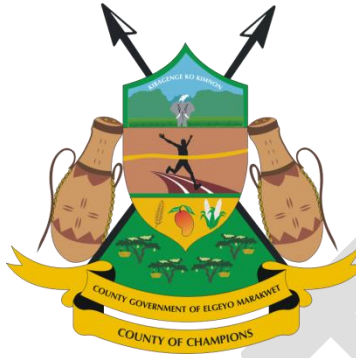




**COUNTY GOVERNMENT OF ELGEYO MARAKWET**

**THE COUNTY TREASURY**

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**COUNTY FISCAL STRATEGY PAPER  
(CFSP)  
2016**

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**FEBRUARY 2016**

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## FOREWORD

This 2016 County Fiscal Strategy Paper (CFSP), the third to be prepared since the inception of County Government of Elgeyo Marakwet, sets out the county's priority programs to be implemented under the Medium Term Expenditure Framework (MTEF) and aligns the aspirations of the county with those of the national government as stated in BPS and provisions of Elgeyo Marakwet Equitable Development Act 2015. Development expenditures will be shared out based on the parameters of EDA to ensure social equity. However, EDA parameters attach minimal weight to flagship and county wide projects which are capital intensive programmes and projects thus drag their implementation.

It also comes at an opportune time when the Public Finance Management (County Governments) Regulations, 2015 are operational with clear provisions and shift in public finance management.

In the 2015 CFSP, the county set its strategic priorities which were aligned to the national transformative five-pillar strategy aimed at transforming the Kenyan economy as follows: Enhancing Public Private Partnerships and partner collaborations, agricultural transformation and food security, Infrastructural Developments, including roads, tourism and water to reduce cost of doing business and improve county competitiveness, Access to quality Social Services and Enhancing service delivery through devolution.

These strategic priorities are capital intensive and taking into account the limitation in our resource envelope; implementation of these priorities were phased and will therefore remain as the 2016 CFSP priorities. Implementation of programs expounded in this CFSP is expected to raise county economic efficiency and productivity and in turn, make our county competitive, thus creating vast opportunities for productive jobs and securing livelihoods.

Implementation of 2015/2016 budget started slowly due to delayed disbursements from the national treasury coupled with challenges associated with e-procurement process which delayed project implementation. This has now been addressed following discussions between county governments and national treasury during the February 2016 Summit meeting which has led to progressive operations of county activities. We will build on the achievements made so far in most sectors and through the policies set out in this CFSP; we will scale up our efforts in order to address the existing as well as emerging challenges.

The Medium-Term Expenditure Framework (MTEF) balances continued growth in spending with fiscal consolidation. Spending on social and economic programmes will continue to grow in real terms. Going forward, many of the county's large infrastructure projects will start to operate; upgraded roads will get more goods to markets and ensure

efficient transport system, water schemes improvements will ensure that communities have access to safe water and urban planning initiatives will help our towns become integrated places of work and social life. These are just a few of the major outputs expected from full implementation of this CFSP.

The 2016 CFSP emphasizes containing costs and improving efficiency across government departments and entities. To this end, we will moderate the pace of public expenditure growth while accelerating the delivery of quality services. Spending baselines which are basis for ceilings allocations have undergone rigorous review taking into account factors which include: the capacity of departments and public entities to manage resources, the link between outcomes, expenditure and departmental mandates, proposals from the public and programme performance so far and the provisions of the Public Finance Management (County Governments) Regulations, 2015 which has gapped County Assembly's ceiling at 7% of county's total revenue or twice the amount of Personnel Emoluments whichever is lower.

The document covers five chapters. Chapter one highlights the justification for the preparation of the document while at the same time detailing the legal framework for the CFSP. In Chapter two, recent economic developments on the global and national level and the impact that they have had on the recent county economic development have been highlighted. Chapter three explores the fiscal and budget framework that will inform the budgetary process. Chapter four details the sector and departmental ceilings for the Medium Term Expenditure Framework (MTEF) Period. Chapter five highlights the conclusions and finally, the Annexes section contains documentations that have informed the preparation of this County Fiscal Strategy Paper (CFSP)

**SHADRACK CHELIMO**  
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## **ACKNOWLEDGEMENTS**

Special gratitude to individuals and entities for their vehemence and passion in the work that culminated in the realization of this document. The county would like to thank these individuals for the various roles they played during the preparation of this County Fiscal Strategy Paper, CFSP.

As usual, the preparation of CFSP continues to be a collaborative effort. Most of the information in this Paper was obtained in collaboration Departments and other county entities. We are grateful for their inputs.

We especially acknowledge the dedication of core team of technical staff from the Department of Finance and Economic Planning comprising mainly of Economists, budget officers and Accountants whose assignment collecting, collating and analyzing departmental findings of the CFSP questionnaire which formed the primary data for the preparation of this document.

This core team undertook the preparation task with the support and guidance of H.E The Governor, Deputy Governor, CECs and Chief Officers. This, hereby, is to further extend the county's gratitude to them and all others who participated in the CFSP preparation process too.

**JEREMIAH CHANGWONY**  
**CHIEF OFFICER, FINANCE AND ECONOMIC PLANNING**

## ABBREVIATIONS

|        |                                                    |
|--------|----------------------------------------------------|
| ADP    | Annual Development Plan                            |
| BPS    | Budget Policy Statement                            |
| CEC    | County executive committee                         |
| CFSP   | County Fiscal Strategy Paper                       |
| CIDP   | County Integrated Development Plan                 |
| CLMB   | County Lands Management Board                      |
| CRA    | Commission of Revenue Allocation                   |
| ECDE   | Early Childhood Development Education              |
| ECE    | Early Childhood Education                          |
| GDP    | Gross Domestic Product                             |
| ICT    | Information Communication Development              |
| IDA    | International Development Association              |
| IFMIS  | Integrated Financial Management Information System |
| KNBS   | Kenya National Bureau of Statistics                |
| MTEF   | Medium Term Expenditure Framework                  |
| NAS    | National Accounts Statistics                       |
| PBB    | Programme Based Budgeting                          |
| PFM    | Public Finance Management                          |
| PPP    | Public Private Partnerships                        |
| SACCOs | Savings and Credit Cooperatives Organizations'     |
| SMEs   | Small and Medium Enterprises                       |
| SRC    | Salaries and Remuneration Commission               |
| UNCTAD | United Nations Conference on Trade and Development |
| WFP    | World Food Programme                               |

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# 1 INTRODUCTION AND BACKGROUND

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## 1.1 Rationale for County Fiscal Strategy Paper (CFSP)

The main objectives for preparing the CFSP are to specify;

- Mechanisms for aligning it with the national objectives contained in the Budget Policy Statement before the national budget is finalized
- Broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year
- Financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term
- Details of the sector and departmental ceilings for the Medium Term Expenditure Framework (MTEF) Period to ensure continuity in resource allocation from the last financial year consistent with the MTEF budgeting approach.
- Create a mechanism for public participation in the budgeting process thus informing priority choices for development.
- The overall deficit and financing, the underlying risks, structural measures and strategic interventions for development initiatives to be undertaken in the coming Financial Year and in the medium term

## 1.2 Roles in CFSP Preparation

### 1.2.1 County Treasury

The Public Finance Management (PFM) Act, 2012, in line with the Constitution, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. Section 107(1-2) of Public Finance Management Act states that “In managing the County Government’s public finances, the County Treasury shall enforce the following Fiscal Responsibility principles:

- a) Over the medium term, a minimum of 30 percent of the national and county budgets shall be allocated to development expenditure;
- b) The County Government's expenditure on wages and benefits for its public officers shall not exceed 35% of the equitable revenue share with exception of section 32(1)(b) provisions
- c) Over the medium term, the County Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
- d) Public debt and obligations shall be maintained at a sustainable level as approved by County Assembly;
- e) Fiscal risks shall be managed prudently; and
- f) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future."

### **1.2.2 Departments/ Sectors**

In the preparation of the CFSP and consequently the county budget, all sectors and departments in the county submits their respective strategic priorities and policy goals which would have been agreed upon by the various development actors within their sectors.

### **1.2.3 Role of County Budget and Economic Forum**

County Budget and Economic Forum has been operationalized in the County to serve as the primary institution for ensuring public participation in public finances. It is integral to the County government's strategy of improve accountability and public participation at the county level. Its` mandates include ensuring that: -

- The public can determine how to spend development (capital) funds on investment projects in the county;
- The public can determine how to spend part of the recurrent or operational budget in the county;
- The public can participate through councils that are organized around specific sectors (e.g., health, education, etc.) where they discuss part of or the full sector budget;
- The public can discuss the entire budget, both recurrent and development, and all sectors, especially if a mini-public is formed to deliberate on this.

#### **1.2.4 Commission on Revenue Allocation (CRA)**

The principal function of the Commission on Revenue Allocation is to make recommendations concerning the basis for the equitable sharing of revenue raised by the national government between the national and county governments; and among the county governments with the aim of promoting and giving effect to the criteria of equitable share set out in Article 203 (1) of the constitution, defining and enhancing the revenue sources of the national and county governments and encourage fiscal responsibility.

It therefore advises significantly the county resource envelope set out in the CFSP and the ceilings of both recurrent and development estimates.

#### **1.2.5 Members of the public and Interest Groups**

The county government of Elgeyo Marakwet recognizes that for the country to reach its full potential, it is important to empower youth, women and persons with disabilities and remove all obstacles to ensure full participation in social economic development of the county.

Stakeholders' participation is thus useful in the identification of stakeholders' social and developmental challenges and homegrown interventions to address the challenges and the enhancement of greater ownership, and participation of citizens in budget implementation, monitoring and evaluation via inclusivity in the planning and budget making process.

In addition, public involvement ensures openness, accountability and participatory bottom-up management of resources and informed decision-making. The Constitution introduced fundamental changes to Public financial management and specifically to the budget process. Therefore, in complying with these provisions, the CFSP preparation considers public participation as vital. The CFSP will be tabled before the general public, any other interest groups including FBOs, NGOs, CSOs and the County Economic and Budget Forum for consideration and inputting their views before being submitted for approval by the County Assembly.

#### **1.2.6 Other Development Actors**

The County Government of Elgeyo Marakwet is in discussions with various development partners seeking additional funds to bridge development gaps in the County. Among these partners include WORLD BANK, USAID, GIZ, FAO, WORLD VISION and CRA. The County will continue to seek and sustain support from donors and other development partners to fill the resources gap in the CIDP projected budget. Therefore, for accountability, openness and shared objectives, the CFSP preparation also involved all developments partners in its preparation and the budget process as a whole.

### **1.2.7 County Assembly**

County Assembly plays a crucial role in strengthening good governance in the county. It approves overall policy and provides leadership to County Legislation and oversight with respect to public expenditures. It also plays the following roles;

- Receiving and approving among other documents the County Fiscal Strategy Paper (CFSP)
- Approve financial borrowing to finance deficit in the budget by the county government in accordance with Article 212 of the Constitution
- While respecting the principle of separation of powers, the county assembly may exercise oversight over the county executive committee and any other county executive organ on the implementation of the budgeted priorities
- County Assembly Speaker organizes and determines business to be conducted in the house including those regarding CIDP approval and implementation.
- County Assembly Speaker Receives bills, motions and questions and prepares an order paper for house business including those relating to CIDP.

### **1.3 Legal Framework for County Fiscal Strategy Paper (CFSP)**

The preparation of the County Fiscal Strategy Paper (CFSP) is provided for in the Public Finance Management (PFM) Act section 117. Some of the provisions in this section state that;

- (1) The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly by the 28th February of each year.
- (2) The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
- (3) In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term.
- (4) The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.
- (5) In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of:
  - a. The Commission on Revenue Allocation;
  - b. The public;

- c. Any interested persons or groups; and
- d. Any other forum that is established by legislation.

(6) Not later than fourteen days after submitting the County Fiscal Strategy Paper to the county assembly, the county assembly shall consider and may adopt it with or without amendments. This provision is further expounded by section 37(1) of the PFM Act 2012 Regulations which indicates the extend of the percentages to be amended by County Assembly and states that “Where a county assembly approves any changes in the estimates of budget under section 131 of the Act, any increase or reduction in expenditure of a Vote, shall not exceed one (1%) percent of the Vote’s ceilings’. Section 26(3) of the PFM Act 2012 Regulations further provides for engagement framework between the CEC Finance and the Budget Committee of the County Assembly on changes and decisions to be made by county assembly on budget documents and process. It state that; “Before tabling a report containing recommendations on the County Fiscal Strategy Paper for adoption by the County Assembly in accordance with section 117(6) of the Act, the relevant committee of the County Assembly shall seek the views of the County Executive Committee member on its recommendations.

(7) The County Treasury shall consider any recommendations made by the county assembly when finalizing the budget proposal for the financial year concerned.

(8) The County Treasury shall publish and publicize the County Fiscal Strategy

#### **1.4 Fiscal Responsibility Management (Section 107)**

In line with the Constitution, the Public Financial Management (PFM) Act, 2012 which sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. The PFM law (Section 107) states that:

(1) A County Treasury shall manage its public finances in accordance with the principles of fiscal responsibility set out in section 107 subsection (2), and shall not exceed the limits stated in the regulations.

(2) In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles:

- a. The county government's recurrent expenditure shall not exceed the county government's total revenue;
- b. Over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;
- c. the county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;

- d. Over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
- e. The county debt shall be maintained at a sustainable level as approved by county assembly;
- f. The fiscal risks shall be managed prudently; and
- g. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

(3) For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue.

(4) Every county government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the county assembly.

### **1.5 Guiding Legal Provisions**

- More than 30% of budget allocated to development
- Development priorities derived from CIDP
- Personal Emoluments must not be more than 35% of budget
- County Assembly ceilings must be less than 7% of budget or twice county assembly PE whichever is lower
- Development allocation done per EDA
- Borrowings cannot exceed 20% of the last audited revenue

## 2 ALIGNING CFSP WITH BPS 2016

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### 2.1 Background of Recent Economic Situation

Kenya's economic growth has been robust supported by significant infrastructure investments, construction, mining, and lower energy prices and improvement in agriculture following improved weather. The economy grew by 5.3 percent in 2014 and is projected at 5.6 percent in 2015, 6.0 percent in 2016 and 6.5 percent in the medium term.

Macroeconomic stability has been preserved with inflation remaining on average within target. Overall month on month inflation was at 8.0 percent in December 2015 from 6.0 percent in December 2014. This was attributed to the increase in prices of several food items which outweighed the decreases as well as increase in the Alcoholic Beverages, Tobacco & Narcotics index.

