

**REPUBLIC OF KENYA**



**THE NATIONAL TREASURY AND PLANNING  
STATE DEPARTMENT FOR PLANNING**

**GUIDELINES FOR PREPARATION OF COUNTY ANNUAL  
DEVELOPMENT PLANS**

**MAY, 2020**

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## **FOREWORD**

The County Governments Act, 2012 and the Public Finance Management Act (PFMA), 2012 stipulate that development plans should form the basis for appropriation of public funds. Section 105 of the CGA, 2012 emphasizes the need for linkages between county plans and national planning frameworks. As per the County Governments Act section 108, county governments are required to prepare County Integrated Development Plans (CIDP) that are implemented through Annual Development Plans and Medium Term Expenditure Framework (MTEF).

The Annual Development Plan provides a platform for linking county development priorities in the CIDP to county annual budget. This is meant to enhance prudent allocation of resources as envisaged in the PFMA. Further, it is meant to ensure that appropriation of county resources is done within the planning framework. The Annual Development Plans also help in monitoring and evaluation of county programmes and projects; thus enabling counties to demonstrate their development results.

In order to ensure uniformity and requisite standards, The National Treasury and Planning through the State Department for Planning has developed guidelines for preparation of the County Annual Development Plans. This has been done through a consultative process involving stakeholders from both national and county governments. It is my expectation that these guidelines will be useful in providing a standard structure for preparing the Annual Development Plans.

I would like to thank all those who participated in the preparing these guidelines as well as those who provided their inputs. I also wish to recognize the role played by Mr. Saitoti Torome, Principal Secretary, State Department for Planning, who provided sterling leadership in the development of the guidelines.



**Hon (Amb.) Ukur K. Yattani, EGH**  
**Cabinet Secretary,**  
**The National Treasury and Planning**

## **ACKNOWLEDGEMENT**

These guidelines have been prepared by a team of officers from The National Treasury and Planning, State Department for Planning with Mr. Benson K. Kimani, the Director Economic Planning leading the technical team. Special thanks go to Mr. Joseph Mukui, Economic Planning Advisor, for his guidance throughout the process and the Council of Governors who provided inputs collated from various stakeholders who included County officers and development partners.

I also appreciate the efforts of the technical team that prepared these guidelines. The team comprised of Mr. Richard Mwarema, Chief Economist, Mr. Edwin Njue, Ms. Ann Muthamia, Ms. Robina Kwamboka, Ms. Elizabeth Wamalwa, Mr. Rodgers Achieng, Ms. Grace Kimiti, Mr. Joseph Malonza, Mr. John Mbivya Mbuti, Mr. Samuel Nguluu,,Ms. Winfred N. Kirimi, Ms. Ann Mureithi, Mr. Morris Kamande, Ms. Victoria Wachaiyu, Mrs, Felistus Mbuva, Mr. Kevin Njuki, and Mr. Bernard Amimo,

I wish to recognise the officers from the Intergovernmental Fiscal Relations Department, the National Treasury, for their sincere inputs into these guidelines.



**Saitoti Torome, CBS**  
**Principal Secretary,**  
**State Department for Planning**  
**The National Treasury and Planning**

## **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
DRM	Disaster Risk Management
EDE	Ending Drought Emergencies
FY	Financial Year
GESIP	Green Economy Strategy and Implementation Plan
KPI	Key Performance Indicator
KSH	Kenya Shilling
M&E	Monitoring and Evaluation
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
PBB	Programme Based Budget
PFM	Public Finance Management
SDGs	Sustainable Development Goals

## CONCEPTS AND TERMINOLOGIES

**Baseline:** Baseline is an analysis describing the initial state of an indicator before the start of a project/programme, against which progress can be assessed or comparisons made

**Capital Projects:** For the purpose of this plan guidelines capital projects should be termed as those projects that help in improving or maintaining county asset. Such projects may include new constructions, expansion, and renovation of county facilities across all sectors. As per the Public Investment Management Guidelines of the PFM Act, 2012, capital projects should be classified into one of the following four categories:

- **Small Projects** – these are projects estimated to cost less than KShs.100 million by the time they are completed and handed over.
- **Medium Projects** – these are projects estimated to cost between KShs.100million and KShs.500 million by the time they are completed and handed over.
- **Large Projects** – these are projects estimated to cost between KShs.500 million and Kshs. 1billion by the time they are completed and handed over.
- **Mega Projects** – these are projects estimated to cost more than KShs.1billion by the time they are completed and handed over.

**Flagship/Transformative Projects:** These are major projects/large scale initiatives with high socio-economic impact in terms of creating employment, enhancing competitiveness, revenue generation, and ability to deliver services including promoting peace and co-existence across the county.

