

MURANG'A COUNTY GOVERNMENT



MURANG'A COUNTY ASSEMBLY

THIRD ASSEMBLY

SECOND SESSION

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THE FINANCE & ECONOMIC PLANNING COMMITTEE'S REPORT  
ON  
TRAINING ON THE INTEGRATED DEVELOPMENT PLANNING

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CLERK'S CHAMBERS,  
MURANG'A COUNTY ASSEMBLY BUILDINGS,  
MURANG'A.

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## **PREFACE.**

**Hon. Speaker,**

The report contains the induction of members of the committee on the integrated development planning and guidelines applicable in the development of a County Integrated Development Plan (CIDP) as issued by the National Treasury. This Workshop was held on February 16 - 18, 2023 at Nairobi.

Together with the inductions of newly elected and appointed officials at the county level, the formulation and approval of the CIDP should be the first major task of a new county administration as it should guide all public spending for the five-year term.

### **1.1 Establishment of the Committee**

The Sectoral Committee on Finance and Economic Planning is constituted under the provisions of Standing Order 204 (5) and mandated to undertake the following activities;

- a) To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;

Second Schedule of the Murang'a County Assembly Standing Orders provides for the committee on Finance & Economic Planning considering all matters related to management of Public Finance and Economic Planning, county planning and statistics and disaster management.

### **1.2 Membership**

The Finance and Economic Planning Committee as currently constituted comprises of 16 Members, namely:

- |                            |                  |
|----------------------------|------------------|
| 1. Hon. John Kibaiya Ngugi | Chairperson      |
| 2. Hon. Alex W. Wanyoike   | Vice Chairperson |
| 3. Hon. Francis K. Kamau   | Member           |
| 4. Hon. Morris Thuku       | Member           |

5. Hon. Steven Muigai	Member
6. Hon. Charles M. Karina	Member
7. Hon. John Kamau Munyua	Member
8. Hon. Loise Mary Muthoni	Member
9. Hon. Margaret W. Gichia	Member
10. Hon. Peter Murigi Ngugi	Member
11. Hon. Jane Mukami Kigotho	Member
12. Hon. Thomas Muteti	Member
13. Hon. Gladys Wambui Waikau	Member
14. Hon. Hilary Muigai Muchoki	Member
15. Hon. Pauline Njeri Muchiri	Member
16. Hon. Esther Nyawira Kamindo	Member

### ACKNOWLEDGEMENT

**Hon. Speaker**, this Committee is grateful to the Office of the Speaker and the Clerk to the County Assembly for the facilitation towards the trainings on the planning framework. My appreciation goes to the members of the committee for their passion and secretariat for the service to the committee.

On behalf of the Finance and Economic Planning Committee, it is with distinct honour and pleasant duty to table this report and recommend it to the Assembly for adoption.

SIGN.....DATE.....

