcomes of development expenditures. On the recurrent expenditures, consistent cost management and increased efficiency will be nurtured to facilitate service delivery.



## CHAPTER FOUR:

### RESOURCE ALLOCATION FRAMEWORK

#### 4.1 Introduction

This section highlights the 2021/22 resource envelope. It further highlights changes in the forecasts compared with the County Fiscal Strategy Paper 2021, how actual financial performance for the 2021/22 may have affected compliance with the fiscal responsibility principles or the financial objectives in the County Fiscal Strategy Paper 2021 and reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.

#### 4.2 Financial Outlook

In the financial year 2021/22 the estimated county revenues was KShs. 8,878,560,676 comprising of KShs. 5,136,265,679 from equitable share, KShs 1,313,813,276 from own source revenue collections, conditional grants of KShs. 594,808,504, County infrastructure bond of KShs. 1,247,627,355, grant balance of KShs. 561,453,951 and emergency bank balances of KShs.24,591,911. The County however received total revenues amounting to KShs 6,345,318,592 comprising of equitable share allocation of KShs 4,725,364,426 ; County own source revenue of KShs 902,354,455; CRF returns of KShs 759,603; Emergency bank balances of KShs.24,591,912 and conditional grants of KShs.692,248,196 (comprising of KShs. 165,882,387 for 2021/22 and KShs 526,365,809 conditional grants balances for 2020/21).

In summary, *table 6* shows the revenue projections against the actual performances for the equitable share, Own Source Revenue and the Conditional grants for 2021/2022.

The county realized 92 per cent of projected revenue in equitable share, Own source revenue collections at 69 per cent and conditional grants at 28 per cent, other opening balances domestic and foreign grants and transfers at 94 per cent.



**Table 6: Revenues projections against actual performance for 2021/22**

Source of Revenue	Revenues Projection 2021/22 (KShs)	Actual Performance 2021/2022 (KShs)	Deviation	Realization (%)
Equitable share	5,136,265,679	4,725,364,426	(410,901,253)	92
Own source	1,313,813,276	902,354,455	(411,458,821)	69
Conditional grants FY 21-22	594,808,504	165,882,387	(428,926,117)	28
Infrastructure Bond	1,247,627,355	0	(1,247,627,355)	0
Opening bal. domestic and foreign grants and transfers from other government entities	561,453,951	526,365,809	(35,088,142)	94
CRF returns	0	759,603	759,603	
Emergency bank balances	24,591,911	24,591,911	0	100
<b>Total</b>	<b>8,878,560,676</b>	<b>6,345,318,591</b>	<b>-2,533,242,085</b>	<b>71</b>

According to Laikipia County Statistical Abstract 2022 Gross County Product (GCP) report, 2021, Laikipia County's main economic activities were Agriculture (27.14 per cent), Transport and Storage (13.3 per cent), Wholesale and retail trade inclusive of repair of motor vehicles (10.4 per cent), Construction (10 per cent), Public administration and defence (9.6 per cent) and lastly Real estate activities (6.6 per cent). The rest of the economic activities including mining and quarrying, manufacturing, electricity supply, water supply and waste collection, information and communication, professional technical and support services, education, human health and social work activities and other social activities contributed a combined 23 per cent of the GCP.

Over the medium term, the County Government will continue to pursue prudent fiscal policies and reforms to ensure economic stability and promote economic recovery post Covid -19 pandemic. The 2022 CFSP is premised on the need to create a favourable atmosphere critical to restore the productivity of sectors affected by the economic down turn. The county has identified deliberate efforts to restore the productivity of sectors such as Enterprise Development, Trade, Tourism and Co-operatives, Agriculture, Livestock and Fisheries, Infrastructure, Education, Health Services, Water, Environment and Natural Resources.

In order to realise the development objectives, the county government shall continue to enhance collection of the targeted own source revenue in addition to prudent utilization of other financial resources from the equitable share and conditional grants.

The engagement of all stakeholders in planning and budgeting processes in line with the requirements of the Public Finance Management (PFM) Act 2012, The Laikipia County Public Participation Act 2014 and the Constitution of Kenya 2010 has been enhanced through physical public foras, submission of memoranda and online platforms.

In FY 2021/22 the total expenditure figures for both recurrent and development stood at KShs. 6,319,405,556 against budget estimates of KShs. 8,878,560,676 for the County Government, translating to 71.2 per cent budget utilisation. Actual recurrent expenditure amounted to KShs. 4,496,381,758 against budget estimate of KShs 4,966,827,010 (inclusive of Conditional grants) translating to 91 per cent budget utilisation while the actual development expenditure was KShs 1,823,023,798 against a budget estimate of KShs 3,911,733,666 (inclusive of the Infrastructure Bond and Conditional grants) which translates to 47 per cent budget utilisation.

Overall, the actual recurrent expenditure represented 71.2 per cent of the total actual expenditure while development expenditure accounted for 28.8 per cent. This was occasioned by underperformance on own source revenue, delayed receipt of equitable share for the month of June 2022 and non-realization of infrastructure bond. However, under the budgeted estimates, recurrent expenditure estimates stood at 56 per cent while the development expenditure estimates stood at 44 per cent which was consistent with the requirement of at least 30 per cent of the total expenditures being on development.

The actual expenditure on compensation of employees stood at Kshs 2,624,420,588 against budget estimate of KShs 2,945,073,663 which translates to 89 per cent utilization. This expenditure represents 47 per cent of the actual total expenditure which is above requirements of Regulation 25 (1) (b) of the County Government PFM Regulations 2015 requiring the same not to exceed 35 per cent of the total county revenue.

Based on the performance in 2021/22 of the allocated budget against the actual expenditure, the following risks need to be addressed going forward;

- Low absorption of the development budget- the year under review witnessed below average utilization of development expenditures due to reduced cash inflows from Own source revenues, partial receipts of equitable share and conditional grants and non-realization of infrastructure bond.