**Green Economy:** The green economy is defined as an economy that results in improved human wellbeing and social equity, while significantly reducing environmental risks and ecological scarcities. The policy framework for the green economy and green growth in Kenya is designed to support a globally competitive low carbon development path through promoting economic resilience and resource efficiency, sustainable management of natural resources, development of sustainable infrastructure and providing support for social inclusion. The Green Economy Strategy and Implementation Plan (GESIP) 2016 aims at guiding the National and County Governments as well as other actors to adopt development pathways with higher and more efficient growth, cleaner environment and higher productivity.

**Indicator:** An indicator is a sign of progress /change that result from your project. It measures a change in a situation or condition and confirms progress towards achievement of a specific result. It is used to measure a project impact, outcomes, outputs and inputs that are monitored during project implementation to assess progress.

**Outcome Indicator:** This is a specific, observable, and measurable characteristic or change that will represent achievement of the outcome. Outcome indicators include quantitative and qualitative measures. Examples: Enrolment rates, transition rates, mortality rates etc.

**Outcome:** Measures the intermediate results generated relative to the objective of the intervention. It describes the actual change in conditions/situation as a result of an intervention output(s) such as changed practices as a result of a programme or project.

**Output:** Immediate result from conducting an activity i.e. goods and services produced.

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

**Programme:** It is a grouping of similar projects and/or services performed by a National/County 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.

**Sectors:** Is a composition of departments, agencies and organizations that are grouped together according to services and products they provide. They produce or offer similar or related products and services, and share common operating characteristics.

**Target:** A target refers to planned level of an indicator achievement.

## **SECTION ONE**

### **INTRODUCTION**

#### **I. Background**

The Constitution of Kenya 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.”

Sections 104, 105 and 108 of the County Government Act, 2012 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 ensuring that no public funds shall be appropriated outside a planning framework.

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

Further, Section 126 of the PFMA, 2012 requires county governments to prepare a development plan in accordance with Article 220 (2) of the Constitution, which should be submitted for approval to the county assembly not later than 1<sup>st</sup> September of each year. The ADP should outline among others: the 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 programmes and projects.

The Fourth Schedule of the Constitution assigns the National Government the role of economic policy and planning; capacity building; and technical assistance to counties. The National Government is also responsible for the development of norms and standards for the performance of functions assigned to each level of government. It is against this background that the National Treasury and Planning has developed these guidelines which will provide a framework for developing the ADPs.

#### **II. Purpose of the Guidelines**

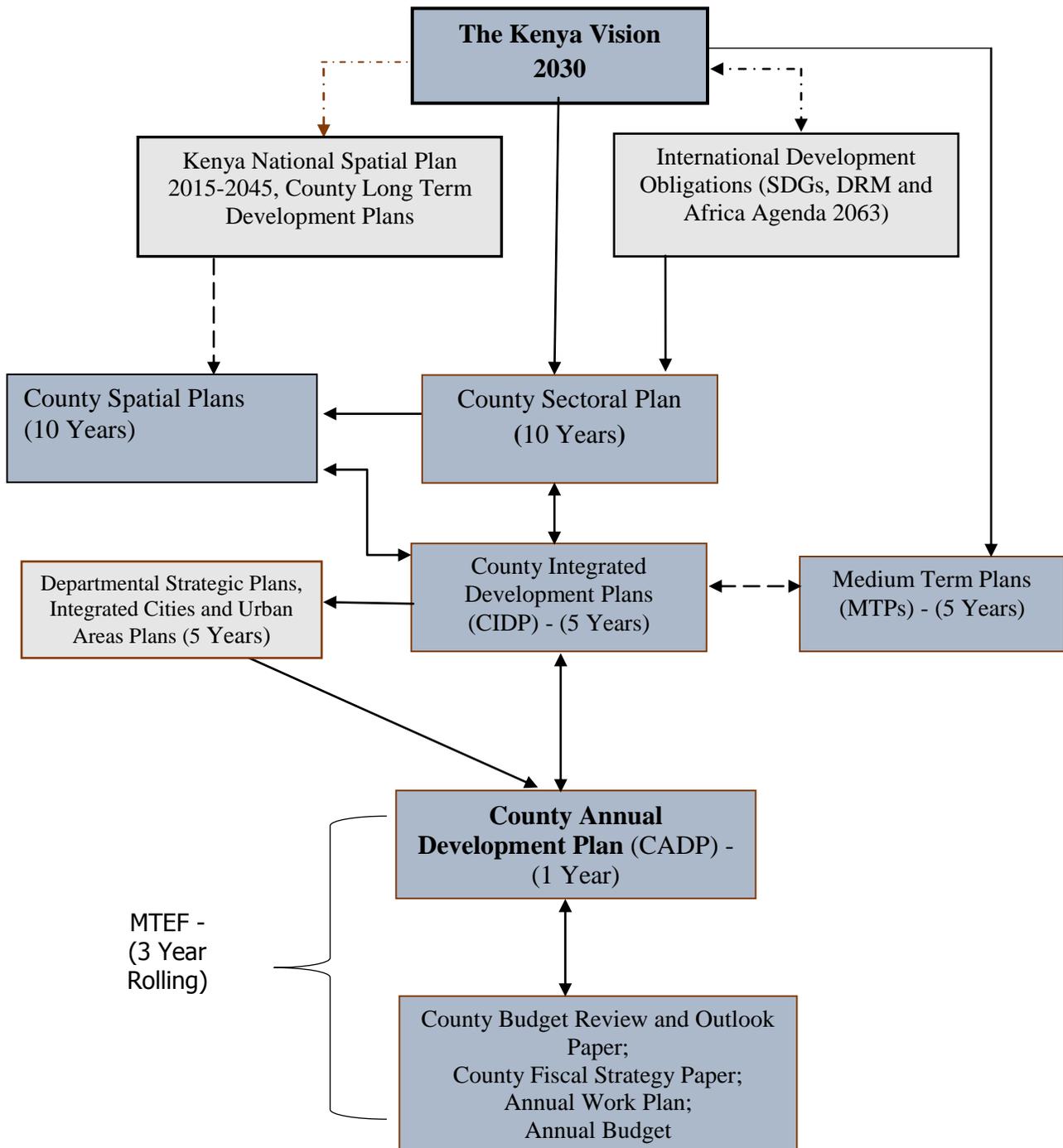
These guidelines provide planners at the County level with a standard structure for the preparation of the Annual Development Plans. The guidelines also ensure uniformity in the

