

REPUBLIC OF KENYA



THE PRESIDENCY
MINISTRY OF DEVOLUTION AND PLANNING
STATE DEPARTMENT FOR PLANNING AND STATISTICS

DRAFT GUIDELINES FOR PREPARATION OF COUNTY ANNUAL DEVELOPMENT PLANS

JUNE, 2017

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FOREWORD

Kenya Vision 2030, the country's economic blue print is being actualized through five year Medium Term Plans (MTP) and County Integrated Development Plans (CIDP) which are subsequently implemented through Annual Plans and budget. The Ministry of Devolution and Planning which is responsible for National and Sectoral development planning; monitoring and evaluation of economic trends; coordination of implementation of Sustainable Development Goals (SDGs); capacity building and technical assistance to county governments; and monitoring and evaluation of devolution affairs.

The constitution of Kenya, County Governments Act, 2012 and the Public Finance Management Act, 2012 among other legislations stipulates the basis for the preparation of the annual development plans for all the 47 county governments. This is to enhance the prudent allocation of resources as envisaged in the government policy on expenditure prioritization aiming at achieving the transformative development agenda.

It is indispensable that the 47 county governments have different resource endowments hence varying sectoral priorities. This has continuously instigated a demand to demonstrate significant development results from the resources allocated in each plan period. However, due to the heterogeneity which has been witnessed in the preparation of annual development plans by the counties, uniformity in reporting has been a challenge.

Therefore, the underlying objective of developing guidelines for preparation of Annual Development Plans is imperative in ensuring that counties have the requisite quality standards. These will help in monitoring and evaluation of priorities, programmes and projects as linked with other policy documents. Counties will therefore be able to demonstrate their development results geared towards enhancing appropriate policies for sustainable development.

ACKNOWLEDGEMENT

These guidelines have been prepared by a team of officers in the Ministry of Devolution and Planning, State department for Planning and Statistics with Mr. Joseph N. Mukui, the Economic Planning Secretary providing the overall leadership and direction. Special thanks also goes to Council of Governors who provided inputs collated from various stakeholders who included County officers and development partners.

I also appreciate the efforts of technical team that prepared these guidelines. The team comprised of Mr. Benson K. Kimani, Director Economic Planning, Mr. Richard Mwarema, Chief Economist, Mr. Joseph Malonza, Mr. John Mbivya Mbuthi, Ms. Ann Mureithi, Mr. Paul Kabati and Mr. Morris Kamande.

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ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Plan
CADP	County Annual Development Plan
CBEF	County Budget and Economic Forum
CG	County Government
CIDP	County Integrated Development Plan
CIMES	County Integrated Monitoring and Evaluation System
FY	Financial Year
KSH	Kenya Shilling
MTEF	Medium Term Expenditure Framework
PBB	Programme Based Budget
PFM	Public Finance Management
MTP	Medium Term Plan
SDGs	Sustainable Development Goals

CONCEPTS AND TERMINOLOGIES

Programme: A grouping of similar projects and/or services performed by a Ministry or Department to achieve a specific objective; The Programmes must be mapped to strategic objectives.

Project: A project is a set of coordinated activities implemented to meet specific objectives within defined time, cost and performance parameters. Projects aimed at achieving a common goal form a programme.

Green Economy: The green economy is defined as an economy that aims at reducing environmental risks and ecological scarcities, and that aims for sustainable development without degrading the environment.

Indicators: An indicator is a measure that can be used to monitor or evaluate an intervention. Indicators can be quantitative (derived from measurements associated with the intervention) or qualitative (entailing verbal feedback from beneficiaries).

Outcomes: The medium-term results for specific beneficiaries which are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives as set out in its plans. Outcomes are "what we wish to achieve". Outcomes are often further categorized into immediate/direct outcomes and intermediate outcomes.

Outputs: These are the final products, goods or services produced for delivery. Outputs may be defined as "what we produce or deliver".

Performance indicator: a measurement that evaluate the success of an organization or of a particular activity (such as projects, programs, products and other initiatives) in which it engages.

Outcome Indicators: Outcome indicators measure the quantity and quality of the results (change) achieved through the provision of services. An outcome indicator answers the question: "How will we know success when we see it?" Examples: Percentage decrease in child mortality; Increase in productivity for small farmers; Literacy rates in a given primary grade; etc

Flagship/Transformative Projects: These are projects with high impact in terms of employment creation, increasing county competitiveness, revenue generation etc. They may be derived from Kenya Vision 2030 or County Transformative Agenda.