- Recurrent expenditure pressures- compensation to employees continues to be the biggest spending item hence the need for continued public service reforms to ensure more resources are freed to support development expenditure.
- Global economic recessions continue to affect the various sectors of the county economy hence the need to continue implementing the post COVID-19 recovery strategies.

#### **4.3 Medium Term Expenditure Framework**

The CFSP 2022 lays the framework for resource allocation in the 2022/23 financial year and the medium term. Based on the recent developments and the economic outlook, the CFSP identified key priority areas across the county sectors. With increased budgetary allocations in health care service, infrastructure development and water services. These priority areas are expected to support economic development and growth recovery for sectors affected by the Covid-19 pandemic.

The County Integrated Development Plan, Annual Development Plans and County Fiscal Strategy Paper will continue to guide resource allocations in the medium term. In prioritizing core areas of financing and public investment; focus will be towards optimal funding of Agriculture ,livestock and food security, Enterprise development and wealth creation, Health and wellness , Water for domestic, livestock and irrigation, Education and early childhood development, Youth empowerment and job creation , Infrastructure and energy development . Specific interventions across the key sectors are as highlighted below;

**Agriculture, Livestock and Fisheries Development;** The priorities are promotion of irrigation and farm water harvesting, agro-processing and value addition, soil conservation, enhanced extension services, market and market linkages , subsidized farm inputs, fodder production and storage, livestock breed improvement , animal health promotion, livestock products value addition and processing, and fisheries development.

**Medical Services and Public Health;** The sector focuses on efficient and effective management of human resource in health sector, essential medical supplies and healthcare infrastructure development, increased health insurance coverage (NHIF), support to community health units (CHUs) and community health volunteers (CHVs) , promotion of health and wellbeing programmes in learning institutions, strengthen emergency referral and rehabilitative services,



digitize and automate health care service and improve scope of health service delivery at all levels.

**Water, Environment and Natural Resources;** The focus will be on; increased access to safe water for domestic use; promote rain water harvesting , storage and treatment; development, rehabilitation and maintenance of water infrastructures such dams, pans, and boreholes; support to water management boards and community water projects; establishment of sewage system in Rumuruti municipality and expansion of Nanyuki and Nyahururu sewerage systems; enhanced solid waste and drainage management in urban areas; support to human/wildlife conflict mitigation initiatives; climate change adaptation and mitigation; disaster reduction; natural resource management and support to integrated range land rehabilitation.

**Roads, Public works, Land and Energy;** The focus will be on development and maintenance of road network in urban and rural areas, construction and maintenance of bridges and footbridges, urban planning and development, support to building inspectorate and approval services, support to physical planning service (land surveying, mapping and titling), promote the adoption and use of green energy such solar, wind and biogas and support to affordable housing initiatives.

**Trade, Tourism, Creative Economy and Co-operatives;** The sector aims at creating an enabling environment for business, mobilization of resources for investments and promotion of sustainable tourism. The county government prioritizes strengthening co-operative and enterprise revolving funds, operationalize “Hustler Fund” in partnership with national government, support manufacturing programmes, expand financial inclusion through SACCOs and other financial institutions , support business promotion and advisory services, construct new and rehabilitate existing market structures and business parks, support micro and small enterprise through research and financing , facilitate business certifications and licensing processes .

**Education, Sports, Youths and Social Services;** The focus is on school infrastructural and capacity development at ECDEs and vocational training centres; capacity development of ECDE teachers and vocational trainers; feeding programme for ECDE children; provision of specialized equipment and training materials; scholarships and bursaries to needy learners in secondary schools, vocational and tertiary institutions and in universities; establishment of innovation and business incubation hubs; facilitate women, youth and persons with disabilities enterprises to be

able to participate in Government procurement opportunities (AGPO); youth empowerment through information communication and technology (ICT), youth inclusion and participation in public affairs and governance and promotion of sports and creative arts in the county

**Table 7: Total Sector Ceiling for the MTEF Period 2022/2023-2024/2025**

County Sectors	Total Expenditure (Ksh)		Projections		% Share of Total Expenditure		
	Estimates 2022/2023	CFSP Ceilings 2022/23	2023/2024 (KShs)	2024/2025 (KShs)	Estimates 2022/2023	Projections 2023/2024	Projections 2024/2025
	Public Service and County Administration	3,331,136,799	3,369,236,797	3,664,250,479	4,030,675,527	51.8	51.8
County Public Service Board	20,000,000	12,500,000	22,000,000	24,200,000	0.3	0.3	0.3
Finance, Economic Planning and Enterprise Development	264,004,442	354,853,838	290,404,886	319,445,375	4.1	4.1	4.1
Laikipia County Revenue Board	46,600,000	35,600,000	51,260,000	56,386,000	0.7	0.7	0.7
Laikipia County Development Authority	28,000,000	28,000,000	30,800,000	33,880,000	0.4	0.4	0.4
Laikipia Health Services	468,236,000	508,436,402	515,059,600	566,565,560	7.3	7.3	7.3
LHS Nanyuki	170,257,133	136,257,133	187,282,846	206,011,131	2.6	2.6	2.6
LHS Nyahururu	117,199,071	83,199,071	128,918,978	141,810,876	1.8	1.8	1.8
Agriculture, Livestock and Fisheries	65,006,320	65,006,320	71,506,952	78,657,647	1	1.0	1.0
Land, Housing and Urban Development	760,735,457	652,085,661	836,809,003	920,489,903	11.8	11.8	11.8
Education and Social Services	159,682,084	159,682,084	175,650,292	193,215,322	2.5	2.5	2.5
Trade, Tourism and Co-operatives Development	104,215,450	104,215,450	114,636,995	126,100,695	1.6	1.6	1.6
Water, Environment and Natural Resources	124,043,844	142,043,844	136,448,228	150,093,051	1.9	1.9	1.9
Rumuruti Municipality	7,000,000	15,000,000	7,700,000	8,470,000	0.1	0.1	0.1
County Assembly	765,869,078	765,869,078	842,455,986	926,701,584	11.9	11.9	11.9
<b>Total</b>	<b>6,431,985,678</b>	<b>6,431,985,678</b>	<b>7,075,184,246</b>	<b>7,782,702,670</b>	<b>100</b>	<b>100.0</b>	<b>100.0</b>