development of ADPs across counties and provide a framework for strengthening policy, planning and budgeting at the county level.

### III. Linkage of the ADP with Other Plans

Figure 1 shows the linkage between the Annual Development Plan with other plans and policies including Kenya Vision 2030 and its Medium Term Plans, CIDPs, the SDGs, and Africa’s Agenda 2063.

**Figure 1: Linkage of the ADP with Other Plans**



## **SECTION TWO**

### **STRUCTURE OF THE ANNUAL DEVELOPMENT PLAN**

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 Annual Development Plan for..... (Insert County Name).....
- 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 of the ADP with the CIDP, Medium Term Expenditure Framework (MTEF) and Sectoral Plans, and how the plan mainstreams National and International commitments (e.g. Kenya Vision 2030, Africa Agenda 2063, Sustainable Development Goals (SDGs) etc.);
- The process that was followed in the preparation of the Plan;

- Highlights on the resource requirements and mobilization strategies; and
- A summary of the expected output 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 Economic planning).*

#### **v.) Acknowledgement**

This section should recognize those involved in the ADP preparation process, the role played by the ADP secretariat, key County Government departments and other internal and external stakeholders.

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

#### **vi.) Executive Summary**

This section should provide the key highlights of the Annual Development Plan, and a summary of the content of each chapter.

## **CHAPTER ONE: INTRODUCTION**

*This chapter provides an overview of the county, the rationale for preparation of ADP and preparation process of the Plan.*

### **1.1. Overview of the County**

This section should provide a brief description of the county information terms of: demographic profiles; administrative and political units. It should highlight the socio-economic and infrastructural information that has a bearing on the development of the county. The section should also present county broad priorities and strategies as per the CIDP that will be implemented during the plan period.

### **1.2. Rationale for Preparation of ADP**

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.

### 1.3. Preparation process of the Annual Development Plan

This section should outline how the ADP was prepared detailing the process that was followed to prepare the plan. This may include stakeholder’s engagement and data collection methods among others.

## CHAPTER TWO: REVIEW OF THE IMPLEMENTATION OF THE PREVIOUS ADP

*This chapter should provide a review of sector/ sub-sector achievements, challenges encountered and lessons learnt during the implementation of previous plan.*

### 2.1. Sector Achievements in the Previous Financial Year

*The achievements of the sector should be outlined using the following format:*

- **Sector Name**
- **Key achievements** - Provide a summary of the sector performance in prose for each sector

**Table 1: Sector Programmes Performance**

Programme Name					
Objective:					
Outcome:					
Sub Programme	Key Outputs	Key performance indicators	Targets		Remarks*
			Planned	Achieved	
(e.g.) Land use planning	Town plans developed	No. of plans	4	4	

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

### 2.2. Status of Capital Projects

This section should provide a summary of capital project status in the format provided. Provide the key milestones achieved during implementation of the capital project (s)

**Table 2: Status of Capital Projects**

Project Name & Location	Objective/ Purpose	Output	Description of Key activities	Status (Include the milestones)	Estimated Cost (Ksh.)	Actual Cumulative Cost (Ksh.)	Source of funds
.....							
.....							