Capital Projects: Can be defined as a group of related activities that are implemented to achieve a specific output and to address certain public needs. Projects should therefore be based on a comprehensive needs assessment and must have a time frame for completion and realization of the desired results. Capital projects shall be all activities meeting the above definition with a cost of at least Kshs. 5 Million (*Treasury Circular No. 14/2016 dated July 13, 2016*)

Sector: For the purposes of planning, the CADP sectors shall be based on the following MTP Sector: Tourism, Agriculture, Livestock and Fisheries; Trade; Manufacturing; Business Process Outsourcing (BPO) and IT-Enabled Services; Financial Services; Oil and Other Mineral Resources; Education and Training; Health; Environment, Water and Sanitation; Population, Urbanization and Housing; Gender, Youth and Vulnerable Groups; Sports, Culture and Arts; Devolution; Governance and Rule of Law; Infrastructure; Information and Communications Technology; Science, Technology and Innovation; Land Reforms; Public Sector Reforms; Labour and Employment; National Values and Ethics; Ending Drought Emergencies (EDE); Security, Peace Building and Conflict Resolution and Blue economy. County Governments should however incorporate only the sectors relevant to their counties.

SECTION ONE: INTRODUCTION

I. Background

The Constitution of Kenya 2010 created a two-tier system of governance, national government and 47 county governments that requires a paradigm shift in development planning. Article 220(2) (a) of the Constitution states that “national legislation shall prescribe the structure of development plans and budgets”

The key mandate of the Ministry of Devolution and Planning includes national and sectoral development planning as well as management of intergovernmental relations, capacity building and technical assistance to counties. The Ministry is, therefore, responsible for providing overall policy guidance on development planning matters at both national and county level.

The County Government Act, 2012 section 104 and 105 provides that County Governments are responsible for: preparing integrated development plans; ensuring integrated planning within the county; ensuring linkages between county plans and the national planning framework; ensuring meaningful engagement of citizens in planning process; ensuring the collection, collation, storage and updating of data and information suitable for the planning processes; and ensure that no public funds shall be appropriated outside a planning framework.

Public Finance Management Act, 2012 outlines the county planning framework which provides for the preparation of various kinds of plans and among them is the County Annual Development Plans (CADPs). The CADP provides the basis for implementing the CIDP and guiding resource allocation to priority projects and programmes.

Further, The Public Finance Management Act (PFMA), 2012 Section 126 Sub-section one (1) requires county governments to prepare an Annual Development Plan (ADP) in accordance with Article 220 (2) of the constitution. The ADP which is submitted for approval to the county assembly not later than 1st September of each year provides for, *inter alia*, strategic priorities for the medium term that reflect the county government’s priorities and plans; county programmes and projects to be delivered; measurable indicators of performance where feasible; and the budget allocated to the programme and projects.

II. Purpose of the Guidelines

The purpose of the guidelines is to provide planners at the County level with a standard structure for the preparation of the Annual Development Plans. This is also to ensure uniformity in the development of ADPs across counties.

SECTION TWO: OUTLINE OF THE ANNUAL DEVELOPMENT PLAN

I. Introduction

This section presents the outline of the Annual Development Plan. It provides ADP structure and chapter outlines.

II. Annual Development Plan Structure and Chapter Outlines

The following is the proposed structure of the Annual Development Plan.

i.) Cover Page

The cover page should contain the following:

- The County Government logo;
- County name;
- Annual Development Plan (Financial Year); and
- Preparation date.

ii.) First Page (Title page)

- Title
- County Vision and Mission

iii.) Preliminary Pages

- Table of Contents
- List of Tables
- List of Maps/Figures
- Abbreviations and Acronyms
- Glossary of Commonly used Terms

iv.) Foreword: The foreword should cover the following:

- The basis for preparing Annual Development Plan as articulated in section 126 of the Public Finance Management Act, 2012 and in accordance with Article 220 (2) of the Constitution;
- The linkage with the CIDP, Medium Term Expenditure Framework (MTEF) and Sectoral Plans, and how the plan mainstreams National and International commitments (e.g. Vision 2030, Agenda 2063 of the African Union, Sustainable Development Goals (SDGs) etc.);

- The process that was followed in the preparation of the Plan;
- Highlights on the resource mobilization strategies and forecasts on both development and recurrent budgets; and
- A summary of the expected impact of the development projects and programmes earmarked for implementation that financial year.

(The foreword should be signed by the County Executive Committee member responsible for planning).

