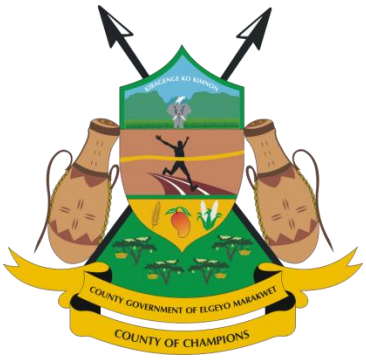


COUNTY GOVERNMENT OF ELGEYO MARAKWET

THE COUNTY TREASURY

2021 COUNTY FISCAL STRATEGY PAPER (CFSP)

FEBRUARY, 2021

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FOREWORD

This County Fiscal Strategy Paper (CFSP) of 2021/2022 financial year is being prepared against a background of a contracting global economy occasioned by the outbreak and rapid spread of Covid-19 Pandemic which has disrupted businesses and livelihoods. Nonetheless, there has been an improvement in economic activity in the fourth quarters of 2020, albeit at a slow pace, following reopening of the economy.Thisisthe eighthCFSP to be prepared since the inception of devolution which gave live to the County Government of ElgeyoMarakwet and other governance structures. The CFSP sets out the county's priority programs to be implemented under the Medium-Term Expenditure Framework (MTEF III) and aligns the aspirations of the county with those of the National government as stated in the 2021 Budget Policy Statement (BPS) and provisions of ElgeyoMarakwet County Equitable Development Act (EDA), 2015.

Development expenditures within the MTEF period will be shared out based on the parameters of EDA, 2015 to ensure social economic equity. There is also need to adhere and implement the provisions of the Public Finance Management (County Governments) Regulations, 2015 for effective public finance management. Implementation of programs expounded in this CFSP is expected to raise county economic efficiency and productivity and in turn, make the county competitive, thus creating vast opportunities for productive jobs and securing livelihoods.

Implementation of the 2020/2021 budget has delayed though departments are rolling out programs in the current quarter. This delay mainly is as a result of COVID 19 Pandemic outbreak and its negative ripple effects which have had a great impact on revenue targets at the national as well as at the county level. Also, there is inadequate capacity among suppliers and contractors to use the procurement system hence need for continuous capacity building hence, affect the county's funds absorption rate. Notwithstanding this, the county will build on the achievements made so far in most sectors and through the policy goals set out in this CFSP; as a county government 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 programs will continue to grow in real time. The infrastructure projects will start to operate; upgraded roads will get more goods to markets and to ensure an 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.

We expect revenue collection in the FY 2021/22 to spring back due to the improving economic environment, expanded revenue base courtesy of our Finance Act and revenue administration measures. Expenditure will be streamlined to ensure prudent financial management that will further lead to wealth and employment creation in the county. To achieve efficiency, the pace of public expenditure growth will be moderated, while accelerating the delivery of quality services at the same time. Some of the challenges facing recurrent budgets are the implication of implementing Salaries Remuneration Commission' (SRC) harmonization of public service salaries, implementation of the counties staff pension scheme, costs for staff promotions due, continuous mandatory annual increments in salaries and periodic Collective Bargaining Agreements (CBAs) reached whenever staff go on strike regarding their welfare issues.

The 2021 CFSP emphasizes on containing costs and improving efficiency across government departments and entities. These efforts are expected to 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.

ISAAC KAMAR

CECM FINANCE AND ECONOMIC PLANNING

ACKNOWLEDGEMENTS

This 2021 CFSP is a product of collective efforts by all County Departments led by respective CECMs, Chief Officers, Directors and all other staff. On behalf of this team therefore, I would like to pass our special gratitude to individuals and entities for the passion in the CFSP related work which culminated in the completion of this document. We especially acknowledge the dedication of core team of technical staff from the Department of Finance and Economic Planning, specifically the Directorate of Economic Planning and Budgeting which comprises Economists and budget officers whose assignment was to collect, collate and analyze departmental findings from the CFSP questionnaires administered to all county entities and which formed the primary data for the preparation of this document.

We also wish to thank the County Executive Committee led by H.E Governor Alex Tolgos for direction and policy guidance whose objective is to align the CFSP's strategies with the county's long-term development aspirations contained in the County Integrated Development Plan (CIDP) 2018-22.