The Kenya Shilling exchange rate has stabilized following increased foreign exchange inflows in the money market. The current level of foreign exchange reserves, backstopped by the precautionary program with the IMF, continues to provide an adequate cushion against exogenous shocks. Furthermore, the current account deficit narrowed, mainly due to a lower oil import bill, and a slowdown in consumer imports.

Short term interest rates have declined following improved monetary conditions that led to increased liquidity in the money market. The interbank rate was at 6.2 percent as of 21st January 2016 while the 91 day Treasury bill rate was 11.4 percent as of 22nd January 2016.

The economy grew by 5.3 percent in 2014 supported by strong performance in most sectors of the economy which offset the contraction in the tourism sector. Kenya's economic growth remained resilient in 2015. The first three quarters of 2015 recorded an average of 5.5 percent growth compared to 5.3 percent growth in a similar period in 2014.

### 2.2 Global Economic Environment Impacts

Global economic growth for 2015 is projected at 3.1 percent, a slowdown from a growth of 3.4 percent in 2014. Prospects across the main countries and regions remain uneven; the recovery in advanced economies is expected to pick up slightly, while activity in emerging market and developing economies is projected to slow primarily reflecting weaker prospects for some large emerging market economies and oil-exporting countries. Global activity is projected to gather some pace in 2016 to 3.6 percent due to the recovery in growth in advanced economies. However, with declining commodity prices, depreciating emerging market currencies, and increasing financial market volatility, downside risks to the outlook have risen, particularly for emerging market and developing economies.

Growth in Sub-Saharan Africa is expected to weaken from 5.0 percent in 2014 to 3.8 percent in 2015. The slowdown in 2015 is primarily driven by the repercussions of declining commodity prices, particularly those for oil, as well as lower demand from China, the largest single trade partner of sub-Saharan Africa, and the tightening of global financial conditions for the region's frontier market economies. Among the region's oil importers, a majority will continue to experience solid growth, especially low-income countries, where investment in infrastructure continues and private consumption remains strong. The growth will pick up in 2016 to 4.3 percent, driven by sustained infrastructure investment; buoyant services sectors, and strong agricultural production, even as oil-related activities provide less support.

### **2.3 National Economic Situation**

The economy grew by 5.8 percent in the third quarter of 2015 from 5.6 percent in second quarter supported by strong expansion in Agriculture; Construction; Financial and Insurance; Wholesale and Retail Trade; and Transport and Storage and generally good performance across all sectors of the economy.

Real GDP has been revised by the treasury to expand by 6.1 percent in 2016/2017 and by 6.3 percent in FY 2017/18. This robust broad based growth will be supported by increased production in agriculture, completion of infrastructural projects to boost economic activity while continuing with other infrastructural investment projects and recovery of Tourism. The economy will also benefit from increased investments and domestic demand, following enhanced investor confidence and the on-going initiatives to deepen regional integration.

The projected growth assumes normal weather pattern in 2016 and the medium term. Inflation is expected to revert within 5.0 percent target and interest rates and shilling exchange rate expected to be stable. Continued improvements and stability in the macroeconomic variables will ensure the country operates in a stable economic environment.

### **2.4 Budget Policy Statement (BPS) 2016**

The Budget Policy Statement (BPS) for the FY 2016/17 continues the implementation of far reaching economic policies and structural reforms for economic prosperity. These policies are implemented around the Economic Transformation Agenda that includes:

- (i) Creating a conducive business environment for job creation;
- (ii) Investing in sectoral transformation to ensure broad based and sustainable economic growth, and in particular agricultural transformation to ensure food security;
- (iii) Investing in infrastructure in areas such as transport, logistics, energy and water;
- (iv) Investing in quality and accessible health care services and quality education as well as strengthening the social safety net to reduce the burden on the households and promote shared and equitable growth; and
- (v) Further consolidating gains made in devolution in order to provide better service delivery and enhanced economic development.

The implementation of programs has created strong resilience that has resulted in strong economic growth while maintaining macroeconomic stability in the wake of global economic slowdown. Therefore, the 2016/17 BPS aim to address the outstanding challenges that continue to be a drag on growth and bolster resilience to shocks.

The Second MTP (2013-2017) and the priorities of the Jubilee Administration will guide resource allocation. Taken as a whole, the budget for FY2016/17 will focus on the following:

- Enhancing support to social sectors (Social Protection, Health and Education). These will continue to receive the bulk of budgetary resources especially in education and health sectors. The Social Sectors will receive 29.8 percent of total discretionary expenditures.
- Capital investments in Energy, Infrastructure, ICT sector and other development expenditure in general. This reflects the priority assigned capital investments in our growth objectives. With an overall allocation of 23.4 percent of total discretionary expenditures, the Energy, Infrastructure and ICT Sector will be receiving the second largest share of the resource envelope. This reflects Government's commitment in improving infrastructure countrywide for faster growth.

Other priority areas including security, social protection, youth and agriculture will be given priority in the allocation of resources.

The medium term expenditure framework for 2016/17 – 2018/19 ensures continuity in resource allocation based on prioritized programmes aligned to the Second MTP (2013-2017) of Vision 2030. It also focuses on strategic policy initiatives of the Jubilee Administration to accelerate growth, employment creation and poverty reduction.

## **2.5 County Economic Performance and Prospects**

### **2.5.1 Overview of county economy**

The county's performance is largely dependent on the country's economic performance and the formulation and implementation of prudent policies to guide service delivery. Human development indicators show that the county has 52.7 percent of residents living below the poverty line compared to the national poverty level of 45.2 percent. The poverty levels in the county are geographically distributed. Levels of poverty are relatively higher at the Escarpment and The Kerio Valley, while in the Highlands poverty level is relatively low.

The county's economy and livelihood is driven by agriculture which is depended upon by over 76 percent of county's rural population. Therefore, promoting substantial investments in agriculture is key to the county's economic transformation.

The sub-sectors under agriculture include; Crop farming, livestock production and fisheries whose optimum harnessing, improvement and value addition could lead to enhanced food security,

employment creation, income generation, related sectors' development and natural resource conservation.

More than 80 percent of the county's income is from agro-based economic activities. This income status effectively requires a well-managed and reliable physical infrastructure that supports and sustains progressive and efficient output optimization.

### **2.5.2 Growth Prospects and Challenges**

The economic growth prospects for FY 2016/17 and the medium term takes into account developments in the global environment and internal risks while accommodating the Government's national strategic objectives as outlined in the second Medium Term Plan (MTP) for the period 2013-2017 of Vision 2030 and the broad development policies of the national Government.

The county's three ecological zones have varied levels of socio-economic developments and resource endowments. A review of these zones show that for the overall socio-economic development to be realized, there is need to invest in improvement of quality education at all levels, improving road network and power supply, eradicating alcoholism and drunkenness, improving value and quality of agricultural products through value addition and intensifying irrigation in the Kerio Valley.

Nevertheless, in the face of these challenges lies growth potential that can propel the county to higher economic possibilities. These growth prospects include; improved agricultural productivity boosted by various programmes including AI services, cash crop promotion, animal disease surveillance and vaccinations, increased irrigation investments and extension services. The county has also invested significant resources in agricultural value addition ventures which will further improve earnings to farmers and in turn improve the county economy; these include installation of milk cooling plants, cashew nut grounding machine, green grams polishing machine, potato cold storage plants and tomato processing plant.

The county anticipate growth in the tourism sector once Rimoi national reserve is opened to the public before the end of the current financial year. Once opened the reserve will bring in additional revenue stream to the county and lead to multiplier growth of associated sectors including hospitality services and transport services. Moreover, there will be positive impacts on the county from sports tourism and other related activities.

Regarding natural resources, the expected handover in the management of forests from KFS to the county will increase county revenue base. Also, oil prospecting by Tullow company will lead to improvement of infrastructure and social amenities arising from the company's CSR activities. however, the anticipated closure of mining activities by fluorspar company will negatively affect the livelihoods of about 600 households, decrease the county revenue and loss of market.

## **2.6 County Fiscal Strategy Paper (CFSP) 2016**

The 2016 County Fiscal Strategy Paper, the third to be prepared under the devolved system of governance, also, this CFSP will take into account the provisions of EDA 2015 and the PFM regulations which largely inform County Assembly ceilings and development allocations across wards and also county wide projects. The implementation of the transformative agenda contained in the CIDP is expected to raise productivity in the county economy.

## **2.7 CFSP Strategic Priorities and Policy Goals**

This CFSP reaffirms the broad policies and strategies outlined in the national 2016 Budget Policy Statement (BPS). The policies are implemented around the Economic Transformation Agenda that includes: (i) creating a conducive business environment for job creation; (ii) investing in sectoral transformation to ensure broad based and sustainable economic growth with a major focus on agricultural transformation to ensure food security; (iii) investing in infrastructure in areas such as transport, logistics, energy and water; (iv) investing in quality and accessible health care services and quality education as well as strengthening the social safety net to reduce the burden on households and promote shared prosperity; and (v) further consolidating gains made in devolution in order to provide better service delivery and enhanced economic development.

Alignment of the county's strategic objectives and policy goals with the five pillars contained in the BPS will continue to be implemented in the Medium Term Expenditure Framework (2016/17 – 2018/19). These five main county strategic priorities and policy goals are;

**Sector priority 1:** Access to quality Social Services

**Sector priority 2:** Infrastructural expansion to facilitate economic transformation

**Sector priority 3:** Agribusiness and food security

**Sector priority 4:** Enhancing Public Private Partnerships and partner collaborations

**Sector priority 5:** Enhancing service delivery through devolution

The sector priorities and policy goals aligned for the CFSP 2016 are as follows;

**Strategic Priority 1: Access to quality Social Services** – In order to ensure sustained economic transformation, reduce the burden of economic shocks on the households and enhance access to services by most community members, the Government will continue to invest in quality and accessible healthcare services and quality education as well as strengthening the social safety nets programme.

### **Healthcare**

To bring quality healthcare closer to the people, the government will continue to undertake programmes to increase access to quality healthcare services through health infrastructure improvement, recruitment and deployment of health personnel to facilities and efficient distribution of adequate medical supplies. The government will continue to upgrade and expand Iten County Referral Hospital and sub-county hospitals to make the hospitals critical providers of

quality healthcare services through reduction of cost burden of referral of patients to hospitals outside the County. To further improve referral services, the government intends to purchase two more ambulances to sustain effective medical emergency responses.

So as to best serve patients in this age of modern medicine, our healthcare facilities must maintain good working condition state of the art equipment. To this end, the county will continue to equip Iten County referral hospital with modern equipment and other health facilities across the county with equipment, the equipment includes those to be received from Managed Equipment Services (MES) programme from the national government.

The government also intend to invest substantial resources in preventive healthcare so as to reduce disease burden, this will be done through implementation of community health strategy and vector control of disease carriers.

### **Education**

The Government is committed to enhance access to education, raise the quality and relevance of education and ensure equity especially in pre-primary and vocational training. the county has been working to improve the quality of education, especially at the basic level. To this end, the government will continue to build and equip modern ECD classrooms and recruit ECDE teachers in all the wards so as to increase access and improve quality.

The county will continue upgrading, expanding and branding of technical and vocational education and giving it the important attention and support it deserves to enable youths acquire technical skills for their socio-economic wellbeing.

The county will continue providing for bursaries and scholarships to subsidize secondary, vocational and tertiary education. The county will also allocate capitation costs for VTC students in the county so as to increase access to vocational training which equip youths with requisite skills for self- employment.

### **Social empowerment and protection**

The government recognizes that for the country to reach its full potential, it is important to empower youth, women and persons with disabilities and remove all obstacles to ensure full participation in social economic development of the country. The government is therefore committed to promote gender and youth empowerment and thus has set aside Kshs 40 million for youth and women empowerment. The Government will also continue to provide NHIF medical cover for the elderly and support initiatives for persons with disabilities.

### **Water Access**

The county government recognizes that protecting and conserving the environment is fundamental to sustain access to clean water, clean environment and a healthy productive population. Indeed, safe drinking water and sanitation do complement efforts towards improved primary health care and productivity of labour. For this reason, the county government will continue to invest substantial resources in clean water supply, as well as to protect and conserve the environment.

## **Strategic Priority 2: Agribusiness and food security**

The County's economy and livelihood is much driven by agriculture which is depended upon by over 76 percent of county's rural population. Substantial investments in agriculture is the key to economic transformation because it is the main driver of the non-agricultural sectors with a multiplier effect in manufacturing, transportation and other social services. When the sector performs well, the entire economy performs well. Therefore, improving agricultural productivity through programmes such as cash crop promotion, livestock production, and fisheries would thus be an effective way to enhance food security, employment creation, income generation, industrialization and ultimately, economic transformation through stimulating growth of related sectors of the economy. The county's priority investments include; extension services, AI services, cash crop promotion, productivity and technology adoption in the region, Kerio Valley irrigation programme, horticultural development, fish farming promotion and support, value addition and marketing, value chain linkages, wide application of appropriate technology and mechanization to achieve the highest level of production as well as re-organization of farmers into viable cluster groups for economies of scale. Major challenges facing the agricultural sector include; high cost of inputs, unpredictable rainfall, overdependence on rain-fed agriculture, lack of markets, crop and livestock disease outbreaks, limited application of agricultural technology and innovation and poor livestock husbandry.

## **Strategic Priority 3: Infrastructural expansion to facilitate economic transformation**

In order to ensure sustained economic transformation, and a competitive economy, the government will continue with massive public investments in road works which support all other sectors of the economy. Opening of Rimoi Game Reserve will bring in additional revenue stream to the county and lead to multiplier growth of associated sectors including hospitality services and transport services. Attention will also be made towards facilitating tourism promotion and marketing to increase awareness and thus create demand.

The county government will continue to develop sports facilities including construction of Kamariny stadium and grading of fields across the county so as to encourage the growth of youth talents in sports especially athletics.

**Strategic Priority 4: Enhancing Public Private Partnerships and collaborations** - Enhanced development cooperation, networking and collaborations through Public Private Partnerships (PPP) approach will enhance faster development, replicate best development practices and create job opportunities. To this end,

**Strategic Priority 5: Enhancing service delivery through devolution** - To ensure accessible service delivery at the grass root levels, the 2016 CFSP has identified enhancement of service delivery to lower administrative levels. This will be achieved through equitable distribution of resources and enhancement of community/public participation in prioritization of development

projects and programmes. The county will also put in place mechanisms to monitor and evaluate budget performance so as to contain fiscal risks.