**HON. JOHN KIBAIYA NGUGI**

**CHAIRPERSON, FINANCE AND ECONOMIC PLANNING COMMITTEE**

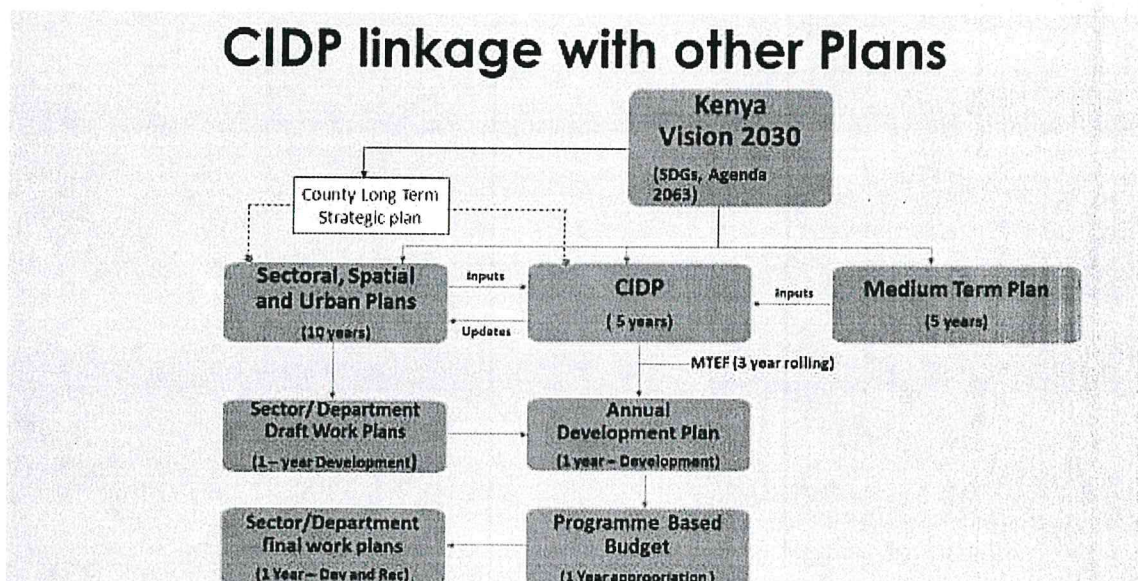
## 2.0 BACKGROUND

### 2.1 Integrated Development Planning

A process through which efforts of national and devolved levels of government and other relevant stakeholders are coordinated at local level, through which economic, social, environmental, legal and spatial aspects of development are brought together to produce a plan that meets the needs and sets the targets for the benefit of local communities.

County Governments are required to prepare five-year County Integrated Development Plans (CIDPs) to guide planning and budgeting activities at the county level. The CIDPs should be aligned to national plans such as the Kenya Vision 2030, its Medium Term Plans and the National Spatial Plan as well as to international commitments such as the Sustainable Development Goals. This harmony will ensure effective and efficient use of scarce resources.

The Fourth Schedule of the Constitution assigns the National Government the role of capacity building and technical assistance to the counties as well as national economic policy and planning, among other functions. In addition, all planning is expected to be inspired by the Kenya Vision 2030 and be aligned to its successive five Medium Term Plans (MTPs).



### **3.0 POLICY AND LEGAL FRAMEWORK FOR DEVELOPMENT PLANNING**

The fourth schedule of the Constitution assigns the National Government the role of national economic policy and planning while county governments are responsible for county planning and development. Article 10 (2) of the Constitution on national values and principles of governance further prescribes the need for good governance, integrity, transparency and accountability and sustainable development.

To strengthen the mechanism for linking county policy, planning and budgeting processes, Article 220, provides for a national legislation which should prescribe the structure of the development plans and budget and when the plans and budgets of the counties shall be tabled in the county assemblies. This is the rationale for the Public Finance Management Act (PFM) and the County Government Act (CGA) being enacted by Parliament.

#### **3.1 County Governments Act, 2012**

Section 104 (1) of the Act states that, “a county government shall plan for the county and no public funds shall be appropriated without a planning framework developed by the county executive committee and approved by the county assembly”. It also states that the county planning framework shall integrate economic, physical, social, environmental and spatial planning. In addition to county integrated development plan, county governments are expected to have the following:

- i. County Sectoral Plan (10 years);
- ii. County Spatial Plan (10 years); and
- iii. Cities and Urban Areas Plan (5 years).

Section 108 requires county governments to prepare 5-year integrated county development plans and the annual county budgets to implement them. In Section 102 (h) of the Act, county planning is expected “to provide a platform for unifying planning, budgeting, financing programmes, implementation, and performance review”. A County Planning Unit shall be responsible for “coordinated integrated development planning”. County plans will have the goal of promoting harmony with national and other county plans, land-use plans, urban planning and environmental conservation.

### **3.2 Urban Areas and Cities Act, 2011**

Section 36 (2) of the Urban Areas and Cities Act, 2011, states that “an integrated urban or city development plan shall bind, guide, and inform all planning for development and decision making and ensure comprehensive inclusion of all functions.” The Act also requires urban areas to prepare five year integrated urban and cities development plans which are aligned to the development plans and strategies of the county governments.