NB: Conditional grants for 2022/2023, 2023/24 and 2024/25 are excluded

#### 4.4 Proposed Budget 2022/23 Framework

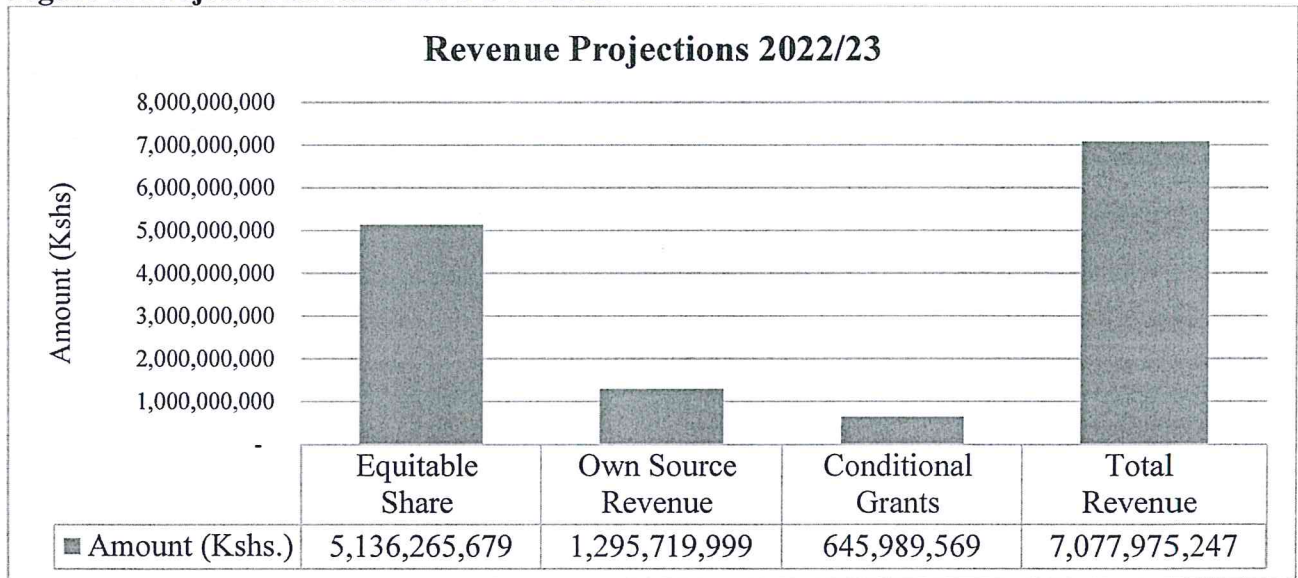
##### (a) Revenue Projections

In the FY 2022/2023 the County government expects to receive total revenue amounting to KShs 7,077,975,247 comprising of equitable share allocation of KShs 5,136,265,679 ,Own source revenue projected at KShs 1,295,719,999; conditional grants (including non-receivable leasing of medical equipment grant of KShs 153,297,872) to the tune of KShs. 645,989,569 (comprising of climate smart agriculture project KShs 349,961,100 , DANIDA grant KShs 8,804,400,

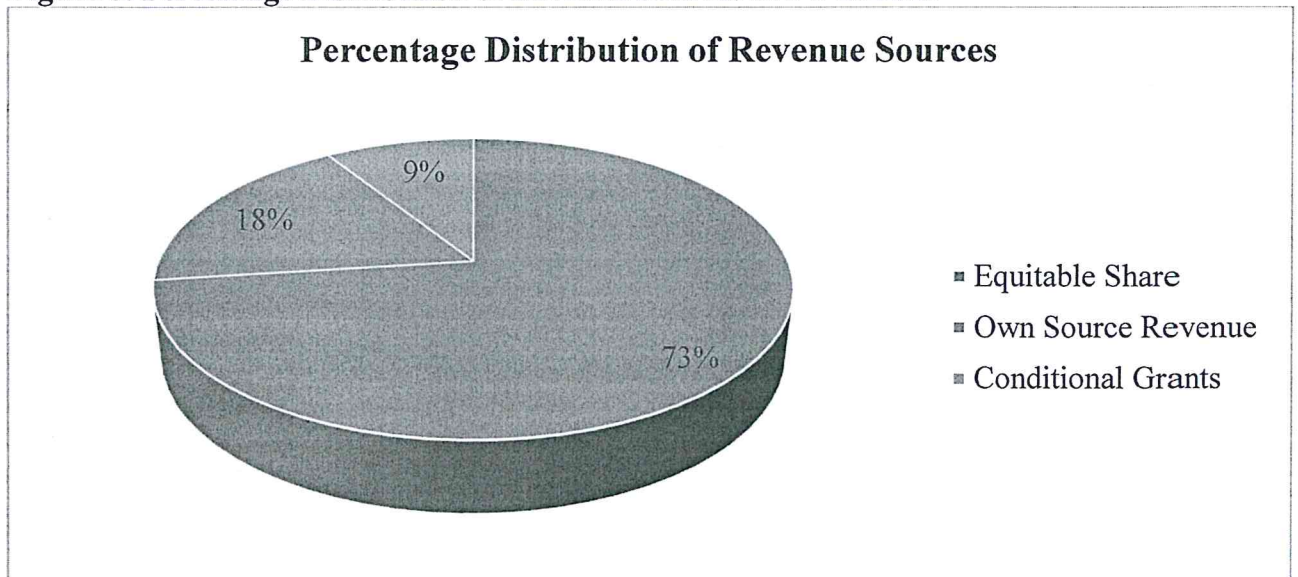


Agricultural sector development support program KShs 8,926,197 and Locally-Led climate action programme KShs. 125,000,000

**Figure 5: Projected Revenue for FY 2022/23**



**Figure 6: Percentage Distribution of Revenue Sources in FY 2022/23**



The key sources of local revenue include: land rates, business permits, cess, building plans approval fees, vehicle parking fees and natural resource exploitation. Other sources of local revenue include lease charges, garbage dumping fees, market fees, and technical services and building approvals. The respective contributions on own sources revenue are detailed in annex 3.