## **2.8 Risks to 2016/17 CFSP**

The risks to the 2016/17 CFSP and the medium-term include the following;

- Disasters especially landslides and lightning pose a huge environmental and socio-economic threat to the county due to its devastating nature on life, property and ecosystem.
- Pronounced inflationary pressures and the depreciation of the shilling; this will affect prices of goods required for implementation of projects
- Public expenditure pressures, especially recurrent expenditures, pose a fiscal risk. Wage pressures occasioned by SRC circulars on allowances, loans and mortgage may limit continued funding for development expenditure.

The government will undertake appropriate measures to safeguard macroeconomic and fiscal stability should these risks materialize.

## 3 COUNTY FISCAL POLICY

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### 3.1 Background

The county government will pursue prudent fiscal policy to ensure macroeconomic stability. In addition, our fiscal policy objective will provide an avenue to support economic activity while allowing for implementation of devolution mandates within a sustainable public finances management system. With respect to revenue, the county will maintain a strong revenue effort over the medium term. Measures to achieve this effort include improved tax and cess compliance with enhanced administrative measures and adoption of national and international revenue enhancement best practices. In addition, the county Government will rationalize existing tax and cess incentives, and expand revenue base.

On the expenditure side, the county Government will continue with rationalization of expenditure to improve efficiency and reduce overlaps and wastage. Expenditure management will be strengthened through the Integrated Financial Management Information System (IFMIS) and other appropriate financial management systems across all Departments. In addition, the PFM regulations is expected to accelerate reforms in expenditure management system at the county. Also, the Government has instituted various measures aimed at aligning the expenditures with the resource envelope. These include; measures to curb non priority expenditures and to free resources for more productive purposes.

### 3.2 CFSP Alignment to Budget Policy Statement

The county CFSP's strategic priorities and policy goals have been aligned with the national Budget Policy Statement (BPS) 2016 which classifies the national strategic priorities and policy goals into five broad pillars, namely;

**Pillar 1:** Creating a Conducive Business Environment for job creation

**Pillar 2:** Expansion of infrastructure to facilitate economic transformation

**Pillar 3:** Investing in sectoral transformation to ensure sustainable economic growth

**Pillar 4:** Enhancing access to Quality Social Services

**Pillar 5:** Further consolidating gains made in Devolution for Better Service Delivery.

### 3.3 Overview of 2016 Medium-Term Fiscal Policy

The policies set out in this 2016 BPS re-emphasize the ongoing Economic Transformation Agenda being implemented by the Government. The continued implementation of programmes under the BPS five pillars will make the economy maintain a strong growth momentum while at the same time remaining resilient to shocks. The prioritized programmes in the 2016/17 BPS will minimize poverty through job creation.

### **3.4 Fiscal Performance**

#### **3.4.1 Fiscal policy**

Fiscal policy aims at supporting rapid and inclusive economic activity within a context of sustainable public financing. Collection for the first half of the year from local revenue sources amounted to Kshs 46M which translates to 36% of the targeted budget figures i.e. 150M. The underperformance in revenue base was largely on account of agriculture produce cess, market fees and livestock auction fees.

On management of expenditures, the FY 2016/17 budget will be guided by Programme Based Budgeting (PBB) concept which is an approach and process that relates resources to proposed and actual results. PBB budgets funds based on the relationship between program funding levels and expected results from the programs. PBB together with monitoring and evaluation concept and expenditure controls such as audits and enforcement of cost benchmarks for all projects and consumables will achieve the intended impacts.

#### **3.4.2 Fiscal Reforms and Policy**

The 2016/2018 Medium-Term Fiscal Policy aims at supporting rapid and inclusive economic growth, ensuring sustainable debt position and at the same time supporting the devolved system of Government for effective delivery of services. Within a sustainable public financing as per the county fiscal strategy paper, the following emphasis are made;

- Respect and observance of the fiscal rules set out in the PFM law and its regulations is important and necessary to entrench fiscal discipline.
- Continued reforms in expenditure management and revenue collection so as to create fiscal space for spending on infrastructure and other priority development programmes.
- Expenditure efficiency and effective implementation of budget programs through enforcement of cost benchmarks for all projects and consumables.
- Improving the productivity of expenditure while at the same time ensuring that adequate resources are available for operations and maintenance.
- Increase the absorption of allocated resources which will in turn spur economic growth and further improve budget credibility. This will be done through strengthening ongoing reform engagements with development partners as well as strengthening project planning and management.
- Reduction in recurrent expenditure to devote more resources to capital expenditure

The county government's fiscal stance it takes at the moment will have some impacts in the future generations and therefore, the county Government shall moderate spending to help assure debt sustainability and intergenerational equity in line with the constitution and the Public Finance Management (PFM) Act 2012.

### **3.4.3 Deficit, Debt policy and Debt Sustainability**

The County is in the process of developing Asset Financing and borrowing policy to enhance the legal framework to guiding deficit and debt management of the county. During the fiscal year 2016/17, the county intends to undertake asset financing to finance development programs whose funding will be provided for within departmental ceilings. Currently the county has no public debt.

### **3.4.4 Compliance with Fiscal Responsibility Principles**

The constitution requires that county governments progressively provide for a minimum basic standard of economic and social rights to its citizens with available resources as per finance act in order for spending to increase on a sustainable basis to meet the basic needs.

So far, the fiscal performance has been generally satisfactory, despite the challenges with shortfall in revenues, the transition financial demands and increased expenditure pressures, the County government will ensure strict adherence to PFM act to comply with fiscal principles.

### **3.5 Challenges in County Public Finance Management**

- i. Increase in wage bill.
- ii. Budget processes being determined by external factors that are not controlled directly by the county treasury e.g. County Allocation of revenue Bill,
- iii. Issuance of circulars with budgetary implications mid financial year.
- iv. Low absorption of development funds by departments.
- v. Under performance in local revenue collection

## 4 2016/17 BUDGET FRAMEWORK

### 4.1 Revenue

#### 4.1.1 Sources of Revenue

The 2016/17 budget shall be financed through CRA share, Local Revenues raised by the County and Conditional grants from development partners as shown in the table below;

**Table 1: Approved and Projected Revenue**

| Revenue Source     | Approved<br>2015/2016 | Estimates for<br>2016/17 | Projections<br>2017/18 | Projections<br>2018/19 |
|--------------------|-----------------------|--------------------------|------------------------|------------------------|
| CRA Share          | 3,270,440,729         | 3,592,578,928            | 3,879,985,242          | 4,190,384,062          |
| Local Revenue      | 149,980,000           | 202,530,690              | 218,733,145            | 236,231,797            |
| Conditional Grants | 230,303,750           | 269,352,606              | 290,900,814            | 314,172,880            |
| <b>Grand Total</b> | <b>3,650,724,479</b>  | <b>4,064,462,224</b>     | <b>4,389,619,202</b>   | <b>4,740,788,738</b>   |

### 4.2 Expenditure

#### 4.3 Recurrent Expenditure

##### 4.3.1 Personal Emoluments

##### a) Wage Growth Analysis

**Table 2: Personal Emoluments Analysis**

| Department/ sector                | No. of<br>Staff | 2016/17<br>Aggregate PE<br>Projected | 2015/16 PE<br>Estimates | Deviation    |
|-----------------------------------|-----------------|--------------------------------------|-------------------------|--------------|
| Office of The Governor            | 29              | 60,174,483                           | 54,795,365              | 5,379,118    |
| Administration                    | 12              | 19,218,531                           | 18,050,451              | 1,168,080    |
| County Assembly                   |                 | 182,803,979                          | 258,681,923             | (75,877,944) |
| Finance & Economic Planning       | 269             | 172,672,315                          | 135,483,029             | 37,189,286   |
| Roads, Public Works & Transport   | 76              | 54,484,405                           | 43,685,461              | 10,798,944   |
| Youth, Sports, Culture, Gender    | 17              | 18,182,999                           | 18,714,126              | (531,127)    |
| Education and Technical Training  | 806             | 153,576,756                          | 121,560,336             | 32,016,420   |
| Health Services                   | 957             | 1,006,633,633                        | 944,920,514             | 61,713,119   |
| Water, Lands, Housing, & Physical | 91              | 59,864,448                           | 51,568,518              | 8,295,930    |

|                                          |              |                      |                      |             |
|------------------------------------------|--------------|----------------------|----------------------|-------------|
| Planning                                 |              |                      |                      |             |
| Trade, Tourism, Co-operations & Wildlife | <b>41</b>    | 39,990,850           | 32,581,497           | 7,409,353   |
| Agriculture                              | <b>220</b>   | 173,422,208          | 174,322,871          | (900,663)   |
| ICT & Public Service                     | <b>47</b>    | 68,312,259           | 76,613,029           | (8,300,770) |
| County Public Service Board              | <b>16</b>    | 31,086,940           | 20,016,511           | 11,070,429  |
| <b>TOTAL</b>                             | <b>2,581</b> | <b>2,040,423,806</b> | <b>1,950,993,631</b> |             |

#### b) Wage Growth Explanations

- The growth of mandatory annual staff wages by an average rate of 1.05%
- Salaries and Remuneration Commission (SRC) circulars on Hardship and House allowances whose implementation its second phase in 2016/17
- Backlog of staff promotions for the devolved staff. Some promotions was implemented in the 2015/16 Financial Year

### 4.3.2 Operations and Maintenance

#### O&M Description

O&M has been classified into three categories namely:

- Utilities and operations;** Allocations required for the day to day operations of a department e.g. fuel
- Requisite O&M:** Allocations required for operational efficiency e.g. Electricity charges for water pumps, utility vehicle
- Mandatory O&M:** Allocations that must be provided for the achievement of the mandates of the department e.g. Bursaries and scholarships

#### O&M Requirements Projections for 2016/17

Table 3: O&M Requirements for 2016/17

| Departments            | Utilities and Operations | Requisite O&M |        | Mandatory O&M               |           | Total O&M  |
|------------------------|--------------------------|---------------|--------|-----------------------------|-----------|------------|
|                        | Amount                   | Description   | Amount | Description                 | Amount    |            |
| Office of The Governor | 6,152,088                |               |        | Rent and rates              | 3,000,000 | 23,447,288 |
|                        |                          |               |        | Legal fees                  | 3,000,000 |            |
|                        |                          |               |        | Public participation        | 3,295,200 |            |
|                        |                          |               |        | Donations & Emerging issues | 8,000,000 |            |
| Administration         | 3,000,000                |               |        | Office Rent (Mosop)         | 1,200,000 | 5,400,000  |
|                        |                          |               |        | Intergovernmental relations | 700,000   |            |

| Departments                      | Utilities and Operations | Requisite O&M                                           |           | Mandatory O&M                           |            | Total O&M  |
|----------------------------------|--------------------------|---------------------------------------------------------|-----------|-----------------------------------------|------------|------------|
|                                  | Amount                   | Description                                             | Amount    | Description                             | Amount     |            |
|                                  |                          |                                                         |           | Public participation                    | 500,000    |            |
| County Assembly                  | 80,249,694               |                                                         |           |                                         |            | 80,249,694 |
| Finance & Economic Planning      | 13,500,000               | valuation Roll                                          | 800,000   | ADP                                     | 3,000,000  | 33,600,000 |
|                                  |                          | Advertisement (tender and Public participation notices) | 2,000,000 | CBROP                                   | 1,500,000  |            |
|                                  |                          | IFMIS Upgrades                                          | 1,500,000 | CFSP                                    | 2,500,000  |            |
|                                  |                          |                                                         |           | Budget Estimates                        | 3,000,000  |            |
|                                  |                          |                                                         |           | procurement Plan                        | 800,000    |            |
|                                  |                          |                                                         |           | Funds Requisition                       | 1,000,000  |            |
|                                  |                          |                                                         |           | CBEF                                    | 2,500,000  |            |
|                                  |                          |                                                         |           | Finance Bill                            | 1,500,000  |            |
| Roads, Public Works & Transport  | 7,214,721                |                                                         |           | Heavy machinery insurance (third party) | 1,800,000  | 17,014,721 |
|                                  |                          |                                                         |           | Machinery Maintenance                   | 8,000,000  |            |
| Youth, Sports, Culture, Gender   | 6,654,156                |                                                         |           |                                         |            | 6,654,156  |
| Education and Technical Training | 7,097,000                | One 10 seater land cruiser)                             | 8,000,000 | Bursary                                 | 30,000,000 | 63,629,133 |
|                                  |                          | quality assurance                                       | 1,532,133 | VTC Capitation                          | 8,000,000  |            |
|                                  |                          | Branding of ECD classrooms                              | 500,000   | County Education Board Allowances       | 500,000    |            |
|                                  |                          |                                                         |           | Scholarships                            | 8,000,000  |            |
| Health Services                  | 16,047,532               | Electricity                                             | 2,317,803 | FIF                                     | 56,721,600 | 82,136,935 |
|                                  |                          | Water                                                   | 800,000   |                                         |            |            |
|                                  |                          | 2 class 1 ambulances                                    | 6,000,000 |                                         |            |            |
|                                  |                          | ICU                                                     | 250,000   |                                         |            |            |

| Departments                                | Utilities and Operations | Requisite O&M                                                    |           | Mandatory O&M                    |           | Total O&M  |
|--------------------------------------------|--------------------------|------------------------------------------------------------------|-----------|----------------------------------|-----------|------------|
|                                            | Amount                   | Description                                                      | Amount    | Description                      | Amount    |            |
|                                            |                          | maintenance                                                      |           |                                  |           |            |
| Water, Lands, Housing, & Physical Planning | 7,398,862                | Water & Electricity                                              | 3,200,000 | Town management boards           | 500,000   | 15,798,862 |
|                                            |                          | Water treatment chemicals                                        | 1,500,000 | Water Bowsers maintenance        | 700,000   |            |
|                                            |                          |                                                                  |           | Development control committee    | 1,000,000 |            |
|                                            |                          |                                                                  |           | Forest management implementation | 1,000,000 |            |
|                                            |                          |                                                                  |           | County environment committee     | 500,000   |            |
| Trade, Tourism, Co-operations & Wildlife   | 7,370,074                | Tour van (land cruiser)                                          | 8,000,000 | Prefeasibility for cable car     | 5,000,000 | 32,981,874 |
|                                            |                          | Entrepreneurship development                                     | 2,111,800 | Management fee for Rimoi         | 2,000,000 |            |
|                                            |                          | Street lighting bills (Iten)                                     | 5,000,000 |                                  |           |            |
|                                            |                          | Rimoi branding                                                   | 2,000,000 |                                  |           |            |
|                                            |                          | Firearms, bullet proof jackets, screening machines and power saw | 1,500,000 |                                  |           |            |
| Agriculture                                | 11,024,770               | One tractor                                                      | 3,000,000 | Chebara ATC board allowance      | 100,000   | 16,424,770 |
|                                            |                          | 4 motorbikes                                                     | 1,600,000 |                                  |           |            |
|                                            |                          | Renovation of Chesoi building                                    | 500,000   |                                  |           |            |

| Departments                 | Utilities and Operations | Requisite O&M                     |           | Mandatory O&M                           |            | Total O&M  |
|-----------------------------|--------------------------|-----------------------------------|-----------|-----------------------------------------|------------|------------|
|                             | Amount                   | Description                       | Amount    | Description                             | Amount     |            |
|                             |                          |                                   |           |                                         |            |            |
|                             |                          | Elec. Bill for Veterinary fridges | 200,000   |                                         |            |            |
| ICT & Public Service        | 4,263,318                | 2 double cab pick-up for KN & MW  | 8,000,000 | Performance Management                  | 400,000    | 54,863,318 |
|                             |                          |                                   |           | Internet LAN                            | 3,000,000  |            |
|                             |                          |                                   |           | Board Allowances (NACADA)               | -          |            |
|                             |                          |                                   |           | Liquor Licensing and enforcements       | 600,000    |            |
|                             |                          |                                   |           | NHIF                                    | 10,000,000 |            |
|                             |                          |                                   |           | Pension for seconded staff              | 1,400,000  |            |
|                             |                          |                                   |           | Mortgage and Car loan                   | 20,000,000 |            |
|                             |                          |                                   |           | Sub county and Ward operations          | 7,200,000  |            |
| County Public Service Board | 4,023,618                |                                   |           | part time board members                 | 1,500,000  | 8,823,618  |
|                             |                          |                                   |           | Legal fee                               | 300,000    |            |
|                             |                          |                                   |           | Advertisemen<br>t<br>(Recruitments<br>) | 3,000,000  |            |