### **3.3 Intergovernmental Relations Act, 2012**

Part II of the Intergovernmental Relations Act, 2012, establishes the Summit responsible for monitoring of national and county development plans and recommending appropriate action. Section 20 (f) established the Council of Governors with a mandate to coordinate the receiving Guidelines for Preparation of County Integrated Development Plans (Revised) 2020 3 of reports and monitoring the implementation of inter-county agreements on intra-county projects.

### **3.4 Public Finance Management Act , 2012**

Section 126 (1) provides that every county government should prepare a development plan in accordance with Article 220 (2) of the Constitution and it should contain;

- a) Strategic priorities for the medium term that reflect the county government’s priorities and plans
- b) A description of how the county government is responding to the financial and economic environment
- c) Programmes to be delivered with details for each programme
- d) Payments to be made on behalf of the county government, including details of any grants, benefits and subsidies that are to be paid
- e) A description of significant capital developments
- f) A detailed description of proposals with respect to the development of physical, intellectual, human and other resources of the county, including measurable indicators where those are feasible
- g) A summary budget in the format required by regulations.

### **3.5 County Governments Act, 2012**

#### **a) Section 103, CGA, 2012**

Section 103 identifies the objectives of county planning that include to ensure harmony between national, county and sub-county spatial planning requirement.

#### **b) Section 104 , 1 to 5 , CGA , 2012**

- a) A county Government shall plan for the county and no public funds shall be appropriated outside a planning framework developed by the county the county executive committee and approved by the county assembly.
- b) The county planning framework shall integrate economic, physical, social, environmental and spatial planning.
- c) The county government shall designate county departments, cities and urban areas, sub-counties and wards as planning authorities of the county.
- d) To promote public participation, non-state actors shall be incorporated in the planning processes by all authorities.
- e) County plans shall be binding on all sub-county units for developmental activity within a county.

#### **c) Section 105, CGA, 2012**

Section 105 requires the Planning in the County requires a county planning unit to ensure linkages between county plans and the national planning framework which is the Vision 2030.

## **4.0 NATIONAL DEVELOPMENT PLAN**

### **4.1 Vision 2030**

Although Article 6 (1 & 2) of the Constitution 2010 divides the territory of Kenya into 47 Counties and identifies the governments at the National and county levels as distinct and interdependent, the Republic of Kenya is a Unitary State with one overriding development blue print which currently is the Vision 2030.

Whereas the Fourth Schedule of the Constitution identifies different functions for each level of government, both the CGA, 2012 and the PFM Act, 2012 require that the long-



term development and execution plans of the functions of either level of government be anchored in Vision 2030 which outlines the nation's development agenda.

The Kenya Vision 2030 aims at creating "a globally competitive and prosperous nation with a high quality of life by 2030". It also aims to transform Kenya into "a newly industrializing, middle income country providing a high quality of life to all its citizens in a clean and secure environment". The Vision is being implemented through successive five years Medium Term Plans at the national level and the CIDPs at the county level.

#### **4.2 Medium Term Plan**

The Medium Term Plans of the Kenya Vision 2030 outline the policies, legal and institutional reforms as well as programmes and projects that the Government plans to implement during the five-year period. To align national and county plans, priorities identified from the counties are incorporated in medium term plans (MTPs) and specific Sectors. State Department for Economic Planning in National Treasury is responsible for providing guidelines and technical assistance in preparation of the CIDP. In light of this, third generation CIDP need to aligned to the policy priorities in the government manifesto. The fourth medium term plan by Kenya Kwanza Government provides guidance to counties in preparation of the next CIDP.

In the month of March 2023, the CECM-Finance indicated to the committee on the need to halt discussion on the submitted Integrated Development Plan pending a meeting with the National Treasury on the following;

1. To appraise counties on the government priorities (Bottom –Up Economic Transformation Approach (BETA).
2. To guide counties on alignment of CIDP plans 2023-2027 to the BETA and Medium Term Plan IV.
3. To ascertain the status of preparation of CIDPs across counties and conformity to guidelines.
4. To identify and address challenges / emerging issues in the CIDPs preparation
5. To agree on the way forward on review of the CIDPs before finalization by respective county governments.