The draft 2021 CFSP was presented to the various institutions and members of the public for their inputs and we hereby wish to acknowledge their efforts. Finally, as is their right, our county citizens continue to demand for efficient and effective service delivery and for this reason we as a county do not take for granted their continued inputs and oversight so for this reason we take this opportunity to thank them and acknowledge their efforts.

LORETTA KOTUT

CHIEF OFFICER, ECONOMIC PLANNING AND BUDGETING

ABBREVIATIONS

ADP	Annual Development Plan
BPS	Budget Policy Statement
CBA	Collective Bargaining Agreement
CBROP	County Budget Review and Outlook Paper
CECM	County Executive Committee Member
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
COVID-19	Corona Virus 2019
CRA	Commission on Revenue Allocation
EAC	East Africa Community
EAMU	East African Monetary Union
ECDE	Early Childhood Development Education
EDA	Equitable Development Act
FY	Financial Year
GDP	Gross Domestic Product
ICT	Information Communication Technology
KDSP	Kenya Devolution Support Program
KUSP	Kenya Urban Support Program
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
OSR	Own Source Revenue
PFM	Public Finance Management
POS	Point of Sale
PSSS	Public Service Superannuation Scheme
RBF	Result-Based Financing
RMLF	Road Maintenance Levy Fund
SDGs	Sustainable Development Goals
SRC	Salaries and Remuneration Commission
UNDP	United Nations Development Program

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CHAPTER ONE: INTRODUCTION

1.1. Legal Framework for County Fiscal Strategy Paper (CFSP)

Preparation of the County Fiscal Strategy Paper (CFSP) is provided for in the Public Finance Management (PFM) Act section 117 with emphasis on:

1. Timelines which 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. How County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
3. How County Treasury in the County Fiscal Strategy Paper 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. How County Treasury in the County Fiscal Strategy Paper shall include 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 consider 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 extent of the percentages to 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 an engagement framework between the CEC Finance and the Budget Committee of the County Assembly on changes and decisions to be made by the county assembly on budget documents and process. It states 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

1.2. Fiscal Responsibility Principles for the County Government

In line with the Constitution, the Public Finance Management (PFM) Act, 2012, the PFM regulations, and in keeping with prudent and transparent management of public resources, the County Government has adhered to the fiscal responsibility principles as set out in the statute as follows:

a. The county government's recurrent expenditure has not exceeded the county government's total revenue;
b. In line with the law, the county's development expenditure has been over thirty percent of the county government's budget and CFSP 2020 will further entrench this trend;
c. Section 25(1)(b) of the PFM (County Governments) Regulations, 2015 requires that County Governments' wage bill shall not exceed 35 percent of their total revenue. The county has not been able to adhere to this principle because of continued pressure on wage bill occasioned by CBA agreements for the health workers, SRC salary harmonization review circulars and service delivery need for the devolved functions necessitating additional employees' recruitment together with annual basic pay allowance increments.

1.3. 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 through statute framework of citizen representation or participation. Conditional allocations from the development partners/national governments to the county departments/sectors will be utilized as per the conditions set out in the 2021 Budget Policy Statement (BPS). These allocations supplement the allocations already considered in the ceilings for the same department in the already approved ADP.

CHAPTER TWO: RECENT ECONOMIC DEVELOPMENTS AND MEDIUM-TERM OUTLOOK

2.1 Overview

In 2020, the economy was adversely affected by the outbreak of Covid-19 Pandemic and the swift containment measures, which disrupted economic activities. The national economy contracted by 5.5 percent in the second quarter of 2020 from a growth of 5.2 percent in the first quarter in 2020. Nonetheless, the economy has demonstrated signs of recovery in the third quarter of 2020 contracting by only 1.1 percent following the reopening of the economy. Economic growth is therefore estimated to slow down to around 0.6 percent in 2020 from the earlier projection of 2.6 percent in the previous year CFSP. The economic growth is projected to rebound from 3.8 percent in the FY 2020/21 to 6.1 percent over the medium term supported by the recovery in the services sector.

The economy continues to register macroeconomic stability with low and stable interest rates and a competitive exchange rate that supports exports. Year-on-year overall inflation remained within the Government target range of 5±2.5 percent in January 2021 at 5.7 percent from 5.8 percent in January 2020. The low inflation was mainly supported by a reduction in food prices and muted demand pressures.