### 4.3.3 Development Expenditure

#### 4.3.3.1 Alignment of CFSP Priorities to Equitable Development Act (EDA), 2015

##### a) Equitable Development Act (EDA), 2015 Background and Formula

Elgeyo Marakwet County Equitable Development Act (EDA), 2015 became operational in January, 2015, with the objective of creating equal and equitable development amongst all the wards in the county. The main provisions of the Act include;

- i. 60% of funds appropriated for development be equally shared among all wards

ii. 40% of the funds allocated for development purposes are equitably shared among all wards based on a pre-determined formula as detailed below;

- 38% in accordance with the population
- 23% in accordance with County flagship projects
- 22% according to poverty index in the wards
- 8% in accordance in accordance with the land area
- 5% be allocated for emergencies
- 2% in accordance with the fiscal responsibility and
- 2% be allocated to arid and semi-arid Lands (ASAL)

#### b) Development Versus Recurrent allocations

**Table 4: Development and Recurrent Allocations for 2016/17**

| Department/Sector                          | Recurrent            | Development          | Total                |
|--------------------------------------------|----------------------|----------------------|----------------------|
| Office of The Governor                     | 83,621,771           | 56,000,000           | 139,621,771          |
| Administration                             | 24,618,531           | -                    | 24,618,531           |
| County Assembly                            | 265,678,673          | -                    | 265,678,673          |
| Finance & Economic Planning                | 206,272,315          | 9,517,082            | 215,789,397          |
| Roads, Public Works & Transport            | 71,499,126           | 295,587,537          | 367,086,663          |
| Youth, Sports, Culture, Gender             | 24,837,154           | 102,818,890          | 127,656,044          |
| Education and Technical Training           | 217,205,888          | 150,142,809          | 367,348,697          |
| Health Services                            | 1,088,770,568        | 482,077,279          | 1,570,847,847        |
| Water, Lands, Housing, & Physical Planning | 75,663,310           | 205,713,402          | 281,376,712          |
| Trade, Tourism, Co-operations & Wildlife   | 72,972,724           | 89,554,191           | 162,526,915          |
| Agriculture                                | 189,846,978          | 129,203,680          | 319,050,658          |
| ICT & Public Service                       | 123,175,577          | 58,074,181           | 181,249,758          |
| County Public Service Board                | 39,910,558           | 2,000,000            | 41,910,558           |
| <b>TOTAL</b>                               | <b>2,484,073,173</b> | <b>1,580,689,051</b> | <b>4,064,762,224</b> |

### c) Ward Development Allocations

**Table 5: Ward Allocations for 2016/17**

| Ward                  | Area<br>(Km <sup>2</sup> ) | Population | Poverty<br>Index | Equitable Share = 40% |              |                     |                  | Allocation         |
|-----------------------|----------------------------|------------|------------------|-----------------------|--------------|---------------------|------------------|--------------------|
|                       |                            |            |                  | ASAL<br>(2%)          | Area<br>(8%) | Population<br>(38%) | Poverty<br>(22%) |                    |
|                       |                            |            |                  | 0.8%                  | 3.2%         | 15.2%               | 8.8%             |                    |
| Arror                 | 78.6                       | 6,488      | 86.5             | 79                    | 0.03         | 0.01754             | 0.03             | 34,579,962         |
| Chepkorio             | 93.7                       | 23,349     | 35.2             | -                     | 0.03         | 0.06311             | 0.04             | 40,915,405         |
| Cherangany/Chebororwa | 95.2                       | 18,172     | 58.9             | -                     | 0.03         | 0.04911             | 0.06             | 40,110,807         |
| Embobut               | 151.8                      | 18,488     | 70.2             | 152                   | 0.05         | 0.04997             | 0.07             | 42,286,258         |
| Emsoo                 | 152.3                      | 9,602      | 31.9             | 152                   | 0.05         | 0.02595             | 0.02             | 35,680,499         |
| Endo                  | 178.6                      | 21,619     | 78.4             | 179                   | 0.06         | 0.05843             | 0.09             | 45,153,693         |
| Kabimemit             | 132.8                      | 18,970     | 37.7             | 21                    | 0.04         | 0.05127             | 0.04             | 39,500,734         |
| Kamariny              | 101.1                      | 23,126     | 28.1             | -                     | 0.03         | 0.06250             | 0.03             | 41,117,128         |
| Kapatarakwa           | 153.6                      | 25,423     | 45.4             | -                     | 0.05         | 0.06871             | 0.06             | 40,160,781         |
| Kapchemutwo           | 111.5                      | 19,069     | 24.1             | -                     | 0.04         | 0.05154             | 0.02             | 40,021,959         |
| Kapsowar              | 123.9                      | 17,057     | 67.0             | -                     | 0.04         | 0.04610             | 0.06             | 45,106,310         |
| Kapyego               | 308.6                      | 25,057     | 38.1             | -                     | 0.10         | 0.06772             | 0.05             | 40,027,240         |
| Lelan                 | 198.4                      | 20,111     | 41.0             | -                     | 0.07         | 0.05435             | 0.04             | 40,742,714         |
| Metkei                | 69.8                       | 12,945     | 43.4             | 8                     | 0.02         | 0.03499             | 0.03             | 36,316,858         |
| Moiben/Kuserwo        | 147                        | 19,277     | 50.4             | -                     | 0.05         | 0.05210             | 0.05             | 40,562,370         |
| Sambirir              | 145.3                      | 21,585     | 63.8             | 105                   | 0.05         | 0.05834             | 0.07             | 43,326,170         |
| Sengwer               | 161.5                      | 18,903     | 68.2             | -                     | 0.05         | 0.05109             | 0.07             | 41,728,839         |
| Soy North             | 215.2                      | 14,457     | 76.3             | 215                   | 0.07         | 0.03907             | 0.06             | 41,080,481         |
| Soy South             | 234.6                      | 20,370     | 72.5             | 235                   | 0.08         | 0.05505             | 0.08             | 44,692,004         |
| Tambach               | 176.1                      | 15,930     | 58.7             | 176                   | 0.06         | 0.04305             | 0.05             | 40,427,120         |
| <b>TOTAL</b>          |                            |            |                  |                       |              |                     |                  | <b>813,537,332</b> |

### d) County Projects Allocations

**Table 6: County Projects Allocations for 2016/17**

| Department/Sector                              | Project                | Proposed Allocation |
|------------------------------------------------|------------------------|---------------------|
| Office of the Governor                         | Firefighting equipment | 33,000,000          |
|                                                | Governor's residence   | 23,000,000          |
| <b>Sub -total</b>                              |                        | <b>56,000,000</b>   |
| Executive Administration<br>(County Secretary) | -                      |                     |
| <b>Sub-total</b>                               |                        |                     |
| County Assembly                                | -                      |                     |
| <b>Sub-total</b>                               | -                      | -                   |
| Finance & Economic Planning                    | Baseline surveys       | 3,500,000           |
| <b>Sub-total</b>                               |                        | <b>3,500,000</b>    |
| Roads, Public Works &                          | Taiya – Kiptengwer     | 4,000,000           |

| Department/Sector                                                           | Project                                                                                               | Proposed Allocation |
|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------|
| Transport                                                                   | Mechinery maintenance                                                                                 | 2,000,000           |
|                                                                             | Purchase of Mechanical Equipment – Dozzer                                                             | 24,000,000          |
|                                                                             | Mechanical Workshop                                                                                   | 2,000,000           |
|                                                                             | Roads design & Survey works                                                                           | 750,000             |
|                                                                             | Design of foot bridges and bridges                                                                    | 500,000             |
|                                                                             | Routine Road Maintenance                                                                              | 13,049,113          |
| <b>Sub-total</b>                                                            |                                                                                                       | <b>46,299,113</b>   |
| Youth, Sports, Culture, Gender                                              | Kamariny stadium track & football pitch                                                               | 10,000,000          |
|                                                                             | Cultural Day                                                                                          | 3,000,000           |
|                                                                             | Sports promotion                                                                                      | 4,500,000           |
|                                                                             | National celebrations and special days                                                                | 2,000,000           |
|                                                                             | Deaflympics & Paralympics                                                                             | 1,000,000           |
|                                                                             | Women and youth empowerment and entrepreneurial Programme                                             | 30,000,000          |
| <b>Sub-total</b>                                                            |                                                                                                       | <b>50,500,000</b>   |
| Health Services                                                             | Medical supplies & Equipment                                                                          | 140,000,000         |
|                                                                             | Oxygen Plant                                                                                          | 20,000,000          |
|                                                                             | CT Scan                                                                                               | 10,000,000          |
|                                                                             | Morgue                                                                                                | 12,000,000          |
|                                                                             | Vector, Vermine and Rodent Control                                                                    | 1,500,000           |
|                                                                             | ICU beds                                                                                              | 10,000,000          |
| <b>Sub-total</b>                                                            |                                                                                                       | <b>193,500,000</b>  |
| Education and Technical Training                                            | Equipment and Teaching materials for VTCs                                                             | 6,000,000           |
|                                                                             | Education quality appraisal                                                                           | 2,000,000           |
| <b>Sub-total</b>                                                            |                                                                                                       | <b>8,000,000</b>    |
| Water, Environment, Lands, Housing, Physical Planning and Natural Resources | Geodetic control points (survey points)                                                               | 3,000,000           |
|                                                                             | Alternative dispute resolution mechanisms for land disputes                                           | 1,000,000           |
|                                                                             | Refuse collection in towns Iten, Tambach, Kapsowar, Cheptongei, Chebara, Chebiemit, Kapcherop, Chesoi | 3,000,000           |
|                                                                             | Ardhi House                                                                                           | 8,000,000           |
|                                                                             | Community Radio (weather forecasts dissemination)                                                     | 1,500,000           |
|                                                                             | Urban areas spatial plan implementation                                                               | 3,000,000           |
|                                                                             | Solid waste management land and related infrastructure                                                | 7,000,000           |
| <b>Sub-total</b>                                                            |                                                                                                       | <b>26,500,000</b>   |
| Trade, Energy, Tourism, Co-operative Development                            | Expansion of markets and public utilities                                                             | 13,000,000          |
|                                                                             | Trade shows, exhibition and capacity building of co-operative societies                               | 6,500,000           |
|                                                                             | Cooperatives Building Rehabilitation                                                                  | 500,000             |
|                                                                             | Co-operative marketing                                                                                | 500,000             |
|                                                                             | Co-operative society revolving fund                                                                   | 10,000,000          |
|                                                                             | Construction/ gravelling roads Rimoi                                                                  | 7,000,000           |
|                                                                             | Sports Tourism                                                                                        | 1,000,000           |
|                                                                             | NOREB                                                                                                 | 4,000,000           |
|                                                                             | Construction of rangers houses                                                                        | 2,000,000           |

| Department/Sector                    | Project                                                                 | Proposed Allocation |
|--------------------------------------|-------------------------------------------------------------------------|---------------------|
|                                      | Construction of Eco-lodge                                               | 1,000,000           |
|                                      | Hosting of miss tourism                                                 | 2,500,000           |
|                                      | Tourism Promotion                                                       | 1,500,000           |
| <b>Sub-total</b>                     |                                                                         | <b>49,500,000</b>   |
| Agriculture, Livestock and Fisheries | Chabara ATC                                                             | 3,000,000           |
|                                      | Agricultural show s & exhibitions                                       | 4,000,000           |
|                                      | Livestock Disease control                                               | 6,000,000           |
|                                      | Provision of AI and breed improvement                                   | 16,000,000          |
|                                      | maintenance of Arboretums                                               | 500,000             |
|                                      | Digital data analysis of AI & Vaccination                               | 1,000,000           |
|                                      | County agricultural exhibition                                          | 2,000,000           |
| <b>Sub-total</b>                     |                                                                         | <b>32,500,000</b>   |
| ICT & Public Service                 | ERP System (Revenue and Health systems)                                 | 13,000,000          |
|                                      | Construction of Sub County Offices                                      | 14,000,000          |
|                                      | IFMIS implementation (Extension of last-mile connectivity to end users) | 2,500,000           |
| <b>Sub-total</b>                     |                                                                         | <b>29,500,000</b>   |
| County Public Service Board          | Office Extension and renovation                                         | 2,000,000           |
| <b>Sub-total</b>                     |                                                                         | <b>2,000,000</b>    |
| <b>GRAND TOTAL</b>                   |                                                                         | <b>497,799,113</b>  |