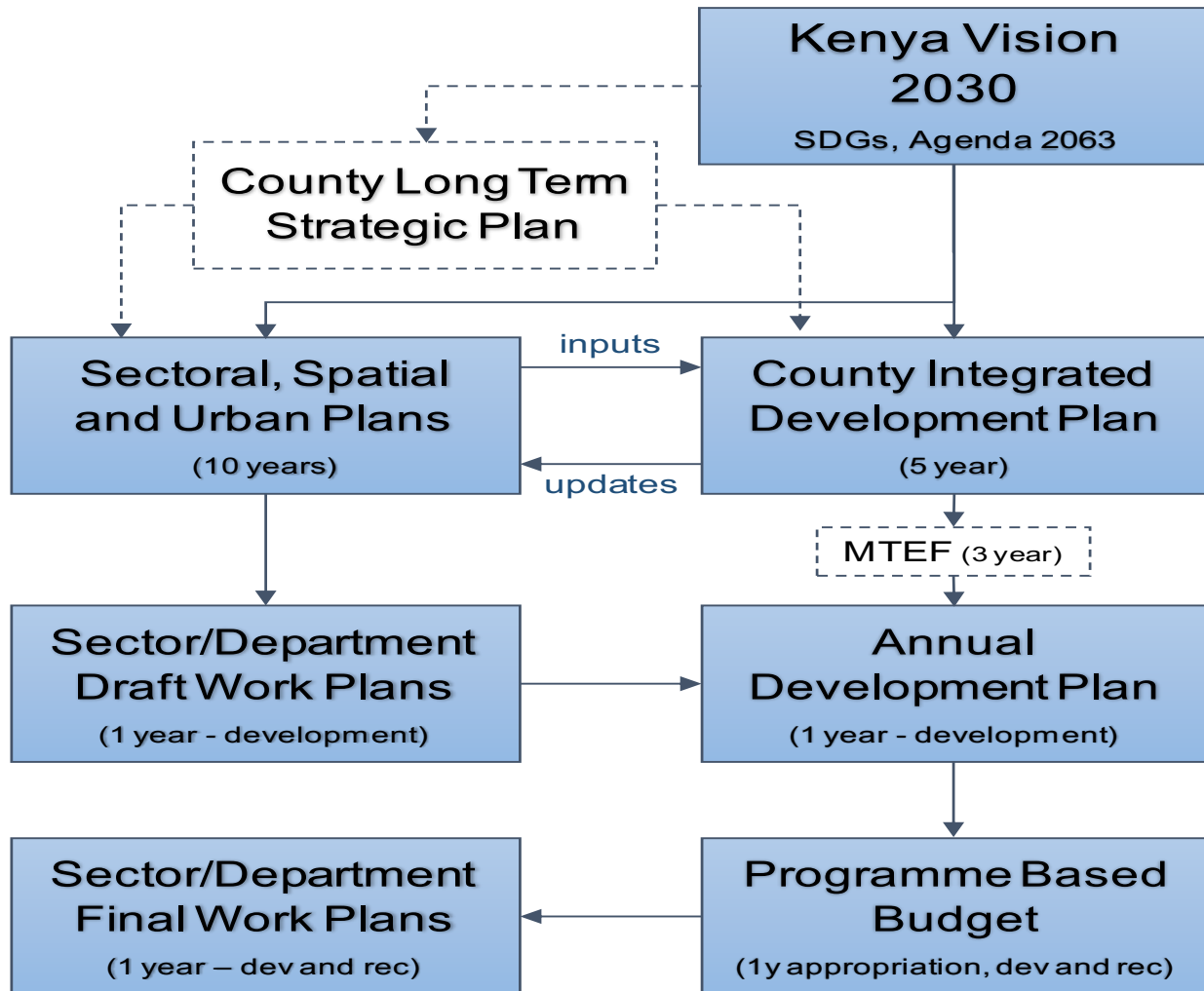
v.) Acknowledgements: This should recognize all those involved in the ADP preparation process. The role played by the ADP secretariat, key County Government departments and other stakeholders (both internal and external).

(The acknowledgement should be signed by the Chief Officer responsible for planning)

vi.) Executive Summary: This is a brief summary of the chapters / sections of the Annual Development Plan outlining the content of each chapter. It should be about two pages.

vii.) Legal Basis for the preparation of the ADP and the link with CIDP and the Budget: This should present the legal justification for the preparation of the Annual Development Plan as per section 126 of the Public Finance Management Act, 2012 and in accordance with Article 220 (2) of the Constitution of Kenya, 2010. Provide a diagrammatic presentation of the link between the ADP, CIDP and the Budget shown in figure 1

Figure 1: ADP Linkage with other Plans



CHAPTER ONE: INTRODUCTION

1.1 Overview of the County

This section should provide a short description of the county in terms of the location; size; demographic profiles; administrative and political units. It should also highlight a summary of the socio-economic and infrastructural information that has a bearing on the development of the county. This should not be more than two pages.