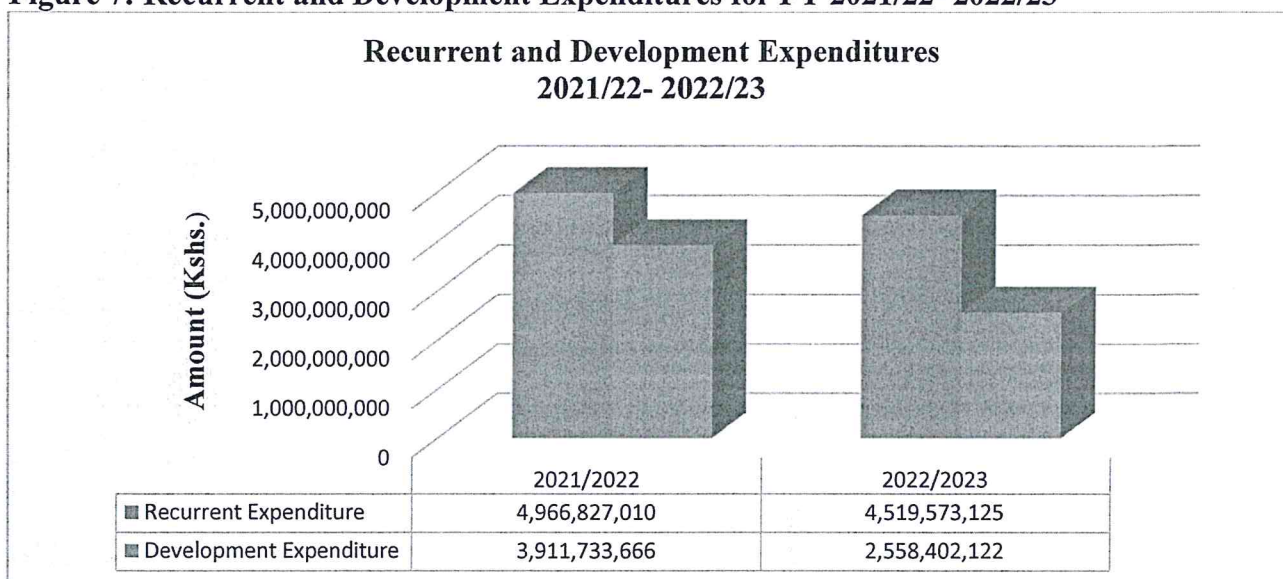
**(b) Expenditure Forecast**

In the financial year 2022/23 the approved budget’s total expenditure is estimated at KShs 7,077,975,247. This expenditure represents a decrease of 20 per cent (the decrease is attributed to non- inclusion of the Grant opening balances, County revenue fund opening balances and the County infrastructure bond ) compared to the approved supplementary estimates expenditure in the financial year 2021/2022 which was KShs 8,878,560,676.

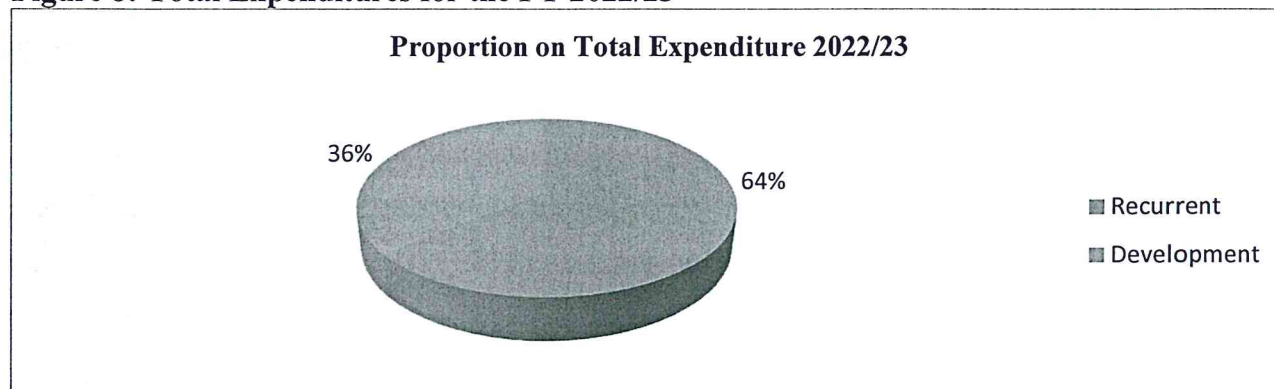
In FY 2022/23, the county recurrent expenditure is projected at KShs 4,519,573,125 from KShs 4,966,827,010 in FY 2021/22 representing a 9 per cent decrease. This recurrent expenditure represents 64 per cent of the total expenditure.

Overall development expenditures are expected to be Kshs 2,558,402,122 representing 35 per cent decrease compared to KShs 3,911,733,666 in 2021/22 budget as shown in figure 5.