The foreign exchange market has largely remained stable but partly affected by a significant strengthening of the US Dollar in the global markets and uncertainty with regard to the Covid-19 Pandemic. Despite this, the current account deficit, in percent of GDP, is estimated to improve to 4.9 percent in 2020 from 5.8 percent in 2019 and projected at 5.1 percent in 2021 mainly supported by an improvement in the trade balance partly reflecting expected pickup in imports.

2.2 Recent Economic Developments and Outlook

Global and Regional Economic Developments

The outbreak and spread of the Covid-19 Pandemic and the ensuing containment measures devastated global economies. As a result, the global economy is estimated to have contracted by 3.5 percent in 2020 from a growth of 2.8 percent in 2019.

Advanced economies are estimated to have contracted by 4.9 percent in 2020 from a growth of 1.6 percent in 2019. Significant contraction of the economy was in the United States (3.4 percent), Japan (5.1 percent), Canada (5.5) and the United Kingdom (10.0 percent). Growth in the Euro area is estimated to have contracted by 7.2 percent in 2020 from a growth of 1.3 percent in 2019. The emerging markets and developing economies also contracted by 2.4 percent from a growth of 3.6 percent in 2019. All major economies contracted in 2020 except China which is estimated to have grown by 2.3 percent, a slowdown from a growth of 6.0 percent in 2019.

The Sub-Saharan African region has not been spared by the negative impact of the pandemic with the region estimated to have contracted by 2.6 percent in 2020 from a growth of 3.2 percent in 2019. The largest impact of the crisis on growth has been for tourism-dependent economies, while commodity-

exporting countries have also been hit hard. Growth in more diversified economies slowed significantly, but in many cases was still positive in 2020.

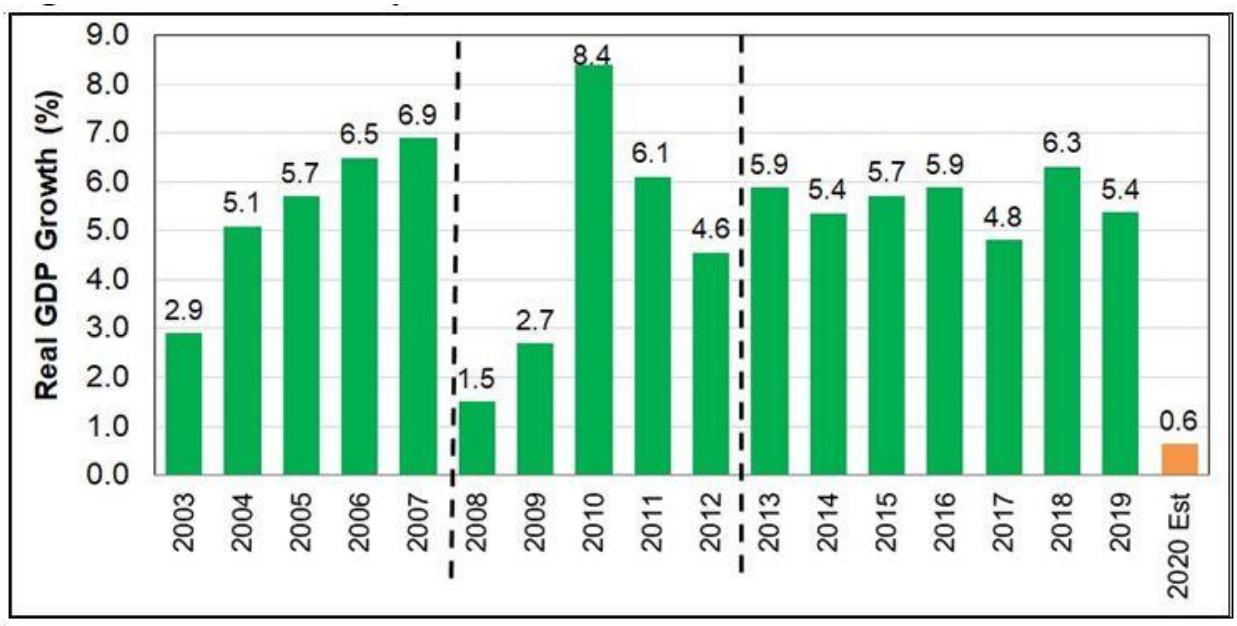
Growth in the East African Community (EAC) region is estimated to slow down to 0.3 percent in 2020 compared to a growth of 6.0 percent in 2019. This growth was supported by positive growths in Kenya, Tanzania and Rwanda.