1.2 Annual Development Plan Linkage with CIDP

This section should present county broad priorities and strategies as per the CIDP that will be implemented during the plan period.

1.3 Preparation process of the Annual Development Plan

This section should include the source (s) of data and how it was obtained (Submission from county departments, sector working group reports, stake holder meetings, inputs from the County Budget and Economic Forum (CBEF), existing government policies, plans and strategies etc.); and the process that was followed to compile the plan.

CHAPTER TWO: REVIEW OF THE IMPLEMENTATION OF THE PREVIOUS ADP

This chapter provides a review of sector/ sub-sector achievements, challenges and lesson learnt.

2.1 Introduction

This section should provide a summary of what was planned and what was achieved by the sector/sub sector. The section should also indicate the overall budget in the ADP versus the actual allocation and expenditures as per sector/ sub-sector.

2.2. Sector/ Sub-sector Achievements in the Previous Financial Year

Outline the achievements in sector/sub-sector of the county using the following format;

2.2.1 Sector/ Sub-sector name

- The strategic priorities of the sector/sub-sector
- Analysis of planned versus allocated budget
- Key achievements

Table 1: Summary of Sector/ Sub-sector Programmes

Programme Name					
Objective:					
Outcome:					
Sub Programme	Key Outcomes/ outputs	Key performance indicators	Planned Targets	Achieved Targets	Remarks*

**Remarks: This should give comments on variation of planned vs achieved targets if any.*

2.3 Analysis of Capital and Non-Capital projects of the Previous ADP

Provide a brief summary of what was achieved during the previous ADP. Details of the achievements should be presented in the given format and annexed.

Table 2: Performance of Capital Projects for the previous year

Project Name/ Location	Objective/ Purpose	Output	Performance Indicators	Status (based on the indicators)	Planned Cost (Ksh.)	Actual Cost (Ksh.)	Source of funds

Table 3: Performance of Non-Capital Projects for previous ADP

Project Name/ Location	Objective/ Purpose	Output	Performance indicators	Status (based on the indicators)	Planned Cost (Ksh.)	Actual Cost (Ksh.)	Source of funds

2.4 Payments of Grants, Benefits and Subsidies

This section should provide information on total payments done by the county government.

Table 4: Payments of Grants, Benefits and Subsidies

Type of payment (e.g. Education bursary, biashara fund etc.)	Budgeted Amount (Ksh.)	Actual Amount paid (Ksh.)	Beneficiary	Remarks*

**Remarks: Give a comment on the purpose of the payment or any variation in payment. (Grants has a meaning assigned to it under sections 47 and 138 of the PFM Act 2012; Benefits are as defined within the county PFM Regulations 2015 as deductions on a payroll system against an official salary for a debt arising from employment benefit.*

2.5 Challenges experienced during implementation of the previous ADP

This section should provide detailed information on the challenges experienced by the county during the implementation of the previous plan. This may include: Capacity, funding, legal, policy, risk preparedness etc.

2.6 Lessons learnt and recommendations

This section should outline key lessons learnt from the implementation of the previous plan and proposed recommendations for improvement.

CHAPTER THREE: COUNTY STRATEGIC PRIORITIES, PROGRAMMES AND PROJECTS

This chapter should present sector/sub-sector strategic priorities, programmes and projects for the year. The programmes and projects should envisage a green economy by mainstreaming cross-cutting issues such as climate change; environmental degradation; Disaster Risk Management (DRM) HIV/AIDs; Gender, Youth and Persons with Disability (PWD), Ending Drought Emergencies (EDE); among others.

3.1 Introduction

This section should provide a summary of what is being planned by the county. This should include key broad priorities and performance indicators. It should also indicate the overall resource requirement in the ADP.

3.2 Sector/ Sub-sector name

- Sector vision and mission
- Sub-sector goals and targets
- Indicate key statistics for the sector/ sub-sector
- The strategic priorities of the sector/sub-sector (Identify the development needs and the priorities strategies to address the needs)
- Description of significant capital and non capital development
- Sector/sub-sector key stakeholders (parastatals, donors, private sector, non-state actors, National Government CMDAs) with substantive roles and responsibilities in project/program formulation and implementation.

3.3 Capital and Non-Capital Projects

Provide a summary of the capital and non capital projects to be implemented during the plan period. Details of the projects should be presented as per table 6a and 6b and annexed.