#### 4.3.3.2 Summary of Development Allocations as per 2016/17 Annual Development Plan

Table 7: Development Allocations for 2016/17

| Department                                 | Ward Projects      | County Projects    | Total                |
|--------------------------------------------|--------------------|--------------------|----------------------|
| Office of The Governor                     |                    | 56,000,000         | 56,000,000           |
| Administration                             |                    | 0                  | 0                    |
| County Assembly                            |                    | 0                  | 0                    |
| Finance & Economic Planning                | 6,017,082          | 3,500,000          | 9,517,082            |
| Roads, Public Works & Transport            | 195,067,709        | 100,519,828        | 295,587,537          |
| Youth, Sports, Culture, Gender             | 52,318,890         | 50,500,000         | 102,818,890          |
| Education and Technical Training           | 142,142,809        | 8,000,000          | 150,142,809          |
| Health Services                            | 73,445,388         | 408,631,891        | 482,077,279          |
| Water, Lands, Housing, & Physical Planning | 179,213,402        | 26,500,000         | 205,713,402          |
| Trade, Tourism, Co-operations & Wildlife   | 40,054,191         | 49,500,000         | 89,554,191           |
| Agriculture                                | 96,703,680         | 32,500,000         | 129,203,680          |
| ICT & Public Service                       | 28,574,181         | 29,500,000         | 58,074,181           |
| County Public Service Board                |                    | 2,000,000          | 2,000,000            |
| <b>TOTAL</b>                               | <b>813,537,332</b> | <b>767,151,719</b> | <b>1,580,689,051</b> |

#### 4.3.3.3 Analysis of Development Priorities

**Table 8: Development Priorities Analysis**

| Department                                 | Approved<br>2015/16  | 2016/17<br>Estimates | Deviation          |
|--------------------------------------------|----------------------|----------------------|--------------------|
| Office of The Governor                     | 13,000,000           | 56,000,000           | 43,000,000         |
| Administration                             | -                    | -                    | -                  |
| County Assembly                            | 30,000,000           | -                    | (30,000,000)       |
| Finance & Economic Planning                | 30,000,000           | 9,517,082            | (20,482,918)       |
| Roads, Public Works & Transport            | 266,344,172          | 295,587,537          | 29,243,365         |
| Youth, Sports, Culture, Gender             | 70,952,151           | 102,818,890          | 31,866,739         |
| Education and Technical Training           | 151,708,478          | 150,142,809          | (1,565,669)        |
| Health Services                            | 156,253,138          | 482,077,279          | 325,824,141        |
| Water, Lands, Housing, & Physical Planning | 205,460,593          | 205,713,402          | 252,809            |
| Trade, Tourism, Co-operations & Wildlife   | 50,414,064           | 89,554,191           | 39,140,127         |
| Agriculture                                | 122,887,736          | 129,203,680          | 6,315,944          |
| ICT & Public Service                       | 46,000,000           | 58,074,181           | 12,074,181         |
| County Public Service Board                | 2,500,000            | 2,000,000            | (500,000)          |
| <b>TOTAL</b>                               | <b>1,145,520,332</b> | <b>1,580,689,051</b> | <b>435,168,719</b> |

#### 4.3.4 2016/17 CFSP Overall Expenditure Analysis

**Table 9: Overall Expenditure Analysis**

| Expenditure Type          | Amount               | Percentage of Budget |
|---------------------------|----------------------|----------------------|
| Compensation to Employees | 2,043,048,805        | <b>50.2</b>          |
| Requisite & Mandatory O&M | 267,028,536          | <b>6.6</b>           |
| Utilities and operations  | 173,995,832          | <b>4.3</b>           |
| Development               | 1,580,689,051        | <b>38.9</b>          |
| <b>Total</b>              | <b>4,064,762,224</b> | <b>100</b>           |
| Deficit/Surplus           | 0                    | 0                    |

**\*Development allocation is 32.3% without Conditional Grants**

## 5 MEDIUM TERM EXPENDITURE FRAMEWORK

### 5.1 Background

An evaluation of the macroeconomic situation and a limited resource envelope in past three years shows that adjusting non-priority expenditures to cater for the priority ones will guide the Medium Term Expenditure Framework (MTEF) budgeting processes. Social sectors including education and health, will continue to receive adequate resources while the economic sectors such as those of agriculture and livestock will receive increasing share of resources to boost agricultural productivity and value addition ventures. Share of resources for priority physical infrastructure sector, such as roads, water and irrigation, will continue to rise over the medium term. All the other sectors will continue to receive adequate resources in line with our county's commitment to a balanced sector development so as to enhance the quality of life for the residents of the county.

### 5.2 Resource envelop

**Table 10: Resource Envelope**

| Revenue Source     | Approved 2015/2016   | Estimates for 2016/17 |
|--------------------|----------------------|-----------------------|
| CRA Share          | 3,270,440,729        | 3,592,578,928         |
| Local Revenue      | 149,980,000          | 202,530,690           |
| <b>Total</b>       | <b>3,420,420,729</b> | <b>3,795,109,618</b>  |
| Conditional Grants | 230,303,750          | 269,352,606           |
| <b>Grand Total</b> | <b>3,650,724,479</b> | <b>4,064,462,224</b>  |

### 5.3 Collaborations with National Government and Development Partners

#### 5.3.1 National Government

Our county continues to encourage and sustain a cooperative and collaborative framework with the national government in terms of implementing the national development agenda and critical policy directives. This will ensure synergized devolution objectives achievement and rapid local economic development. Therefore, developing strategic networking and collaborations based on the needs and policy direction of the country's Vision 2030 and those of our county's CIDP is inevitable.

Consequently, the county will collaborate with the national government in several areas including; medical equipments, roads maintenance, maternal health and health facilities operations. This collaboration will be in form of conditional grants from the National Government's allocation share as indicated in the 2016 Budget Policy Statement (BPS). These conditional grants include;

- Medical equip leasing
- Rural Maintenance Levy Fund (RMLF)
- Free Maternal Health (FMH)
- Abolition of User Fees

### 5.3.2 Conditional Allocations from Development Partners

In the last three financial years, the county has been receiving DANIDA conditional grants as Health Sector Support Grant. In 2015/16, the county also received Health Sector Support conditional grant from World Bank. These conditional grants are expected to continue in the 2016/17 Financial Year as indicated in the 2016 Budget Policy Statement (BPS)

**Table 11: Conditional Allocations Summary**

| Conditional Grants                                 | Amount             |
|----------------------------------------------------|--------------------|
| Health Sector Support Grants (DANIDA & World Bank) | 67,332,570         |
| Medical equip leasing                              | 95,744,681         |
| Rural Maintenance Levy Fund (RMLF)                 | 54,220,715         |
| Free Maternal Health (FMH)                         | 43,430,000         |
| Abolition of User fees                             | 8,624,640          |
| <b>TOTAL</b>                                       | <b>269,352,606</b> |

*Source: 2016 Budget Policy Statement*

### 5.3.3 County Lands Management Board

The county government will collaborate with the CLMB to ensure efficient land management and secure land tenure. In this regard, the county will facilitate the board with necessary logistical support to ensure efficient and effective service delivery

### 5.3.4 County Policing Authority

Plans are underway for constitution of County Policing Authority; the Authority will identify security issues, and advise the security agencies in the county on strategies to address the issues. The county will facilitate the authority with all the necessary support for its operations.

### 5.3.5 County Education Board

Education sector has undergone significant legal, policy and institutional reforms which have resulted in establishment of new institutions. County Education Board is one of such institution established in the county. For it to deliver on its mandate the county will collaborate with the ministry of education to ensure the board is operating as desired.

### 5.3.6 Public Private Partnerships

Enhanced development cooperation, networking and collaborations through Public Private Partnerships (PPP) approach will enhance faster development, replicate best development practices and create job opportunities. The county will therefore put in place mechanisms through

favorable policies and necessary legislations guided by necessary National Treasury Circulars and conditions

### **5.3.7 Disaster Risk Reduction**

Since drought risk management is so closely entwined with sustainable development, it is inevitably a shared function of both the national and the county governments thus both levels of government will initiate the prerequisite mechanisms to mitigate and manage disasters.

## **5.4 Medium-Term Expenditure Estimates**

For the FY 2015/16 the total approved ceilings was Kshs 2,519,928,833 and Kshs 1,145,520,332 for recurrent and development respectively. In 2016/17 it is projected that recurrent allocations will be Kshs 2,484,073,173 and Kshs 1,580,689,051 for development. The reduction in recurrent is attributed to the conditional grants for Emergency Fund which was later withdrawn. Development is projected to grow to Kshs 1,707,144,175 while recurrent will increase to Kshs 2,682,799,027 in 2017/18. Development and recurrent projections for 2018/19 will be Kshs 1,843,715,709 and Kshs 2,897,422,949 respectively.

## **5.5 Baseline Ceilings**

The baseline estimates reflects the current departmental spending levels. In the recurrent expenditure category, expenditures on Personal Emoluments which accounts for about 50.2 percent of the resource envelope take the first charge. Expenditure on operations and maintenance accounts for 10.9 percent of the resource envelope

Overall, recurrent expenditure on Personal Emoluments and operations and maintenance account for 61.1 percent of the projected resource envelope. The balance of 38.8 percent are allocations planned to fund planned development initiatives of which 6.6 percent are in form of conditional grants.

### **5.5.1 Development Allocations Guidelines**

- Development expenditure allocations are shared out amongst departments on the basis of the Equitable Development Act, 2015, County Integrated Development Plan (CIDP) and Annual Development Plan (ADP) as well as other strategic objectives and policy goals identified in this CFSP
- Development ceilings for departments/sectors are the aggregate for the cost of projects for Wards and County prioritized for that departments/sector
- Conditional allocations from the national governments to departments/sectors will be utilized as per the conditions set out in the Budget Policy Statement (BPS). These allocations supplements the allocations already considered in the ceilings for the same department.
- On-going and/or phased projects will be given emphasis and in particular infrastructure projects and other projects with high impact on poverty reduction and equity.

- Strategic objectives and policy goals: priority is also given to policy interventions covering the entire county and those that have huge implications in spurring growth in other departments/sectors

## **5.5.2 Details of Departments/Sectors Priorities**

### **Education Sector**

The sector is mandated to address: provision of pre-primary education, technical vocational education and training (TVET), provision of bursaries and scholarships and quality assurance and standards. To meet its mandate, the sector has prioritized the following programmes for the 2016/17 to 2018/19 MTEF Period: Early Childhood Development Education, Bursaries & Scholarships, Vocational Education and Training, Special Needs Education and General Administration and Planning.

In order to implement the prioritized programmes, the Sector has been allocated Ksh 367.35 million for 2016/2017 financial year. Recurrent expenditure allocation for the same period is Ksh 217.21 million while the development expenditure allocation is Ksh 150.14 million

### **Health Sector**

The Health sector goal is to attain equitable, affordable, accessible and quality health care for all. This will be done through curative and rehabilitative services, preventive and promotive health interventions that address risk factors to health and Strengthening collaboration with private and other sectors that have an impact on health

Key projects to be implemented in the MTEF period include: improvement and upgrading of health facilities, health care service delivery enhancement, community health strategy, vector control, efficient drugs and commodities management strategy and general administration and planning.

In order to implement the prioritized programmes, the Sector has been allocated Ksh 1.57 billion for the 2016/2017 financial year. The recurrent expenditure allocation for the same period is Ksh 1.09 billion, while the development expenditure allocation is Ksh 482.08 million.

### **Roads**

The sector aims at improving both quality and quantity of the existing road network in order to transform the socio-economic development of the county through effective and efficient transportation of residents and goods to output markets. The programmes

prioritized in the MTEF period 2016/17-2018/19 include: road works, public works and General Administration and Planning.

In order to implement the prioritized programmes, the Sector has been allocated Ksh 367.09 million for the 2016/2017 financial year. The recurrent expenditure allocation for the same period is Ksh 71.5 million, while the development expenditure allocation is Ksh 295.59 million.

### **Governance and Administration**

The sector is responsible for providing overall policy direction, coordination of county government, communication services and legal advice to government agencies. It also plays a major role in promoting integrity and transparency in county governance. It also plays a key role in inter-governmental relations, peace building and enforcement of county laws and regulations.

To meet its mandate, the sector has prioritized the following programmes for the 2016/17 to 2018/19 MTEF Period: executive services, public advisory services, county attorney services, communication services, protocol and liaison services and general administration and planning.

In order to implement the prioritized programmes, the Sector has been allocated Ksh 164.24 million for the 2016/2017 financial year. The recurrent expenditure allocation for the same period is Ksh 108.24 million, while the development expenditure allocation is Ksh 56 million.

### **Youth, Sports, Culture and Gender**

The sector is mandated to create a socially cohesive county through formulation, mainstreaming and implementation of policies that promote sharing of cultural experiences and talents while celebrating heritage and empowering vulnerable and marginalized groups.

This is achieved through sports Stadia development, sports activities enhancement, talents development and mentorship programs, women, special needs groups and youth empowerment, and cultural promotion and development. During the 2016/17 FY, the sector priorities will aim at empowering the vulnerable groups, promoting culture, developing and promoting sports talent development. The priority programmes are sports development and Gender and social development.

In order to implement the prioritized programmes, the sector has been allocated Kshs. 127,656,044; Kshs. 24,837,154 and Kshs. 102,818,890 being for recurrent and development expenditures respectively

### **Water, Lands, Physical Planning and Natural Resources**

This sector consists of water, Environment, lands, Physical Planning, survey, housing and Town administration units. The sector's mission is to improve access to decent and affordable housing with adequate, affordable, clean and safe water, facilitate efficient land administration and management in an appropriate spatial framework and sustainable environment. During the 2016/17 FY the sector has prioritized programmes intended at ensuring access to clean water and improved sanitation to all county residents and environmental conservation. These programmes include: Development and rehabilitation of water schemes, catchment conservation and development of spatial plans

In order to implement the prioritized programmes, the sector has been allocated Kshs. 205,713,402 for development expenditure and Kshs. 75,663,310 for Recurrent expenditure.

### **Finance and Economic Planning**

Provide overall leadership and policy direction in resource mobilization, management and accountability for quality public service delivery.

Strategies to attain the overall goal include establishment of directorate of inspection and enforcement, continuous training of staff on eProcurement and adherence to the provisions of PFM Act, Participatory planning and budgeting as well as mainstreaming crosscutting issues to planning and budgeting.

To implement the prioritized programmes, the Sector has been allocated Ksh 215,789,397 million, Ksh million for the financial years 2016/2017. Recurrent expenditure allocation for FY2016/17 is Ksh 7.2 billion, Ksh 206,272,315 million. The Development expenditure for the same period is Ksh 9,517,082 million.