Domestic Economic Developments

Prior to the outbreak of Covid-19 pandemic, Kenya's economy was strong and resilient despite the challenging global environment. The broad-based economic growth for 2018 and 2019 averaged 5.9 percent outperforming the 5.5 percent for the previous 5 years (2013 to 2017) and the average growth rate of 4.7 percent in the period 2008 to 2012 (Figure 1).

In 2020, the Kenyan economy was adversely affected by the outbreak of Covid-19 Pandemic and the swift containment measures, which have not only disrupted the normal lives and livelihoods, but also to a greater extent businesses and economic activities. As a result, the economy is estimated to slow down to around 0.6 percent in 2021 from a growth of 5.4 percent in 2019.

Figure 1: Trends in Kenya's Economic Growth Rates, %.



Source of Data: Kenya National Bureau of Statistics

2.3 Fiscal Policy

Budget execution in the first half of FY 2020/21 was hampered by revenue shortfalls and rising expenditure pressures. The shortfalls in revenues reflect the weak business environment and the impact of the tax reliefs implemented in April 2020 to support people and businesses from the adverse effect of Covid-19 Pandemic. Revenues are expected to progressively improve in the second half of the fiscal year following the gradual reopening of the economy and the increased demand for imports as well as

improved domestic sales. Revenue performance is also expected to get a boost from reversal of tax reliefs, introduced in April 2020, effective January 2021.

In the medium term, the Government will continue with its expenditure prioritization policy with a view to achieving the transformative development agenda which is anchored on provision of core services, ensuring equity and minimizing costs through the elimination of duplication and inefficiencies, creation of employment opportunities and improving the general welfare of the people. The fiscal deficit is expected to decline from 8.7 percent of GDP in FY 2020/21 to 3.6 percent of GDP by FY 2024/25.

To achieve this, the Government will continue to restrict growth in recurrent spending and double its effort in domestic resource mobilization. The Government has also been cutting down on non-priority expenditures such as: hospitality, training, travel and freezing of employment in non-priority sectors in order to manage the public wage bill.

In order to ease the burden of pension payments in future, the Government rolled out the Super Annuation Scheme for all civil servants below the age of 45 years in January 2021. The rollout is being implemented in phases to ensure Government expenditures remain within the set ceiling in the current fiscal year and in the medium term.

In this regard, expenditures as a share of GDP are projected to decline from 25.6 percent in the FY 2020/21 to 24.3 percent in the FY 2021/22 and further to 22.0 percent in the FY 2024/25. On the other hand, revenues as a share of GDP are projected to decline from 16.6 percent in the FY 2020/21 to 16.4 percent in the FY 2021/22, before rebounding to 17.3 percent in the FY 2022/23 and further to 18.1 percent in the FY 2024/25.

Revenue performance will be underpinned by the on-going reforms in tax policy and revenue administration and boosted by economic recovery occasioned by the Economic Stimulus Programme and the planned Post Covid-19 Economic Recovery Strategy. In particular, the reversal of tax cut measures which took effect from January 2021, will enhance revenue collection. In addition, in the FY 2020/21, the Government is implementing a raft of tax policy measures through the Finance Act, 2020 that will boost revenue performance. The measures include: introduction of a minimum tax payable at 1 percent of gross turnover; introduction of a digital services tax on income from services provided through a digital marketplace in Kenya at the rate of 1.5 percent on the gross transactional value; increase of income threshold qualifying for residential rental income tax; and abolishment of incentives under Home Ownership Savings Plans (HOSP).

2.4 Economic Outlook

Global Growth Outlook

The outbreak and the rapid spread of the Covid-19 Pandemic coupled with the ensuing containment measures have devastated global economies disrupting businesses and livelihoods. As a result, global economy is estimated to have contracted by 3.5 percent in 2020 from a growth of 2.8 percent in 2019. Global growth is projected to pick up to 5.5 percent in 2021 though.

The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spill overs, and structural characteristics entering the crisis. Growth in the advanced economies is projected to improve to 4.3 percent in 2021 compared to a contraction of 4.9 percent in 2020 supported by improved growths in the major economies particularly the United States and the United Kingdom. Growth in the Euro area is also projected to improve to 4.2 percent from a contraction of 7.2 percent in 2020. This growth in the advanced economies reflects expectations of earlier widespread vaccine availability compared to the emerging market and developing economy group. The emerging markets and developing economies are also projected to improve to 6.3 percent in 2021 from a contraction of 2.4 percent in 2020. This recovery is well echoed in the forecasted growths of Emerging and Developing nations.