Table 6a: Capital projects for the ...FY

Sub Program me	Programme Name									Implement ing Agency
	Project name Location (Ward/Sub county/ county wide)	Descripti on of activities	Green Economy considerat ion	Estimat ed cost (Ksh.)	Sour ce of funds	Tim e fra me	Performa nce indicators	Targe ts	status	
Example: Water developm ent	Naivasha water project	Drilling boreholes Piping Construct ion of tanks	Solar powered submersibl e pump	4 Million	CGN	2017 - 2021	No. of h/h connected to water supply	200hh	ongoi ng	Nakuru water department NAWASC O

		Purchase of gen set								

Table6b: Non-Capital ProjectsFY

Programme Name										
Sub Program me	Project name Location (Ward/Sub county/ county wide)	Descripti on of activities	Green Economy considerat ion	Estimat ed cost (Ksh.)	Sour ce of fund s	Tim e fra me	Performa nce indicators	Targe ts	stat us	Implement ing Agency

3.4 Cross-sectoral Implementation Considerations

This section should provide measures to harness cross sector synergies and mitigate adverse cross-sectoral impacts of projects where necessary.

- **Harnessing Cross-sector synergies:** Indicate what considerations that will be made in respect to harnessing cross-sector synergies arising from possible project impacts.
- **Mitigating adverse Cross-sector impacts:** State mitigation measures that may be adopted to avoid or manage potential adverse cross-sector impacts.

Table 8: Cross-sectoral impacts

Programme Name	Sector	Cross-sector Impact		Measures to Harness or Mitigate the Impact
		Synergies	Adverse impact	

3.4 Payments of Grants, Benefits and Subsidies

This section should provide information on proposed payment of Grants, Benefits and Subsidies to be done by the county government during the plan period.

Table 9: Payments of Grants, Benefits and Subsidies

Type of payment (e.g. Education bursary, biashara fund etc.)	Amount (Ksh.)	Beneficiary	Purpose

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CHAPTER FOUR: RESOURCE ALLOCATION

This section should present a summary of the proposed budget by programme and sector/ sub sector. It should also provide a description of how the county government is responding to changes in the financial and economic environment.

4.0 Resource allocation criteria

Indicate the criteria used in the allocation of resources per sector/sub sector and per programme.

4.1 Proposed budget by Programme

Indicate proposed budget for the programmes identified in chapter three.

Table 10: Summary of proposed budget by programme

Programme	Amount (Ksh.)
Total	

4.2 Proposed budget by Sector/ sub-sector

Indicate proposed budget for the Sector/ Sub-sector.

Table 11: Summary of Proposed Budget by Sector/ Sub-sector

Sector/Sub-sector name	Amount (Ksh.)	As a percentage (%) of the total budget
Total		

4.3 Financial and Economic Environment

This section should discuss how the county is responding to financial and economic constraints such as availing funds for high impact capital projects, effects of drought etc. Also, indicate a description of legal provisions which needs to be reviewed or developed to spur county economy.

4.4 Risks, Assumptions and Mitigation measures

Indicate risks, assumptions and mitigation measures during the implementation period.

Table 12: Risks, Assumptions and Mitigation measures

Risk	Assumption	Mitigation measures

CHAPTER FIVE: MONITORING AND EVALUATION

This chapter should discuss the county monitoring and evaluation framework as outlined in the County Integrated Monitoring and Evaluation System (CIMES).

The outline of the section should contain the following:

- a) Introduction (a brief description of the M&E structure in the county);
- b) Discussion of Performance indicators adopted from CIMES;
- c) Institutional framework that will be adopted to monitor the programmes; and
- d) Data collection, Analysis and Reporting mechanisms;

The following template should be used:

Table 13: Monitoring and Evaluation Performance Indicators

Sector/Sub-sector	Key performance indicator	Beginning of the ADP year situation	End of the ADP year situation

ANNEXES

Table 2: Sector/ Sub-sector by programmes for the year.....

Sub Programme	Programme Name (As per the Programme Based Budget):									Implementing Agency	Other stakeholders
	Project name Location (Ward/Sub county/ county wide)	Description of activities	Green Economy consideration	Estimated cost (Ksh.)	Source of funds	Time frame	Performance indicators	Targets	status		
Example: Water development	Naivasha water project	Drilling boreholes Piping Construction of tanks Purchase of genset	Solar powered submersible pump	4Million	CGN	2017-2021	No. of h/h connected to water supply	200h	ongoing	Nakuru water department NAWASCO	

Remarks: This should give comments on whether the projects are either Ongoing or New.