### **Agriculture Sector**

The goal of the sector is to attain food security, improve livelihoods of the people of the county through promotion of competitive agriculture and innovative research, sustainable livestock and fisheries development, equitable productive capital and sustainable management of land resources.

During the 2016/17-2018/19 MTEF period, focus will be directed on enhancement of Food security through irrigated agriculture, research and development, dairy sector

improvement through AI services and breed improvement, livestock disease control amongst other strategies.

To implement the prioritized programmes, the Sector has been allocated Ksh 319,050,658 million for the financial years 2016/2017. Recurrent expenditure allocation for FY2016/17 is Ksh 189,846,978 million. The Development expenditure for the same is Ksh 129,203,680 million

### **Trade, Tourism and Co-operative Development**

The general objectives of the sector include; promotion of fair trade practices and entrepreneurship, savings mobilization, marketing, tourism development and diverse innovative investments.

During the 2016/17 – 2018/19 MTEF period the sector will focus on improving niche tourism product development and diversification through opening and operationalization of Rimoi Game reserve, enhancement of co-operative movements by providing co-operative revolving fund and expansion of existing market infrastructure.

To implement the prioritized programmes, the Sector has been allocated Ksh 162,526,915 million for the financial years 2016/2017. Recurrent expenditure allocation for FY2016/17 is Ksh 72,972,724 million. The Development expenditure for the same is Ksh 89,554,191 million

### **County Public Service Board and ICT and Public Service Management**

The goal of the department is to establish and maintain sufficient professional and motivated public service that enhances efficient and effective service delivery as well as integration of ICT in public service management. Provision of ICT related infrastructure is also core goal of the sector.

Continued public service management together with adherence of human resource advisories and guidelines are some of the strategies employed by the departments in order to optimize human capital within the county.

During the 2016/17 fiscal period the sectors will focus on enhancing citizen engagements through the devolved units at the county by utilizing the sub county and ward structures. Setting up of sub county ICT centres will act as one stop shop to address devolved government functions and offering ICT related contents to the rural areas of the county as well as empowering the youths with digital contents and platform.

To implement the prioritized programmes, the Sectors have been allocated Ksh 181,249,758 million and 41,910,558 for ICT and Public Service and CPSB respectively in

the financial years 2016/2017. Recurrent expenditure allocation for ICT and Public Service and CPSB in FY2016/17 is Ksh 123,175,577 million and Ksh. 39,910,558 while those of development expenditure is Ksh 58,074,181 million and ksh. 2,000,000 respectively

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## 6 ANNEXES

Annex 1 :Departmental/Sector Ceilings 2015/16 – 2018/19

| Department/Sector                          | Approved & Ceilings |                  |                 | Projections        |                    | % Share of Total Revenue |                      |                    |                    |
|--------------------------------------------|---------------------|------------------|-----------------|--------------------|--------------------|--------------------------|----------------------|--------------------|--------------------|
|                                            | Description         | Approved 2015/16 | Ceiling 2016/17 | Projection 2017/18 | Projection 2018/19 | Approved 2015/16         | CFSP Ceiling 2016/17 | Projection 2017/18 | Projection 2018/19 |
| Office of The Governor                     | Rec                 | 69,969,676       | 83,621,771      | 90,311,513         | 97,536,434         | 2.78                     | 3.37                 | 3.37               | 3.37               |
|                                            | Dev                 | 13,000,000       | 56,000,000      | 60,480,000         | 65,318,400         | 0.52                     | 3.54                 | 3.54               | 3.54               |
| Administration                             | Rec                 | 21,602,472       | 24,618,531      | 26,588,013         | 28,715,055         | 0.86                     | 0.99                 | 0.99               | 0.99               |
|                                            | Dev                 | -                | -               | -                  | -                  | -                        | -                    | -                  | -                  |
| County Assembly                            | Rec                 | 399,000,000      | 265,678,673     | 286,932,967        | 309,887,604        | 15.83                    | 10.70                | 10.70              | 10.70              |
|                                            | Dev                 | 30,000,000       | -               | -                  | -                  | 1.19                     | -                    | -                  | -                  |
| Finance & Economic Planning                | Rec                 | 244,338,209      | 206,272,315     | 222,774,100        | 240,596,028        | 9.70                     | 8.30                 | 8.30               | 8.30               |
|                                            | Dev                 | 30,000,000       | 9,517,082       | 10,278,449         | 11,100,724         | 1.19                     | 0.60                 | 0.60               | 0.60               |
| Roads, Public Works & Transport            | Rec                 | 58,614,510       | 71,499,126      | 77,219,056         | 83,396,580         | 2.33                     | 2.88                 | 2.88               | 2.88               |
|                                            | Dev                 | 266,344,172      | 295,587,537     | 319,234,540        | 344,773,303        | 10.57                    | 18.70                | 18.70              | 18.70              |
| Youth, Sports, Culture, Gender             | Rec                 | 24,813,164       | 24,837,154      | 26,824,127         | 28,970,057         | 0.98                     | 1.00                 | 1.00               | 1.00               |
|                                            | Dev                 | 70,952,151       | 102,818,890     | 111,044,401        | 119,927,953        | 2.82                     | 6.50                 | 6.50               | 6.50               |
| Education and Technical Training           | Rec                 | 160,653,125      | 217,205,889     | 234,582,360        | 253,348,949        | 6.38                     | 8.74                 | 8.74               | 8.74               |
|                                            | Dev                 | 151,708,478      | 150,142,809     | 162,154,234        | 175,126,572        | 6.02                     | 9.50                 | 9.50               | 9.50               |
| Health Services                            | Rec                 | 1,134,775,947    | 1,088,770,568   | 1,175,872,213      | 1,269,941,991      | 45.03                    | 43.83                | 43.83              | 43.83              |
|                                            | Dev                 | 156,253,138      | 482,077,279     | 520,643,461        | 562,294,938        | 6.20                     | 30.50                | 30.50              | 30.50              |
| Water, Lands, Housing, & Physical Planning | Rec                 | 66,524,700       | 75,663,310      | 81,716,375         | 88,253,685         | 2.64                     | 3.05                 | 3.05               | 3.05               |
|                                            | Dev                 | 205,460,593      | 205,713,402     | 222,170,474        | 239,944,112        | 8.15                     | 13.01                | 13.01              | 13.01              |
| Trade, Tourism, Co-operations & Wildlife   | Rec                 | 41,374,146       | 72,972,724      | 78,810,542         | 85,115,385         | 1.64                     | 2.94                 | 2.94               | 2.94               |
|                                            | Dev                 | 50,414,064       | 89,554,191      | 96,718,526         | 104,456,008        | 2.00                     | 5.67                 | 5.67               | 5.67               |
| Agriculture                                | Rec                 | 184,867,816      | 189,846,978     | 205,034,736        | 221,437,515        | 7.34                     | 7.64                 | 7.64               | 7.64               |
|                                            | Dev                 | 122,887,736      | 129,203,680     | 139,539,974        | 150,703,172        | 4.88                     | 8.17                 | 8.17               | 8.17               |
| ICT & Public Service                       | Rec                 | 87,079,552       | 123,175,577     | 133,029,623        | 143,671,992        | 3.46                     | 4.96                 | 4.96               | 4.96               |

| Department/Sector              | Approved & Ceilings |                      |                      | Projections           |                       | % Share of Total Revenue |                         |                       |                           |
|--------------------------------|---------------------|----------------------|----------------------|-----------------------|-----------------------|--------------------------|-------------------------|-----------------------|---------------------------|
|                                | Descripti<br>on     | Approved<br>2015/16  | Ceiling 2016/17      | Projection2017<br>/18 | Projection<br>2018/19 | Approve<br>d<br>2015/16  | CFSP Ceiling<br>2016/17 | Projection20<br>17/18 | Projectio<br>n<br>2018/19 |
|                                | Dev                 | 46,000,000           | 58,074,181           | 62,720,115            | 67,737,725            | 1.83                     | 3.67                    | 3.67                  | 3.67                      |
| County Public Service<br>Board | Rec                 | 26,315,516           | 39,910,558           | 43,103,402            | 46,551,674            | 1.04                     | 1.61                    | 1.61                  | 1.61                      |
|                                | Dev                 | 2,500,000            | 2,000,000            | 2,160,000             | 2,332,800             | 0.10                     | 0.13                    | 0.13                  | 0.13                      |
| <b>TOTAL</b>                   | Rec                 | <b>2,519,928,833</b> | <b>2,484,073,173</b> | <b>2,682,799,027</b>  | <b>2,897,422,949</b>  | <b>100.00</b>            | <b>100.00</b>           | <b>100.00</b>         | <b>100.00</b>             |
|                                | Dev                 | <b>1,145,520,332</b> | <b>1,580,689,051</b> | <b>1,707,144,175</b>  | <b>1,843,715,709</b>  | <b>45.46</b>             | <b>100.00</b>           | <b>100.00</b>         | <b>100.00</b>             |

**Annex 2: Recurrent Departmental/Sector Ceilings 2015/16 – 2018/19**

| Department/ Sector                         | Approved & Ceilings  |                      | Projections           |                       | % Share of Total Revenue |                            |                       |                       |
|--------------------------------------------|----------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------------|-----------------------|-----------------------|
|                                            | Approved<br>2015/16  | Ceiling<br>2016/17   | Projection<br>2017/18 | Projection<br>2018/19 | Approved<br>2015/16      | CFSP<br>Ceiling<br>2016/17 | Projection<br>2017/18 | Projection<br>2018/19 |
| Office of The Governor                     | 69,969,676           | 83,621,771           | 90,311,513            | 97,536,434            | 2.78                     | 3.37                       | 3.37                  | 3.37                  |
| Administration                             | 21,602,472           | 24,618,531           | 26,588,013            | 28,715,055            | 0.86                     | 0.99                       | 0.99                  | 0.99                  |
| County Assembly                            | 399,000,000          | 265,678,673          | 286,932,967           | 309,887,604           | 15.83                    | 10.70                      | 10.70                 | 10.70                 |
| Finance & Economic Planning                | 244,338,209          | 206,272,315          | 222,774,100           | 240,596,028           | 9.70                     | 8.30                       | 8.30                  | 8.30                  |
| Roads, Public Works & Transport            | 58,614,510           | 71,499,126           | 77,219,056            | 83,396,580            | 2.33                     | 2.88                       | 2.88                  | 2.88                  |
| Youth, Sports, Culture, Gender             | 24,813,164           | 24,837,154           | 26,824,127            | 28,970,057            | 0.98                     | 1.00                       | 1.00                  | 1.00                  |
| Education and Technical Training           | 160,653,125          | 217,205,889          | 234,582,360           | 253,348,949           | 6.38                     | 8.74                       | 8.74                  | 8.74                  |
| Health Services                            | 1,134,775,947        | 1,088,770,568        | 1,175,872,213         | 1,269,941,991         | 45.03                    | 43.83                      | 43.83                 | 43.83                 |
| Water, Lands, Housing, & Physical Planning | 66,524,700           | 75,663,310           | 81,716,375            | 88,253,685            | 2.64                     | 3.05                       | 3.05                  | 3.05                  |
| Trade, Tourism, Co-operations & Wildlife   | 41,374,146           | 72,972,724           | 78,810,542            | 85,115,385            | 1.64                     | 2.94                       | 2.94                  | 2.94                  |
| Agriculture                                | 184,867,816          | 189,846,978          | 205,034,736           | 221,437,515           | 7.34                     | 7.64                       | 7.64                  | 7.64                  |
| ICT & Public Service                       | 87,079,552           | 123,175,577          | 133,029,623           | 143,671,992           | 3.46                     | 4.96                       | 4.96                  | 4.96                  |
| County Public Service Board                | 26,315,516           | 39,910,558           | 43,103,402            | 46,551,674            | 1.04                     | 1.61                       | 1.61                  | 1.61                  |
| <b>TOTAL</b>                               | <b>2,519,928,833</b> | <b>2,484,073,173</b> | <b>2,682,799,027</b>  | <b>2,897,422,949</b>  | <b>100</b>               | <b>100</b>                 | <b>100</b>            | <b>100</b>            |

**Annex 3: Development Departmental/Sector Ceilings 2015/16 – 2018/19**

| Department/ Sector                            | Approved & Ceilings  |                      | Projections           |                       | % Share of Total Revenue |                            |                       |                       |
|-----------------------------------------------|----------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------------|-----------------------|-----------------------|
|                                               | Approved<br>2015/16  | Ceiling<br>2016/17   | Projection<br>2017/18 | Projection<br>2018/19 | Approved<br>2015/16      | CFSP<br>Ceiling<br>2016/17 | Projection<br>2017/18 | Projection<br>2018/19 |
| Office of The Governor                        | 13,000,000           | 56,000,000           | 60,480,000            | 65,318,400            | 1.13                     | 3.54                       | 3.54                  | 3.54                  |
| Administration                                | -                    | -                    | -                     | -                     | -                        | -                          | -                     | -                     |
| County Assembly                               | 30,000,000           | -                    | -                     | -                     | 2.62                     | -                          | -                     | -                     |
| Finance & Economic<br>Planning                | 30,000,000           | 9,517,082            | 10,278,449            | 11,100,724            | 2.62                     | 0.60                       | 0.60                  | 0.60                  |
| Roads, Public Works &<br>Transport            | 266,344,172          | 295,587,537          | 319,234,540           | 344,773,303           | 23.25                    | 18.70                      | 18.70                 | 18.70                 |
| Youth, Sports, Culture,<br>Gender             | 70,952,151           | 102,818,890          | 111,044,401           | 119,927,953           | 6.19                     | 6.50                       | 6.50                  | 6.50                  |
| Education and Technical<br>Training           | 151,708,478          | 150,142,809          | 162,154,234           | 175,126,572           | 13.24                    | 9.50                       | 9.50                  | 9.50                  |
| Health Services                               | 156,253,138          | 482,077,279          | 520,643,461           | 562,294,938           | 13.64                    | 30.50                      | 30.50                 | 30.50                 |
| Water, Lands, Housing, &<br>Physical Planning | 205,460,593          | 205,713,402          | 222,170,474           | 239,944,112           | 17.94                    | 13.01                      | 13.01                 | 13.01                 |
| Trade, Tourism, Co-<br>operations & Wildlife  | 50,414,063           | 89,554,191           | 96,718,526            | 104,456,008           | 4.40                     | 5.67                       | 5.67                  | 5.67                  |
| Agriculture                                   | 122,887,736          | 129,203,680          | 139,539,974           | 150,703,172           | 10.73                    | 8.17                       | 8.17                  | 8.17                  |
| ICT & Public Service                          | 46,000,000           | 58,074,181           | 62,720,115            | 67,737,725            | 4.02                     | 3.67                       | 3.67                  | 3.67                  |
| County Public Service Board                   | 2,500,000            | 2,000,000            | 2,160,000             | 2,332,800             | 0.22                     | 0.13                       | 0.13                  | 0.13                  |
| <b>TOTAL</b>                                  | <b>1,145,520,331</b> | <b>1,580,689,051</b> | <b>1,707,144,175</b>  | <b>1,843,715,709</b>  | <b>100</b>               | <b>100</b>                 | <b>100</b>            | <b>100</b>            |