**Figure 7: Recurrent and Development Expenditures for FY 2021/22- 2022/23**



**Figure 8: Total Expenditures for the FY 2022/23**



The major spending sectors include: County administration and public service (51.8 per cent), County assembly (11.9 per cent), Lands Housing and Urban Development (11.8 per cent) and Health services (11.7 per cent) as provided in table 10 below;

**Table 8: Sector Expenditure allocations 2022/2023 (Exclusive of conditional grants)**

Department	Recurrent (Kshs)	Development (Kshs)	Total (Kshs)	% allocation
Public Service And County Administration	3,276,093,939	55,042,860	3,331,136,799	51.8
Laikipia County Public Service Board	16,500,000	3,500,000	20,000,000	0.3
Finance, Economic Planning and Enterprise Development	48,464,848	215,539,594	264,004,442	4.1
Laikipia County Revenue Board	36,600,000	10,000,000	46,600,000	0.7
Laikipia County Development Authority	15,000,000	13,000,000	28,000,000	0.4
Laikipia Health Services	141,576,000	326,660,000	468,236,000	7.3
LHS Nanyuki	93,757,133	76,500,000	170,257,133	2.6
LHS Nyahururu	77,699,071	39,500,000	117,199,071	1.8
Agriculture, Livestock And Fisheries	10,708,016	54,298,304	65,006,320	1.0
Land, Housing And Urban Development	7,536,268	753,199,189	760,735,457	11.8
Education And Social Services	95,803,136	63,878,948	159,682,084	2.5
Trade, Tourism and Co-operatives Development	8,215,450	96,000,000	104,215,450	1.6
Water, Environment And Natural Resources	10,019,589	114,024,255	124,043,844	1.9
Rumuruti Municipality	1,000,000	6,000,000	7,000,000	0.1
County Assembly	662,869,078	103,000,000	765,869,078	11.9
<b>Grand Total</b>	<b>4,501,842,528</b>	<b>1,930,143,150</b>	<b>6,431,985,678</b>	<b>100</b>

Note: All personnel emoluments are paid from the County administration and public service department



## CHAPTER FIVE:

### CONCLUSION AND WAY FORWARD

#### 5.1 Conclusion

The Financial Year 2021/22 presented an unprecedented scenario in the economic development process of the county as the expenditure commitment and revenue projections were adversely affected by COVID-19 containment measures, high Inflation rate, insecurity experienced in some Wards and advance drought conditions. Due to the constrained revenue streams and more so the own source revenue, development expenditures contracted and with resultant effects on the growth of the pending bills. To foster recovery, the county prioritized strategic initiatives to grow and promote businesses by providing a conducive environment for investment, with the intent of raising the County Gross Product to KShs 400 billion. This is expected to create more jobs and raise average individual daily incomes to KShs 1,000 over the medium term.

The proposals contained in the 2022 CBROP are geared towards realising the development objectives contained in the County Integrated Development Plan (2018-2022), Annual Development Plan and the fiscal responsibility principles outlined in the PFM Act 2012. The realization of the objectives within the FY 2021/2022 is anchored on the proposals contained in the ADP 2022/23 whose summary of expenditures by programmes is detailed in Annex 5.

As budgetary resources are limited, the county departments should purpose to prioritize their programmes within the available ceilings to ensure that use of public funds is in line with county government priorities and financial prudence. Towards minimizing pending bills, all departments will be required to clear outstanding liabilities in addition to adhering to the principles of project management for example preparing bills of quantities in advance. County Sector Working Groups need to prudently consider detailed costing of projects, strategic significance, deliverables (output and outcomes), alternative interventions, administration and implementation plans for efficient and effective utilization of resources. There is need to adhere to the budget calendar as outlined in the Budget Circular of August 2022 as detailed in Annex 1.

To mirror this, effective budget implementation at the county level will be facilitated through capacity building and the development of systems for close monitoring and evaluation of



spending entities to ensure that resource application bears maximum benefits to the citizens. The involvement of all stakeholders in budget execution will be key in enhancing overall budget implementation. In addition, the prioritization of public needs will be key in shaping the final budget policies and allocations for the 2022/23 financial year.

The county will continue to strengthen its revenue collection and management systems with the goal of generating more revenues while ensuring the stability of the fiscal framework and financial health of the County. The identification of other sources of revenue for example implementation of the new valuation roll will avail more resources for development programmes. The Revenue Board will revitalise revenue collection measures in order to ensure that the various projections for revenue streams provided in Annex 3 will be realized.

## ANNEXES

### Annex 1: Deadlines for Submission of Annual Budgets and Feasibility Study Data

S/No	Activity	Due Date
1	Issue County Treasury Budget Circular	30 <sup>th</sup> August, 2022
2	Submit County Annual Development Plan to the CECM-Finance	22 <sup>nd</sup> August, 2022
3	Submit County Annual Development Plan to the County Executive Committee	26 <sup>th</sup> August, 2022
4	Submit County Annual Development Plan to the County Assembly	1 <sup>st</sup> September, 2022
5	Submit the County Budget Outlook Paper (CBROP) to the County Executive Committee Member-Finance	22 <sup>nd</sup> September, 2022
6	Submit the County Budget Outlook Paper (CBROP) to the County Executive Committee	30 <sup>th</sup> September, 2022
7	Submit the County Budget Outlook Paper (CBROP) to the County Assembly	21 <sup>st</sup> October, 2022
8	Launch/Convene Sector Working Groups	7 <sup>th</sup> November, 2022
9	Submit Sector Working Groups Reports to the County Treasury	30 <sup>th</sup> November, 2022
11	Submission of Budget Proposals and Feasibility Study data by County Sectors to County Treasury	22 <sup>nd</sup> December, 2022
12	Review and Analysis of Annual Budget Proposals by County Budget Team	16 <sup>th</sup> January, 2023 up to 20 <sup>th</sup> April, 2023
14	Public Participation Meetings on CFSP	23 <sup>rd</sup> – 27 <sup>th</sup> January, 2023
15	Submit the County Fiscal Strategy Paper (CFSP) to the County Executive Committee Member-Finance	10 <sup>th</sup> January, 2023
16	Submit the County Fiscal Strategy Paper (CFSP) to the County Executive Committee	17 <sup>th</sup> February, 2023
17	Submit the County Debt Management Strategy (CDMS) to the County Executive Committee	17 <sup>th</sup> February, 2023
18	Submit the County Fiscal Strategy Paper (CFSP) to the County Assembly	28 <sup>th</sup> February, 2023
19	Submit the County Debt Management Strategy (CDMS) to the County Assembly	28 <sup>th</sup> February, 2023
20	Dispatch of Reviewed Annual Budget Proposals to Sectors	15 <sup>th</sup> March, 2023
21	Conduct Public Participation Fora on Annual Budget Estimates	27 <sup>th</sup> -31 <sup>st</sup> March, 2023
22	Submit Finalized Sector Annual Budget Estimates to the County Treasury	7 <sup>th</sup> April, 2023
23	Submit Finalized County Annual Budget Estimates to the County Executive Committee	14 <sup>th</sup> April, 2023
24	Submit Finalized County Annual Budget Estimates to the County Assembly	28 <sup>th</sup> April, 2023
25	Submit Proposed Annual Procurement Plans to the Supply Chain Unit	30 <sup>th</sup> May, 2023
26	Submit County Annual Cash Flow Projections to CRA and copied to IBEC and National Treasury	15 <sup>th</sup> June, 2023
27	Debate and Approval of County Annual Budget Estimates	30 <sup>th</sup> June, 2023
28	Submission of Finance Bill to the County Assembly	30 <sup>th</sup> August, 2023
29	Approval of Finance Bill by the County Assembly	30 <sup>th</sup> September, 2023
29	Quarterly /Cumulative Compliance Reports of Revenue and Expenditure	Within two weeks after the end of every quarter