## 5.0 COUNTY PLANNING FRAMEWORK

### 5.1 10 year Spatial Plan

Section 110 of the County Government Act, 2012 requires each county to develop a 10-Year Spatial Plan which forms part of the county integrated development plan (CIDP). This plan gives guidance on the use and management of land in a county and the required land investment needs. The development of the spatial plan should be aligned to various sector priorities of the three pillars of Vision 2030 and the attendant Vision 2030 enablers such as land reforms.

### 5.2 10 Year- Sector Plan

County Governments are also required to develop 10-Year Sectoral Plans as per section 109 of the CGA, 2012. These plans serve as the basis for budgeting and performance management at the county level and should also be developed and aligned to development priorities of the various sectors of the three pillars of Vision 2030.

### 5.3 County Integrated Development Plan(CIDP)

County Integrated Development Plan (CIDP) at the county level are the equivalent to the Medium Term Plans (MTP) at the National level. At the county level, CIDPs are ideally the 5-Year plans that implement Vision 2030.

## Timelines on County Integrated Development Plan - CIDP

<b>ANNEX 2: CIDP PREPARATION STEPS AND PROPOSED TIMELINES</b>				
Step No.	Description	Details	Time Frame	Responsibilities
1.	Preliminaries	<ul style="list-style-type: none"> <li>• Concept Note</li> <li>• Circular</li> <li>• CIDP Technical Team</li> <li>• SWGs</li> <li>• Sensitization</li> </ul>	30 <sup>th</sup> June, 2022	<ul style="list-style-type: none"> <li>• County Executive Committee Member (CECM) Economic Planning</li> <li>• County Secretary (CS)</li> </ul>
2.	Data Collection and Analysis	<ul style="list-style-type: none"> <li>• Review</li> <li>• Priority setting and public participation forums</li> <li>• Sector politeres</li> <li>• Governor Manifesto</li> </ul>	31 <sup>st</sup> July 2022	<ul style="list-style-type: none"> <li>• (SWG, CIDP TEAM)</li> <li>• Economic and Planning Director</li> </ul>
3.	Development of Objectives and Strategies	<ul style="list-style-type: none"> <li>• Vision</li> <li>• Mission</li> <li>• Objectives</li> <li>• Strategies</li> </ul>	31 <sup>st</sup> July, 2022	<ul style="list-style-type: none"> <li>• CECM Economic Planning</li> <li>• County Chief Officer(CCOs)</li> <li>• Economic and Planning Director</li> </ul>
4.	Formulation of Programmes and Projects	<ul style="list-style-type: none"> <li>• Programmes</li> <li>• Sub programmes</li> <li>• Projects</li> <li>• Resource Mobilization</li> <li>• Risk Management</li> </ul>	31 <sup>st</sup> August 2022	<ul style="list-style-type: none"> <li>• CECM Economic Planning</li> <li>• CCOs</li> <li>• Economic and Planning Director</li> </ul>

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### 5.4 Five-Year Departmental Strategic Plans

To operationalize CIDP, county sectorial and spatial plans in accordance with County Government Act under Section 109, each county department or ministry shall develop a 5-Year strategic plan with clearly identified strategic priorities. The strategic objectives of departmental strategic plans should be derived from the priorities and development objectives of the CIDP, sectorial plans and spatial plans. The strategic plan should outline a departmental human resource plan and the proposed organizational structure.

### 5.5 The Annual Development Plan

An Annual Development Plan (ADP) largely relates to the capital investment priorities that are annually identified within the scope of a department's strategic plan and available resources. The ADP therefore operationalizes, on an annual basis, the strategic objectives of a department's strategic plan. While the Annual Development Plans (ADPs) should be derived from the CIDP as outlined in Section 126 of the Public Finance Management Act, they nonetheless must be aligned to the strategic objectives identified in the departmental/ministerial strategic plans.