**Annex 4: Departmental/Sector Ceilings 2016/17**

| <b>Department/</b>                         | <b>Expenditure Description</b> | <b>Proposed Ceiling 2016/17</b> | <b>% Share of Total Revenue</b> |
|--------------------------------------------|--------------------------------|---------------------------------|---------------------------------|
| Office of The Governor                     | Rec                            | 83,621,771                      | 2.06                            |
|                                            | Dev                            | 56,000,000                      | 1.38                            |
| Administration                             | Rec                            | 24,618,531                      | 0.61                            |
|                                            | Dev                            | -                               | -                               |
| County Assembly                            | Rec                            | 265,678,673                     | 7.00                            |
|                                            | Dev                            | -                               | -                               |
| Finance & Economic Planning                | Rec                            | 206,272,315                     | 5.07                            |
|                                            | Dev                            | 9,517,082                       | 0.23                            |
| Roads, Public Works & Transport            | Rec                            | 71,499,126                      | 1.76                            |
|                                            | Dev                            | 295,587,537                     | 7.27                            |
| Youth, Sports, Culture, Gender             | Rec                            | 24,837,154                      | 0.61                            |
|                                            | Dev                            | 102,818,890                     | 2.53                            |
| Education and Technical Training           | Rec                            | 217,205,889                     | 5.34                            |
|                                            | Dev                            | 150,142,809                     | 3.69                            |
| Health Services                            | Rec                            | 1,088,770,568                   | 26.79                           |
|                                            | Dev                            | 482,077,279                     | 11.86                           |
| Water, Lands, Housing, & Physical Planning | Rec                            | 75,663,310                      | 1.86                            |
|                                            | Dev                            | 205,713,402                     | 5.06                            |
| Trade, Tourism, Co-operations & Wildlife   | Rec                            | 72,972,724                      | 1.80                            |
|                                            | Dev                            | 89,554,191                      | 2.20                            |
| Agriculture                                | Rec                            | 189,846,978                     | 4.67                            |
|                                            | Dev                            | 129,203,680                     | 3.18                            |
| ICT & Public Service                       | Rec                            | 123,175,577                     | 3.03                            |
|                                            | Dev                            | 58,074,181                      | 1.43                            |
| County Public Service Board                | Rec                            | 39,910,558                      | 0.98                            |
|                                            | Dev                            | 2,000,000                       | 0.05                            |
| <b>TOTAL</b>                               | <b>Rec</b>                     | <b>2,484,073,173</b>            | <b>61.11</b>                    |
|                                            | <b>Dev</b>                     | <b>1,580,689,051</b>            | <b>38.89</b>                    |

**Annex 5: Summary Departmental/Sector Ceilings 2016/17**

| Department/Sector                          | Recurrent            |                          |                      | Development          | Total                |
|--------------------------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|                                            | Personal Emoluments  | Operations & Maintenance | Total Recurrent      |                      |                      |
| Office of The Governor                     | 60,174,483           | 23,447,288               | 83,621,771           | 56,000,000           | 139,621,771          |
| Administration                             | 19,218,531           | 5,400,000                | 24,618,531           | -                    | 24,618,531           |
| County Assembly                            | 182,803,979          | 82,874,694               | 265,678,673          | -                    | 265,678,673          |
| Finance & Economic Planning                | 172,672,315          | 33,600,000               | 206,272,315          | 9,517,082            | 215,789,397          |
| Roads, Public Works & Transport            | 54,484,405           | 17,014,721               | 71,499,126           | 295,587,537          | 367,086,663          |
| Youth, Sports, Culture, Gender             | 18,182,999           | 6,654,156                | 24,837,154           | 102,818,890          | 127,656,044          |
| Education and Technical Training           | 153,576,756          | 63,629,133               | 217,205,888          | 150,142,809          | 367,348,697          |
| Health Services                            | 1,006,633,633        | 82,136,935               | 1,088,770,568        | 482,077,279          | 1,570,847,847        |
| Water, Lands, Housing, & Physical Planning | 59,864,448           | 15,798,862               | 75,663,310           | 205,713,402          | 281,376,712          |
| Trade, Tourism, Co-operations & Wildlife   | 39,990,850           | 32,981,874               | 72,972,724           | 89,554,191           | 162,526,915          |
| Agriculture                                | 173,422,208          | 16,424,770               | 189,846,978          | 129,203,680          | 319,050,658          |
| ICT & Public Service                       | 68,312,259           | 54,863,318               | 123,175,577          | 58,074,181           | 181,249,758          |
| County Public Service Board                | 31,086,940           | 8,823,618                | 39,910,558           | 2,000,000            | 41,910,558           |
| <b>TOTAL</b>                               | <b>2,040,423,805</b> | <b>443,649,368</b>       | <b>2,484,073,173</b> | <b>1,580,689,051</b> | <b>4,064,762,224</b> |

**Annex 6: Summary Recurrent Departmental/Sector Ceilings 2016/17**

| Department/ sector                         | No. of Staff | 2016/17 Aggregate PE Projected | 2015/16 PE Estimates | Deviation    | Operations & Maintenance |                    |                    | Total                |
|--------------------------------------------|--------------|--------------------------------|----------------------|--------------|--------------------------|--------------------|--------------------|----------------------|
|                                            |              |                                |                      |              | Special O&M              | Normal O&M         | Total O&M          |                      |
| Office of The Governor                     | <b>29</b>    | 60,174,483                     | 54,795,365           | 5,379,118    | 17,295,200               | 6,152,088          | 23,447,288         | <b>83,621,771</b>    |
| Administration                             | <b>12</b>    | 19,218,531                     | 18,050,451           | 1,168,080    | 2,400,000                | 3,000,000          | 5,400,000          | <b>24,618,531</b>    |
| County Assembly                            |              | 182,803,979                    | 258,681,923          | (75,877,944) |                          | 82,874,694         | 82,874,694         | <b>265,678,673</b>   |
| Finance & Economic Planning                | <b>269</b>   | 172,672,315                    | 135,483,029          | 37,189,286   | 20,100,000               | 13,500,000         | 33,600,000         | <b>206,272,315</b>   |
| Roads, Public Works & Transport            | <b>76</b>    | 54,484,405                     | 43,685,461           | 10,798,944   | 9,800,000                | 7,214,721          | 17,014,721         | <b>71,499,126</b>    |
| Youth, Sports, Culture, Gender             | <b>17</b>    | 18,182,999                     | 18,714,126           | (531,127)    |                          | 6,654,156          | 6,654,156          | <b>24,837,154</b>    |
| Education and Technical Training           | <b>806</b>   | 153,576,756                    | 121,560,336          | 32,016,420   | 56,532,133               | 7,097,000          | 63,629,133         | <b>217,205,888</b>   |
| Health Services                            | <b>957</b>   | 1,006,633,633                  | 944,920,514          | 61,713,119   | 66,089,403               | 16,047,532         | 82,136,935         | <b>1,088,770,568</b> |
| Water, Lands, Housing, & Physical Planning | <b>91</b>    | 59,864,448                     | 51,568,518           | 8,295,930    | 8,400,000                | 7,398,862          | 15,798,862         | <b>75,663,310</b>    |
| Trade, Tourism, Co-operations & Wildlife   | <b>41</b>    | 39,990,850                     | 32,581,497           | 7,409,353    | 25,611,800               | 7,370,074          | 32,981,874         | <b>72,972,724</b>    |
| Agriculture                                | <b>220</b>   | 173,422,208                    | 174,322,871          | (900,663)    | 5,400,000                | 11,024,770         | 16,424,770         | <b>189,846,978</b>   |
| ICT & Public Service                       | <b>47</b>    | 68,312,259                     | 76,613,029           | (8,300,770)  | 50,600,000               | 4,263,318          | 54,863,318         | <b>123,175,577</b>   |
| County Public Service Board                | <b>16</b>    | 31,086,940                     | 20,016,511           | 11,070,429   | 4,800,000                | 4,023,618          | 8,823,618          | <b>39,910,558</b>    |
| <b>TOTAL</b>                               | <b>2,581</b> | <b>2,040,423,805</b>           | <b>1,950,993,631</b> |              | <b>267,028,536</b>       | <b>176,620,832</b> | <b>443,649,368</b> | <b>2,484,073,173</b> |

**Annex 7: Summary of Expenditure By Programmes, 2015/16 – 2018/19 (Kshs Million)**

| Department                        | Programme                                     | 2016/17 Ceiling    |                   |                    | 2017/18 Projections |                   |                    | 2018/19 Projections |                   |                    |
|-----------------------------------|-----------------------------------------------|--------------------|-------------------|--------------------|---------------------|-------------------|--------------------|---------------------|-------------------|--------------------|
|                                   |                                               | Rec                | Dev               | Total              | Rec                 | Dev               | Total              | Rec                 | Dev               | Total              |
| Office of The Governor            | P.1 General Administration & Support Services | 64,121,771         | 56,000,000        | <b>120,121,771</b> | 69,251,513          | 60,480,000        | <b>129,731,513</b> | 74,791,634          | 65,318,400        | <b>140,110,034</b> |
|                                   | P.2 Executive services                        | 2,000,000          |                   | <b>2,000,000</b>   | 2,160,000           | -                 | <b>2,160,000</b>   | 2,332,800           | -                 | <b>2,332,800</b>   |
|                                   | P.4 Communication Services                    | 3,000,000          |                   | <b>3,000,000</b>   | 3,240,000           | -                 | <b>3,240,000</b>   | 3,499,200           | -                 | <b>3,499,200</b>   |
|                                   | P.5 Public Sector Advisory Services           | 11,500,000         |                   | <b>11,500,000</b>  | 12,420,000          | -                 | <b>12,420,000</b>  | 13,413,600          | -                 | <b>13,413,600</b>  |
|                                   | P.6 County Attorney services                  | 3,000,000          |                   | <b>3,000,000</b>   | 3,240,000           | -                 | <b>3,240,000</b>   | 3,499,200           | -                 | <b>3,499,200</b>   |
|                                   | <b>Sub Total</b>                              | <b>83,621,771</b>  | <b>56,000,000</b> | <b>139,621,771</b> | <b>90,311,513</b>   | <b>60,480,000</b> | <b>150,791,513</b> | <b>97,536,434</b>   | <b>65,318,400</b> | <b>162,854,834</b> |
| Administration (County Secretary) | P.1 General Administration & Support Services | 23,418,531         |                   | <b>23,418,531</b>  | 25,292,013          | -                 | <b>25,292,013</b>  | 27,315,375          | -                 | <b>27,315,375</b>  |
|                                   | P.2 County Secretary Services                 | 700,000            |                   | <b>700,000</b>     | 756,000             | -                 | <b>756,000</b>     | 816,480             | -                 | <b>816,480</b>     |
|                                   | P.3 County Protocol and Liaison Services      | 500,000            |                   | <b>500,000</b>     | 540,000             | -                 | <b>540,000</b>     | 583,200             | -                 | <b>583,200</b>     |
|                                   | <b>Sub Total</b>                              | <b>24,618,531</b>  | -                 | <b>24,618,531</b>  | <b>26,588,013</b>   | -                 | <b>26,588,013</b>  | <b>28,715,055</b>   | -                 | <b>28,715,055</b>  |
| County Assembly                   |                                               | 265,678,673        |                   | <b>265,678,673</b> | 289,802,297         |                   | <b>289,802,297</b> | 316,116,345         |                   | <b>316,116,345</b> |
|                                   | <b>Sub Total</b>                              | <b>265,678,673</b> | -                 | <b>265,678,673</b> | <b>289,802,297</b>  | -                 | <b>289,802,297</b> | <b>316,116,345</b>  | -                 | <b>316,116,345</b> |
| Finance & Economic Planning       | P.1 General Administration & Support Services | 187,972,315        |                   | <b>187,972,315</b> | 203,010,100         | -                 | <b>203,010,100</b> | 219,250,908         | -                 | <b>219,250,908</b> |
|                                   | P.2 Finance and Accounts                      | 4,000,000          |                   | <b>4,000,000</b>   | 4,320,000           | -                 | <b>4,320,000</b>   | 4,665,600           | -                 | <b>4,665,600</b>   |
|                                   | P.3 Budget                                    | 4,000,000          |                   | <b>4,000,000</b>   | 4,320,000           | -                 | <b>4,320,000</b>   | 4,665,600           | -                 | <b>4,665,600</b>   |