## Annex 2: Analysis of individual expenditure items 2021/22

Title and Details	Total Payment 2020/2021	Total Payment 2021/2022
Basic salaries of permanent employees	2,337,163,010	2,203,116,812
Basic wages of temporary employees	409,576,197	177,291,398
Personal allowances paid as part of salary	1,012,094	716,625
Pension and social security contributions	0	243,102,163
Utilities, supplies and services	32,355,100	53,361,838
Communication, supplies and services	15,943,311	8,735,106
Domestic travel and subsistence	103,342,286	200,260,685
Foreign travel and subsistence	3,958,194	13,141,978
Printing, advertising and information supplies & services	27,048,341	27,908,922
Rentals of produced assets	4,684,269	13,318,785
Training expenses	11,988,520	30,914,889
Hospitality supplies and services	98,774,047	117,187,527
Insurance costs	159,884,853	161,292,624
Specialized materials and services	179,479,066	307,428,995
Office and general supplies and services	43,899,138	56,659,822
Fuel, oils and lubricants	54,853,739	71,111,396
Other operating expenses	107,792,552	126,014,557
Routine maintenance – vehicles and other transport equipment	7,275,586	39,905,679
Routine maintenance – other assets	22,498,220	7,394,400
Construction of Buildings	86,719,245	116,861,251
Refurbishment of Buildings	5,320,082	14,320,634
Construction of Roads	223,597,077	368,431,562
Construction and Civil Works	418,792,980	236,749,709
Purchase of Vehicles and Other Transport Equipment	5,000,000	0
Overhaul and Refurbishment of Construction and Civil Works	350,000	0
Overhaul of Vehicles and Other Transport Equipment	0	883,690
Purchase of Household Furniture and Institutional Equipment	280,893	0
Purchase of Office Furniture and General Equipment	13,919,622	16,930,438
Purchase of Specialized Plant, Equipment and Machinery	1,981,000	43,686,501
Purchase of certified seeds, breeding stock and live animals	0	7,951,000
Research, Studies, Project Preparation, Design & Supervision	1,286,589	37,226,178
Rehabilitation of Civil Works	548,000	22,009,866
Emergency Fund	33,686,337	7,780,452
Current Grants to Government Agencies and other Levels of Government	406,190,346	395,560,260
Laikipia County Revenue Board	56,014,955	72,599,800
Laikipia County County Assembly	567,592,777	537,745,275
Laikipia County Development Authority	12,313,022	24,410,000
Laikipia County Health Institutions	28,232,285	28,057,084
Laikipia County VTCs	49,229,182	25,084,232
Rumuruti Municipality Board	44,561,940	46,455,676
Laikipia County-Cooperative Fund	10,000,000	1,000,000
Laikipia County Leasing Fund	196,001,216	397,064,848
Laikipia County Car and Mortgage Fund	7,500,000	0
Scholarships and other Educational Benefits	1,094,000	50,434,900
Transfer to bursary fund account	25,000,000	0
Subsidies to small businesses, cooperatives, and self employed	48,050,000	5,000,000
Emergency relief and refugee assistance	0	4,298,000
<b>Total Net Expenditure</b>	<b>5,864,790,071</b>	<b>6,319,405,557</b>