ADP details prioritized projects, planned activities, locations, actors, budget, risks and assumptions for each year. In drawing the ADP, attention should be paid to the resource envelop appropriated annually to each department/ministry. The annual development plan should embrace public participation and stakeholder engagement.

## **5.6 Work Plans**

Work plans are a set of activities or tasks undertaken at an individual or organizational level within a specified period (quarterly, semi-annually or annually). Activities are all those things, services /goods for which resources are expended to enable a department execute its mandate. Work plans should be developed or identified from the ADPs and from the strategic objectives of the departments' strategic plans. Work plans apportion responsibility to departmental sections or divisions and to individual or employees.

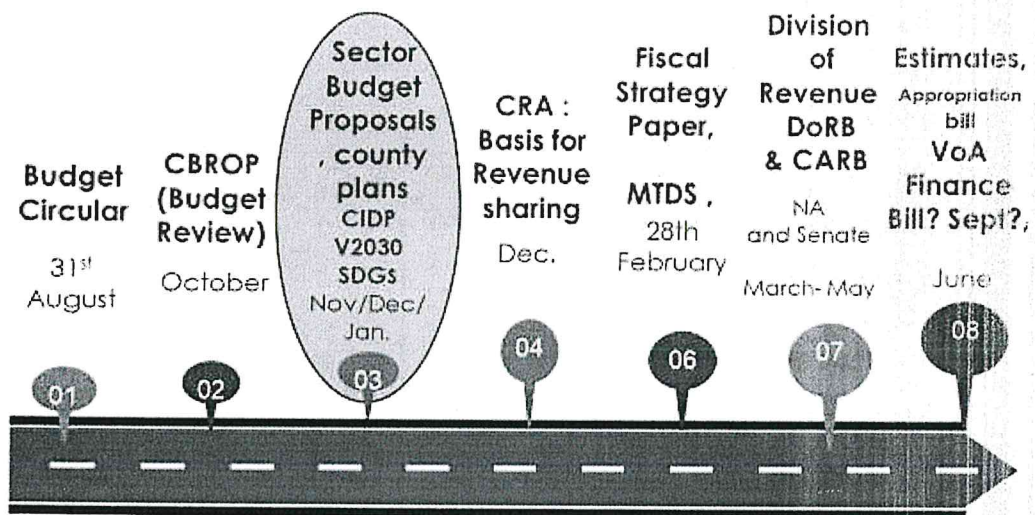
## **5.7 Annual Budget**

An annual budget is an estimate of income and expenditure for a given government entity as approved by the County Assembly for a given fiscal year. It is formulated in accordance with the PFMA Act, 2012. It outlines government expenditure priority programmes/projects in line with the CIDP and cascaded down to departmental strategic plans.

Departmental work plans and the activities or tasks identified therein provide the basis for costing and estimating budgetary resource requirements. Each department's County Executive Member should therefore annually formulate and cost activities, tasks, projects and programmes that are consistent with the objectives of the CIDPs and the department's strategic plan's priorities and ensure that they are incorporated in the County Fiscal Strategy Paper (CFSP).

In developing budget estimates, each department should identify the expected deliverables of each budgeted activity/task, project or programme. Additionally, each department should indicate or propose measures or activities that will be undertaken to secure new or additional resources internally (annual allocations and appropriation-in-aid) or externally (loans or grants from either the National Government or development partners).

## Key timelines: County Budgeting



## 6.0 ATTRIBUTES OF AN INTEGRATED DEVELOPMENT PLAN

The following are the features of an integrated development plan

a) Strategy Presentation:

It should present strategies for translating sectoral objectives into specific targets. Defining the county objectives helps formulate the best strategies through which the selected interventions shall be achieved.

b) Environmental Sustainability:

It should take into account environmental concerns in all planned programmes and projects from conceptual stage by subjecting them to strategic environmental assessment. This guarantees sustainable development and reduce the cost of implementation occasioned by requirements such as environmental impact assessments and audits.

c) Inclusivity and Participatory:

It should encourage public participation and inclusion of all stakeholders not only before and during preparation but also during implementation of projects, programmes and policies as well as in monitoring and evaluation.

d) Achievable:

The plan to be implemented should be within reach of the technical and financial capacity of the County Government and partners.