| Department                       | Programme                                     | 2016/17 Ceiling    |                    |                    | 2017/18 Projections |                    |                    | 2018/19 Projections |                    |                    |
|----------------------------------|-----------------------------------------------|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------|---------------------|--------------------|--------------------|
|                                  |                                               | Rec                | Dev                | Total              | Rec                 | Dev                | Total              | Rec                 | Dev                | Total              |
|                                  | P.4 Economic Planning                         | 8,000,000          | 3,500,000          | <b>11,500,000</b>  | 8,640,000           | 3,780,000          | <b>12,420,000</b>  | 9,331,200           | 4,082,400          | <b>13,413,600</b>  |
|                                  | P.5 Revenue                                   | 1,500,000          | 6,017,082          | <b>7,517,082</b>   | 1,620,000           | 6,498,449          | <b>8,118,449</b>   | 1,749,600           | 7,018,324          | <b>8,767,924</b>   |
|                                  | P.7 Procurement                               | 800,000            |                    | <b>800,000</b>     | 864,000             | -                  | <b>864,000</b>     | 933,120             | -                  | <b>933,120</b>     |
|                                  | P.8 Audit                                     |                    |                    | -                  | -                   | -                  | -                  | -                   | -                  | -                  |
|                                  | P.9 Emergency Response                        |                    |                    | -                  | -                   | -                  | -                  | -                   | -                  | -                  |
|                                  | <b>Sub Total</b>                              | <b>206,272,315</b> | <b>9,517,082</b>   | <b>215,789,397</b> | <b>222,774,100</b>  | <b>10,278,449</b>  | <b>233,052,549</b> | <b>240,596,028</b>  | <b>11,100,724</b>  | <b>251,696,752</b> |
| Roads, Public Works & Transport  | P.1 General Administration & Support Services | 71,499,126         |                    | <b>71,499,126</b>  | 77,219,056          | -                  | <b>77,219,056</b>  | 83,396,580          | -                  | <b>83,396,580</b>  |
|                                  | P.2 Public Works                              |                    | 3,500,000          | <b>3,500,000</b>   | -                   | 3,780,000          | <b>3,780,000</b>   | -                   | 4,082,400          | <b>4,082,400</b>   |
|                                  | P.3 Roads                                     |                    | 292,087,537        | <b>292,087,537</b> | -                   | 315,454,540        | <b>315,454,540</b> | -                   | 340,690,903        | <b>340,690,903</b> |
|                                  | <b>Sub Total</b>                              | <b>71,499,126</b>  | <b>295,587,537</b> | <b>367,086,663</b> | <b>77,219,056</b>   | <b>319,234,540</b> | <b>396,453,596</b> | <b>83,396,580</b>   | <b>344,773,303</b> | <b>428,169,883</b> |
|                                  |                                               |                    |                    |                    |                     |                    |                    |                     |                    |                    |
| Youth, Sports, Culture, Gender   | P.1 General Administration & Support Services | 24,837,154         |                    | <b>24,837,154</b>  | 26,824,127          | -                  | <b>26,824,127</b>  | 28,970,057          | -                  | <b>28,970,057</b>  |
|                                  | P.2 Sports development                        |                    | 45,415,274         | <b>45,415,274</b>  | -                   | 49,048,496         | <b>49,048,496</b>  | -                   | 52,972,376         | <b>52,972,376</b>  |
|                                  | P.3 Cultural promotion and conservation       |                    | 6,670,693          | <b>6,670,693</b>   | -                   | 7,204,348          | <b>7,204,348</b>   | -                   | 7,780,696          | <b>7,780,696</b>   |
|                                  | P.4 Youth development programs                |                    | 5,000,000          | <b>5,000,000</b>   | -                   | 5,400,000          | <b>5,400,000</b>   | -                   | 5,832,000          | <b>5,832,000</b>   |
|                                  | P.5 Gender and social development             |                    | 45,732,923         | <b>45,732,923</b>  | -                   | 49,391,557         | <b>49,391,557</b>  | -                   | 53,342,881         | <b>53,342,881</b>  |
|                                  | <b>Sub Total</b>                              | <b>24,837,154</b>  | <b>102,818,890</b> | <b>127,656,044</b> | <b>26,824,127</b>   | <b>111,044,401</b> | <b>137,868,528</b> | <b>28,970,057</b>   | <b>119,927,953</b> | <b>148,898,010</b> |
| Education and Technical Training | P.1 General Administration &                  | 171,205,889        | 2,000,000          | <b>173,205,889</b> | 184,902,360         | 2,160,000          | <b>187,062,360</b> | 199,694,549         | 2,332,800          | <b>202,027,349</b> |

| Department                                 | Programme                                        | 2016/17 Ceiling      |                    |                      | 2017/18 Projections  |                    |                      | 2018/19 Projections  |                    |                      |
|--------------------------------------------|--------------------------------------------------|----------------------|--------------------|----------------------|----------------------|--------------------|----------------------|----------------------|--------------------|----------------------|
|                                            |                                                  | Rec                  | Dev                | Total                | Rec                  | Dev                | Total                | Rec                  | Dev                | Total                |
|                                            | Support Services                                 |                      |                    |                      |                      |                    |                      |                      |                    |                      |
|                                            | P.2 Early Childhood Development Education (ECDE) |                      | 137,952,809        | <b>137,952,809</b>   | -                    | 148,989,034        | <b>148,989,034</b>   | -                    | 160,908,156        | <b>160,908,156</b>   |
|                                            | P.3 Education Bursary, Scholarships and Loans    | 46,000,000           |                    | <b>46,000,000</b>    | 49,680,000           | -                  | <b>49,680,000</b>    | 53,654,400           | -                  | <b>53,654,400</b>    |
|                                            | P.4 Technical & Vocational Training              |                      | 9,690,000          | <b>9,690,000</b>     | -                    | 10,465,200         | <b>10,465,200</b>    | -                    | 11,302,416         | <b>11,302,416</b>    |
|                                            | P.5 Special Needs Education.                     |                      | 500,000            | <b>500,000</b>       | -                    | 540,000            | <b>540,000</b>       | -                    | 583,200            | <b>583,200</b>       |
|                                            | <b>Sub Total</b>                                 | <b>217,205,889</b>   | <b>150,142,809</b> | <b>367,348,698</b>   | <b>234,582,360</b>   | <b>162,154,234</b> | <b>396,736,594</b>   | <b>253,348,949</b>   | <b>175,126,572</b> | <b>428,475,521</b>   |
| Health Services                            | P.1 Planning and Administrative Services         | 1,082,770,568        | 67,332,570         | <b>1,150,103,138</b> | 1,169,392,213        | 72,719,176         | <b>1,242,111,389</b> | 1,262,943,591        | 78,536,710         | <b>1,341,480,300</b> |
|                                            | P.2 Preventive & Promotive Health Services       |                      | 54,421,129         | <b>54,421,129</b>    | -                    | 58,774,819         | <b>58,774,819</b>    | -                    | 63,476,805         | <b>63,476,805</b>    |
|                                            | P.3 Curative and Rehabilitative Health Services  | 6,000,000            | 148,624,640        | <b>154,624,640</b>   | 6,480,000            | 160,514,611        | <b>166,994,611</b>   | 6,998,400            | 173,355,780        | <b>180,354,180</b>   |
|                                            | P.4 Healthcare Infrastructural Development       |                      | 211,698,940        | <b>211,698,940</b>   | -                    | 228,634,855        | <b>228,634,855</b>   | -                    | 246,925,644        | <b>246,925,644</b>   |
|                                            | <b>Sub Total</b>                                 | <b>1,088,770,568</b> | <b>482,077,279</b> | <b>1,570,847,847</b> | <b>1,175,872,213</b> | <b>520,643,461</b> | <b>1,696,515,675</b> | <b>1,269,941,991</b> | <b>562,294,938</b> | <b>1,832,236,929</b> |
|                                            |                                                  |                      |                    |                      |                      |                    |                      |                      |                    |                      |
| Water, Lands, Housing, & Physical Planning | P.1 General Administration & Support Services    | 72,063,310           |                    | <b>72,063,310</b>    | 77,828,375           | -                  | <b>77,828,375</b>    | 84,054,645           | -                  | <b>84,054,645</b>    |
|                                            | P.2 Water Supply                                 |                      | 163,511,564        | <b>163,511,564</b>   | -                    | 176,592,489        | <b>176,592,489</b>   | -                    | 190,719,888        | <b>190,719,888</b>   |
|                                            | P.3 Land survey and                              | 1,000,000            | 14,308,89          | <b>15,308,898</b>    | 1,080,000            | 15,453,610         | <b>16,533,610</b>    | 1,166,400            | 16,689,899         | <b>17,856,299</b>    |

| Department                               | Programme                                       | 2016/17 Ceiling   |                    |                    | 2017/18 Projections |                    |                    | 2018/19 Projections |                    |                    |
|------------------------------------------|-------------------------------------------------|-------------------|--------------------|--------------------|---------------------|--------------------|--------------------|---------------------|--------------------|--------------------|
|                                          |                                                 | Rec               | Dev                | Total              | Rec                 | Dev                | Total              | Rec                 | Dev                | Total              |
|                                          | Physical Planning                               |                   | 8                  |                    |                     |                    |                    |                     |                    |                    |
|                                          | P.4Environmental protection and conservation    | 1,400,000         | 9,392,940          | <b>10,792,940</b>  | 1,512,000           | 10,144,375         | <b>11,656,375</b>  | 1,632,960           | 10,955,925         | <b>12,588,885</b>  |
|                                          | P.5 Housing development                         |                   | -                  | -                  | -                   | -                  | -                  | -                   | -                  | -                  |
|                                          | P.6 Town and Urban Areas Administration         | 1,200,000         | 18,500,000         | <b>19,700,000</b>  | 1,296,000           | 19,980,000         | <b>21,276,000</b>  | 1,399,680           | 21,578,400         | <b>22,978,080</b>  |
|                                          | <b>Sub Total</b>                                | <b>75,663,310</b> | <b>205,713,402</b> | <b>281,376,712</b> | <b>81,716,375</b>   | <b>222,170,474</b> | <b>303,886,849</b> | <b>88,253,685</b>   | <b>239,944,112</b> | <b>328,197,797</b> |
|                                          |                                                 |                   |                    |                    |                     |                    |                    |                     |                    |                    |
| Trade, Tourism, Co-operations & Wildlife | P.1 General Administration & Support Services   | 55,360,924        |                    | <b>55,360,924</b>  | 59,789,798          | -                  | <b>59,789,798</b>  | 64,572,982          | -                  | <b>64,572,982</b>  |
|                                          | P.2 Trade Development and Promotion             | 2,111,800         | 40,154,503         | <b>42,266,303</b>  | 2,280,744           | 43,366,863         | <b>45,647,607</b>  | 2,463,204           | 46,836,212         | <b>49,299,416</b>  |
|                                          | P.3 Co-operative Development                    |                   | 22,445,662         | <b>22,445,662</b>  | -                   | 24,241,315         | <b>24,241,315</b>  | -                   | 26,180,620         | <b>26,180,620</b>  |
|                                          | P.4 Tourism Development                         | 10,500,000        | 26,954,026         | <b>37,454,026</b>  | 11,340,000          | 29,110,348         | <b>40,450,348</b>  | 12,247,200          | 31,439,176         | <b>43,686,376</b>  |
|                                          | P.5 Energy Development                          | 5,000,000         |                    | <b>5,000,000</b>   | 5,400,000           | -                  | <b>5,400,000</b>   | 5,832,000           | -                  | <b>5,832,000</b>   |
|                                          | <b>Sub Total</b>                                | <b>72,972,724</b> | <b>89,554,191</b>  | <b>162,526,915</b> | <b>78,810,542</b>   | <b>96,718,526</b>  | <b>175,529,068</b> | <b>85,115,385</b>   | <b>104,456,008</b> | <b>189,571,394</b> |
| Agriculture                              | P1: General Administration and Support Services | 189,846,978       |                    | <b>189,846,978</b> | 205,034,736         | -                  | <b>205,034,736</b> | 221,437,515         | -                  | <b>221,437,515</b> |
|                                          | P2: Crop production                             |                   | 43,201,811         | <b>43,201,811</b>  | -                   | 46,657,956         | <b>46,657,956</b>  | -                   | 50,390,592         | <b>50,390,592</b>  |
|                                          | P. 3 Livestock Production                       |                   | 33,083,446         | <b>33,083,446</b>  | -                   | 35,730,122         | <b>35,730,122</b>  | -                   | 38,588,531         | <b>38,588,531</b>  |
|                                          | P4. Veterinary Services                         |                   | 33,868,490         | <b>33,868,490</b>  | -                   | 36,577,969         | <b>36,577,969</b>  | -                   | 39,504,207         | <b>39,504,207</b>  |

| Department                  | Programme                                                                              | 2016/17 Ceiling      |                      |                      | 2017/18 Projections  |                      |                      | 2018/19 Projections  |                      |                      |
|-----------------------------|----------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                             |                                                                                        | Rec                  | Dev                  | Total                | Rec                  | Dev                  | Total                | Rec                  | Dev                  | Total                |
|                             | P 5 .Irrigation                                                                        |                      | 19,049,933           | 19,049,933           | -                    | 20,573,928           | 20,573,928           | -                    | 22,219,842           | 22,219,842           |
|                             | <b>Sub Total</b>                                                                       | <b>189,846,978</b>   | <b>129,203,680</b>   | <b>319,050,658</b>   | <b>205,034,736</b>   | <b>139,539,974</b>   | <b>344,574,710</b>   | <b>221,437,515</b>   | <b>150,703,172</b>   | <b>372,140,687</b>   |
| ICT & Public Service        | P.1: General Administration and Support Services                                       | 73,175,577           |                      | 73,175,577           | 79,029,623           | -                    | 79,029,623           | 85,351,992           | -                    | 85,351,992           |
|                             | P.2 ICT Services                                                                       | 3,000,000            | 58,074,181           | 61,074,181           | 3,240,000            | 62,720,115           | 65,960,115           | 3,499,200            | 67,737,725           | 71,236,925           |
|                             | P.3: County Administrative Services                                                    | 15,200,000           |                      | 15,200,000           | 16,416,000           | -                    | 16,416,000           | 17,729,280           | -                    | 17,729,280           |
|                             | P.4: Human Resources Services                                                          | 31,800,000           |                      | 31,800,000           | 34,344,000           | -                    | 34,344,000           | 37,091,520           | -                    | 37,091,520           |
|                             | <b>Sub Total</b>                                                                       | <b>123,175,577</b>   | <b>58,074,181</b>    | <b>181,249,758</b>   | <b>133,029,623</b>   | <b>62,720,115</b>    | <b>195,749,738</b>   | <b>143,671,992</b>   | <b>67,737,725</b>    | <b>211,409,717</b>   |
| County Public Service Board | P. 1 Administration and Support of Human Resources in the County Public Service Board. | 39,910,558           |                      | 39,910,558           | 43,103,402           | -                    | 43,103,402           | 46,551,674           | -                    | 46,551,674           |
|                             | P. 2 Infrastructural Development                                                       |                      | 2,000,000            | 2,000,000            | -                    | 2,160,000            | 2,160,000            | -                    | 2,332,800            | 2,332,800            |
|                             | <b>Sub Total</b>                                                                       | <b>39,910,558</b>    | <b>2,000,000</b>     | <b>41,910,558</b>    | <b>43,103,402</b>    | <b>2,160,000</b>     | <b>45,263,402</b>    | <b>46,551,674</b>    | <b>2,332,800</b>     | <b>48,884,474</b>    |
|                             | <b>GRAND TOTAL</b>                                                                     | <b>2,484,073,173</b> | <b>1,580,689,051</b> | <b>4,064,762,224</b> | <b>2,685,668,356</b> | <b>1,707,144,175</b> | <b>4,392,812,532</b> | <b>2,903,651,690</b> | <b>1,843,715,709</b> | <b>4,747,367,399</b> |