**Annex 3: Analysis of own source revenue for year 2021/22-2022/2023**

	Revenue Targets	Actuals	Actuals	Target	Actuals	Target
	Revenue Class	2019/2020	2020/2021	2021/2022	2021/2022	2022/2023
1	1510202 CILOR Other Years	-	-	139,000,000	-	139,000,000
2	1520101 Land Rates Current Year	78,551,294	78,981,301	72,600,000	38,685,467	72,600,000
3	1520102 Land Rate Penalties	434,098	2,540,737	10,000,000	2,113,806	10,000,000
4	1520103 Land Rates Other Years	-	14,490,118	11,000,000	5,591,349	11,000,000
5	1520104 Other Property Charges	572,100	-	-	-	-
6	1520201 Business Permits, Current Year(2)	78,910,612	97,044,645	103,000,000	73,343,510	103,000,000
7	1520202 Business Permits Late Payment Penalties, Current Year	1,234,217	2,338,677	4,000,000	2,504,428	4,000,000
8	1520203 Business Permits, Other Years (Including Penalties)	74,915	606,687	1,000,000	224,950	1,000,000
9	1520304 Wheat & Maize Cess	5,213,680	5,290,810	7,000,000	17,137,348	7,000,000
10	1520311 Fruits & Vegetables / Produce Cess	6,677,095	10,725,390	10,000,000	5,029,810	10,000,000
11	1520314 Log Cess	263,200	676,640	800,000	599,950	800,000
12	1520315 Charcoal Cess	14,300	257,980	-	-	-
13	1520321 Livestock Cess	9,989,920	14,162,417	20,000,000	11,974,409	20,000,000
14	1520322 Goat Cess	761,420	719,390	-	-	-
15	1520501 Ground/Plot Rent - Current Year	924,070	1,714,201	4,000,000	566,334	4,000,000
16	1520502 Ground Rent - Other Years	1,800	30,428	1,000,000	126,320	1,000,000
17	1520503 Stand Premium	-	379,400	-	1,600	-
18	1520504 Temporary Occupation License (TOL)?TOP	743,000	1,463,800	1,500,000	351,500	1,500,000
19	1530101 Debts Clearances Certificate Fee	774,000	1,662,600	2,000,000	1,208,200	2,000,000
20	1530102 Application Fee	3,669,913	5,343,000	5,700,000	4,119,524	5,700,000
21	1530103 Plot Transfer Fee	538,800	700,900	1,000,000	1,609,000	1,000,000
22	1530104 Plot Subdivision Fee	321,000	5,645,700	20,000,000	19,588,350	20,000,000
23	1530105 Business Subletting / Transfer Fee	1,409,000	2,850,400	2,000,000	581,500	2,000,000
24	1530106 Isolation Fee (Surcharge on Business Permit)	2,000	-	-	-	-
25	1530107 Document Search Fee	11,450	16,000	-	18,000	-
26	1-2901 encroachment	1,746,949	-	2,000,000	-	2,000,000
27	1530203 Impounding Charges	349,150	1,090,000	-	774,990	-
28	1530202 Court Fines	283,000	406,500	-	143,000	-
29	Liquor licenses	13,064,800	23,092,000	25,000,000	11,890,010	25,000,000
30	1530221 Telephone Calls Reimbursement/Salary recovery(income)	20,892	210,974	-	584,270	-
31	1530301 Sand, Gravel, and Ballast Extraction Fees	53,334,530	52,558,860	65,000,000	50,512,483	60,000,000
32	1530302 Quarry Extraction Fees	778,070	3,693,800	4,000,000	3,073,000	4,000,000
33	1530321 Garbage Dumping/Conservancy Fee	24,149,963	26,142,942	32,000,000	17,336,477	32,000,000
34	1530331 Game and Nature Park Fee	10,638,788	6,780,994	10,000,000	11,396,532	10,000,000
35	1550101 Market Entrance / Gate Fee	6,702,440	11,559,695	15,000,000	9,494,210	15,000,000
36	1550102 Market Plots Rent	3,660	90,150	-	-	-
37	1550103 Market Shops Rent	1,484,551	108,080	-	-	-



	Revenue Targets	Actuals	Actuals	Target	Actuals	Target
	Revenue Class	2019/2020	2020/2021	2021/2022	2021/2022	2022/2023
38	1550104 Market Kiosks Rent	36,450	-	-	-	-
39	1550105 Market Stalls Rent	1,062,705	3,125,982	-	-	-
40	1550201 Enclosed Bus Park Fee	30,628,220	28,027,270	40,000,000	32,638,473	40,000,000
41	1550211 Other Vehicles Enclosed Park/Reserved Fees (Cars, Lorries, etc.)	1,750,000	1,607,450	2,000,000	1,100,000	2,000,000
42	1550221 Street Parking/ motorbike Fee	24,196,500	25,910,147	41,000,000	35,544,214	42,000,000
43	1550225 Clamping Fee	7,254,100	11,894,190	-	-	-
44	1550228 Clamping Tampering Fee	40,000	55,500	-	-	-
45	Boda boda Fees		6,500	-	61,300	-
46	1560101 Housing Estates Monthly Rent	17,907,773	21,361,444	25,000,000	18,268,946	25,000,000
47	1560103 Damages Recovery / Eviction Fee	-	8,400	-	-	-
48	1560201 Social Hall Hire	59,900	49,900	50,000	163,000	50,000
49	1560211 Stadium Hire	161,500	8,000	50,000	116,000	50,000
50	1570131 Vocational/Training School Fee	3,146,456	10,383,000	46,000,000	29,755,791	46,000,000
51	Public health licenses	10,788,699	17,201,310	20,000,000	12,645,210	20,000,000
52	1580211 Health Centres Services/Hospital fee	268,032,152	265,857,132	450,000,000	398,880,236	450,000,000
53	Medical Examination Certificate	779,550	445,400	-	255,440	-
54	1580231 Public Toilets Fee	-	200	-	-	-
55	Annual Renewal Certificates	41,000	34,000	-	-	-
56	1580241 Burial Fees	189,100	207,990	-	183,100	-
57	1580311 Disinfestation Fee (Insects, Worms, Rodents, etc.)	626,520	-		-	
58	1580401 Slaughtering Fee	9,631,111	9,025,780	16,000,000	15,770,002	16,000,000
59	1580402 Hides & Skins Fee	46,800	521,210	4,000,000	20,000	4,000,000
60	1580403 Manure Sale	1,183,060	2,111,400	3,000,000	407,950	3,000,000
61	1580411 Slaughter Houses Inspection Fee	3,845,410	5,895,000	-	-	-
62	Vaccination	-	-	-	1,097,000	-
63	livestock Movement Permit	-	101,100	-	491,500	-
64	1590101 Beacon Search Pointing Fee	1,500	60,250	-	31,460	-
65	1590102 Survey Fee	11,837,460	12,179,628	15,500,000	1,612,922	15,500,000
66	Hoarding Fee	10,100	355,500	-	632,000	-
67	1590111 Buildings Plan Preparation Fee	1,765,630	4,442,303	5,000,000	1,252,363	5,000,000
68	1590112 Buildings Plan Approval Fee	12,642,670	15,859,559	34,813,276	30,285,605	21,719,999
69	1590113 Buildings Inspection Fee	1,167,506	3,041,497	3,500,000	3,202,490	3,500,000
70	1590121 Right-of-Way / Way-Leave Fee (KPLN, Telkom, etc.)	99,100	517,800	-	-	-
71	1590132 Sign Boards & Advertisement/promotion Fee	14,730,358	15,126,255	20,000,000	18,565,056	20,000,000
72	1590201 Fire-Fighting Services	2,786,397	4,160,350	6,300,000	5,661,560	6,300,000
73	1590202 weight &measures	871,100	1,062,370	2,000,000	761,510	2,000,000
74	Disposal of Assets	-	6,377,600	10,000,000	2,371,000	10,000,000
	<b>Totals</b>	<b>730,967,503</b>	<b>840,396,633</b>	<b>1,312,813,276</b>	<b>902,354,455</b>	<b>1,295,719,999</b>