- e) Performance Analysis: It should entail a comprehensive review of the past performance of the sectors in the county. This should include an analysis of the situation at the beginning of the plan, any changes realized, constraints encountered and lessons learnt. This analysis guides the county governments in the formulation of effective strategies that promote sustainable development.
- f) Monitoring and Evaluation:  
It should fulfil its function as a main information base for decision making hence an instrument for tracking the development process. It should have clear indicators, baseline and targets to show development progress.
- g) Programme-Based:  
Government strategies are implemented and development outcomes achieved, through programmes. Programmes are the building blocks of the CIDP and the link to Medium Term Expenditure Framework (MTEF) and annual budget estimates.
- h) Coherent:  
It should clearly outline the decision-making process that led to the identification of and the direct logical link between, priorities, strategies and development outcomes.

## **7.0 CONTENTS OF THE CIDP**

It should contain the following:

- a) The institutional framework, which shall include an organization chart required for implementation and for addressing the county's internal transformation needs.
- b) The strategies and programmes set out in the plan.

### **7.1 Attachments to the CIDP**

- a) Attachments such as maps, statistics and other appropriate documents
- b) Reference to maps, statistics and other appropriate documents that are not attached but held in a GIS based database system.

- c) Attachments are provided where the plans are open to the public inspection at the offices of the county.

## **7.2 CIDP Resource Mobilization and Management Framework**

- a) Include the budget projection required under the law governing county government financial management.
- b) Indicate the financial resources that are available for capital project developments and operational expenditure.
- c) Financial Strategy;
  - Revenue raising measures
  - Asset management strategies
  - Financial management strategies
  - Capital financing strategies
  - Operational financing strategies
  - Strategies that would enhance cost-effectiveness

## **8.0 RECOMMENDATIONS**

### **Revenue information/ Revenue Mobilization**

1. A CIDP has to provide comprehensive information on revenue, including revenue performance over the past financial years covered in the previous CIDP, revenue collection challenges and proposed solutions to address the challenges.
2. The proposed CIDP ought to give the strategies of revenue mobilization for the next five years, with individual budget projections covering the intergovernmental transfers (equitable share and grants), own source revenue, strategies to improve own source revenue and exploring new revenue sources/bases.

### **Development priorities and strategies**

1. A CIDP should provide details for the spatial development framework laying out the key development priorities identified in the sectors and strategies over the next five years as identified by the stakeholders.

## **Expenditure information**

1. The CIDP should give information on projected expenditure for the coming five years, providing details comprehensively, including timelines when the expenditure is to be incurred.
2. CIDP should provide details on historical expenditure performance as implemented in the previous CIDP to inform expenditure projections for the next five - year period.
3. The expenditure information should be broken down into sectors / departments and disaggregated by recurrent and development expenditure. It's also important challenges of implementation are documented and solutions proposed.

## **Non- Financial indicators**

1. A CIDP should have non- financial data indicators such as inputs and targets for monitoring the implementation of programmes
2. This information should be provided across all the departments/ sectors.

## **Capital / Flagship/ Transformational Projects**

1. A CIDP should provide information on major flagship projects though it may not all be all the capital projects that a county plans to undertake in the next five years. This act as a reference point to the Annual Development Plan, CFSP and program based budgeting.
2. It's important for members to note that the key objective of county plans is to address inequalities in resource distribution within the county by ensuring projects in the CIDP are evenly distributed across the county. The details on each capital project should be provided.

## **Implementation, monitoring and evaluation framework**



1. The CIDP should have performance indicators to monitor and track progress on the implementation of the projects and programmes.

### **Public Participation**

1. Citizen's engagement in planning is a requirement of the law and especially sec.115, CGA, 2012 provides that public participation in the county planning processes shall be mandatory with the primary objective of delivery of basic social services to the poor, reduce the influence of local elites and empower citizenry.