### 2.3. Payments of Grants, Benefits and Subsidies

This section should provide information on total payments on grants, benefits and subsidies done by the county government during the previous ADP period.

**Table 3: 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 section 138 of the PFM Act 2012; Benefits are as defined within the PFM (county government) Regulations 2015 as deductions on a payroll system against an official salary for a debt arising from employment benefit.*

### 2.4. Sector Challenges

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

### 2.5. Lessons learnt and recommendations

This section should outline key lessons learnt by the sector 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 Financial Year. The programmes and projects should mainstream cross-cutting issues such as green growth and green economy; climate change; HIV and AIDS; Gender, Youth and Persons with Disability (PWD); Disaster Risk Management (DRM); Ending Drought Emergencies (EDE) among others.*

### 3.1. Sector Overview

- Sector name
- Sector Vision and Mission
- Sector Goal(s)
- Sector Objectives
- Sector Strategic Priorities  
*(provide the sector priorities aligned to the sector objectives to be implemented during the plan period - key sector interventions/strategies)*
- Key sector stakeholders  
*(National Government, development partners, community, private sector, non-state actors, county government agencies) with substantive roles and responsibilities in project/program formulation and implementation)*

### 3.2. Sector Programmes and Projects

#### 3.2.1 Sector Programmes

Provide a summary of the sector programmes to be implemented during the plan period. Details of the programmes should be presented as indicated in Table 4.

**Table 4: Summary of Sector Programmes**

Programme Name					
Objective:					
Outcome:					
Sub Programme	Key Outputs	Key performance indicators	Baseline (current status)	Planned Targets	Resource Requirement (Ksh)

### 3.2.2 Capital Projects

The section should provide description of significant capital projects during the plan period. Also provide details of the projects as indicated in Table 5(*to be annexed in the CADP*).

**Table 5: Capital projects for the FY...**

Programme Name : Water supply services								
Project name and Location (Ward/Sub county/ county wide)	Description of activities	Green Economy consideration	Estimated cost (Ksh.)	Source of funds	Time frame	Targets	Status (Include milestones)	Implementing Agency
(e.g.) Naivasha water project (Karagita)	Drilling boreholes Piping Construction of tanks Purchase of Gen set	Solar powered submersible pump	4 Million	CGN	2017-2021	200hh	New/Ongoing	Nakuru water department, NAWASCO
....								

### 3.3. 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 the considerations in respect to harnessing cross-sector synergies arising from possible project impacts.
- **Mitigating adverse Cross-sector impacts:** State the mitigation measures adopted to avoid or manage potential adverse cross-sector impacts.

**Table 6: Cross-Sectoral Impacts**

Programme Name	Sector	Cross-sector Impact		Measures to harness the synergies/ mitigate the adverse 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 where applicable.

**Table 7: Payments of Grants, Benefits and Subsidies**

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

## **CHAPTER FOUR: RESOURCE REQUIREMENTS**

*This chapter should present a summary of resource requirement by sector and programme. It should also provide a description of how the county government is responding to changes in the financial and economic environment*

### **4.1. Resource Requirement by Sector and Programme**

Indicate required resources by sector and programme as identified in chapter three.

**Table 8: Summary of Resource Requirement by Sector and Programme**

Programme	Amount (Ksh.)
<b>Sector Name</b>	
Programme 1	
Programme 2	
.....	
<b>Sector Name</b>	
Programme 1	
Programme 2	
.....	
<b>Total</b>	

### **4.2. 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 may need to be reviewed or developed to spur county economy.

**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) Explain the type of indicators adopted to measure performance;
- c) Data collection, Analysis and Reporting mechanisms;
- d) Institutional framework adopted to monitor the programmes; and
- e) Dissemination and feedback mechanism.

The following template should be used:

**Table 9: Monitoring and Evaluation Matrix**

<b>Programme Name</b>									
<b>Objective:</b>									
<b>Outcome:</b>									
<b>Sub Programme</b>	<b>Output</b>	<b>Performance Indicator (s)</b>	<b>Definition (how is it calculated)</b>	<b>Baseline</b>	<b>Target</b>	<b>Data source</b>	<b>Frequency of monitoring</b>	<b>Responsible agency</b>	<b>Reporting frequency</b>

NB: This table should be populated as per table 4 (outputs, KPI and targets)