#### Annex 4: Analysis of Conditional Grants Performance FY 2020/21-2021/22

Receipt	Actual FY 2020/21	Total Budget FY 2021/22	Amounts received in FY 2021/22	Balances in FY 2020/21/22
Domestic Grants	A	B	C	D = A-B-C
Vocational Training Grant	18,319,894	0	0	18,319,894
User Fee Forgone	9,968,208	0	0	9,968,208
Medical Leasing Equipment (non receivable)	0	153,297,872	0	(153,297,872)
<b>Total Amount</b>	<b>28,288,102</b>	<b>153,297,872</b>	<b>0</b>	<b>(125,009,770)</b>
Foreign Grants				
KDSP Level 1 – capacity building	212,353,974	0		212,353,974
Kenya Urban Support Project (KUSP)	27,955,677	0	0	27,955,677
Kenya Urban Institutional Grant (KUIG)	0	0	0	0
Kenya Climate Smart Agriculture Project (KCSAP)	230,616,958	349,961,100	95,323,024	(214,667,166)
EU IDEAS LED	0	15,626,168	18,744,940	(34,371,108)
UNICEF Primary Health Care Grant	4,692,898	0	11,797,412	(7,104,514)
Emerging LAPTRUST Grant	0	0	1,499,400	(1,499,400)
KDSP Level 2 – Investment	129,456,007	167,353,974	0	(37,897,967)
Transforming Health Care	86,415,378	28,777,132	28,389,361	29,248,885
Agricultural Sector Development	12,417,623	23,833,630	5,500,000	(16,916,007)
DANIDA Grant	11,880,000	9,256,500	4,628,250	(2,004,750)
<b>Total Amount</b>	<b>715,788,515</b>	<b>594,808,504</b>	<b>165,882,387</b>	<b>(44,902,376)</b>
<b>Grand Total</b>	<b>744,076,617</b>	<b>748,106,376</b>	<b>165,882,387</b>	<b>(169,912,146)</b>

#### Annex 5: Summary of Proposed Budget by Programme in 2022/2023 ADP

Department	Programme	Amount (KShs.)	Sector Total
County Administration and Public Service Management	County Administration	320,000,000	3,310,000,000
	Human Capital Management and Development	2,842,000,000	
	County Public Service Board	15,000,000	
	Information Communication and technology	7,000,000	
	Security and Policing Support Services	60,000,000	
	Public Safety, Enforcement and Disaster Management	44,000,000	
	Public Participation and Civic Education	22,000,000	
Finance Economic Planning and County Development	Administration and Personnel Services	46,000,000	2,589,696,000
	Public Finance Management Services	42,000,000	
	Development Planning Services	21,500,000	
	Laikipia County Revenue Board	72,160,000	
	Laikipia County Development Authority	2,230,000,000	
	Innovation and Enterprise Development	178,036,000	
Medical Services and Public Health	General Administrative and Planning Services	274,000,000	2,040,000,000
	Preventive and Promotive	261,000,000	
	Curative and rehabilitative	1,005,000,000	
	Nanyuki Teaching and Referral Hospital Board	250,000,000	
	Nyahururu Teaching and Referral Hospital Board	250,000,000	
Agriculture, Livestock and Fisheries Development	Administration and support services	94,000,000	540,500,000
	Crop Development and Management	66,500,000	
	Irrigation Development and Management	65,000,000	
	Livestock Resource Development, Management and marketing	89,100,000	



Department	Programme	Amount (KShs.)	Sector Total
	Veterinary Services Management	80,000,000	
	Fisheries Development and Management	38,000,000	
	KCSAP Project	18,500,000	
	ASDSP Project	5,500,000	
	EU- IDEAS	0	
Infrastructure, Lands, Housing and Urban Development	Road network improvement	828,100,000	2,324,200,000
	Housing Improvement and Urban Development	1,350,000,000	
	Physical planning and Survey	86,000,000	
	Public Works	7,000,000	
	Renewable / Green energy services	31,000,000	
	Administration planning and support services	22,100,000	
Education, Sports and Social Development	Administration, Planning and support services	13,450,000	144,500,000
	Education and Training	101,650,000	
	Sports, Talent Development and Social Services	29,400,000	
Trade, Tourism, Cooperatives, and Industrial Development	Administration, Planning and Support Services	24,936,995	172,936,995
	Trade Development and Promotion	70,000,000	
	Tourism Development and Promotion	43,000,000	
	Cooperative Development and Marketing	35,000,000	
	Administration, Planning and Support Services	24,936,995	
Water, Environment and Natural Resources	General Administration, Planning and Support Services	43,000,000	563,500,000
	Water development	373,500,000	
	Environment and natural resources	147,000,000	

**Annex 6: Summary of Budget Estimates by sectors FY 2022-23(Inclusive of conditional grants)**

Sector/Sub-sector Name	Amount (KShs.)	As a percentage (%) of the total Budget
County Administration and Public Service Management	3,310,000,000	28.25
Finance Economic Planning and County Development	2,589,696,000	22.10
Medical Services and Public Health	2,040,000,000	17.41
Agriculture, Livestock and Fisheries Development	540,500,000	4.61
Infrastructure, Lands, Housing and Urban Development	2,324,200,000	19.84
Education, ICT and Social Development	175,727,793	1.50
Trade, Tourism, Cooperatives, and Industrial Development	172,936,995	1.48
Water, Environment and Natural Resources	563,500,000	4.81
<b>Total</b>	<b>11,716,560,788</b>	<b>100.0</b>