Economic growth in the Sub-Saharan Africa region is expected to recover to 3.2 percent in 2021 from a contraction of 2.6 percent in 2020 as most of the economies in the region recover from the adverse effects of the Covid-19 Pandemic.

Domestic Growth Outlook

Kenya has not been spared of the negative impact of the Pandemic. The Pandemic and the resultant containment measures have adversely affected businesses and economic activities. Nonetheless, there has been an improvement in economic activity in the third and fourth quarters of 2020, albeit at a slow pace, following reopening of the economy. The recovery in economic activities resulted to a contraction of 1.1 percent in the third quarter of 2020, which is an improvement, compared with the contraction of 5.5 percent registered in the second quarter of 2020.

In this respect, economic growth outlook for 2020 has been revised down from the initial projection of 2.6 percent in the 2020 Budget Review and Outlook Paper (BROP) to 0.6 percent following receipt of more recent indicators and taking into account the quarterly GDP releases by Kenya National Bureau of Statistics for second and third quarter of 2020 that showed the economy contracted by 5.5 percent and 1.1 percent, respectively. The economic growth is projected to bounce back to 7.0 percent in 2021 reflecting recovery due to reopening after the closure associated with the Covid-19 Pandemic. This also in part reflects the lower base in 2020 when most service sectors especially accommodation and restaurant, education as well transport services contracted in second and third quarters of 2020.

In terms of fiscal years, the economy is projected to expand by 3.8 percent in the FY 2020/21, 6.3 percent in FY 2021/22 and 6.1 percent in FY 2024/25. This growth outlook will be supported by a stable macroeconomic environment, turn around in trade as economies recover from Covid-19 Pandemic, expected favourable weather that will support agricultural output, ongoing investments in strategic priorities of the Government under the “Big Four” Agenda, the ongoing public investments in infrastructure projects, the Economic Stimulus Programme and the implementation of the Post Covid-19 Economic Recovery Strategy. These factors will push up consumer demand and increase both public and private sector investment reinforcing the projected growth.

CHAPTER THREE: COUNTY FISCAL POLICY

3.1 Overview

The county fiscal policy over the medium term aims at supporting a stable economic growth and ensuring the effective delivery of services. The fiscal policy is aligned to the country's MTP III targets. To sustain the budget, there will be concerted efforts to expand the revenue base and increase revenue collection as projected. The county government will also pursue prudent fiscal policy to ensure macroeconomic stability. The County fiscal policy objective will provide an avenue to support economic activity while allowing for implementation of mandates bestowed upon the county, within a sustainable public finances management system.

3.2 CFSP Alignment to Budget Policy Statement

The county CFSP's strategic priorities and policy goals have been aligned to the national Budget Policy Statement (BPS) 2021. Over the medium term, growth is projected to increase by more than 7.0 percent due to investments in strategic areas under "The Big Four" Plan, namely: increasing the share of manufacturing sector to GDP; ensuring all citizens enjoy food security and improved nutrition by 2022; expanding universal health coverage; and delivering at least 500,000 affordable housing units. At the county level the county government's priorities align with those of the BPS through:

- Roll out of Post-Covid-19 Economic Recovery measures.
- Fast tracking the "Big Four" Agenda plan
- Fostering a secure and conducive business environment
- Improving critical infrastructure in the county such as roads and water access, among others, so as to reduce the cost of doing business as well as promote competitiveness;
- Strengthening the healthcare system and supporting youth, women and persons with disability to enable them actively contribute to the economic recovery agenda
- Implementing various structural reforms to enhance the efficiency of public service delivery while at the same time ensuring accountability for better macroeconomic and fiscal stability, improved fiscal discipline and minimized corruption.

3.3 Fiscal Performance

Going forward into the medium term, the Government will continue in its fiscal rationalization path with the overall fiscal balance being maintained broadly at the levels outlined in the CFSP 2021, this will ensure debt is maintained between recurrent and development. To achieve these targets, the Government will continue to rationalize recurrent spending while doubling its effort in resource mobilization. To mobilize revenues, the Government has put in place revenue enhancement measures to boost performance and cushion against further revenue shortfalls by strengthening collection and compliance through:

i. Continued automation of collection through use of Point of Sale (PoS) devices in collection and documentation of revenues.

ii. Strengthening of the Directorate of Enforcement to ensure compliance and reduce leakages

iii. Capacity building of staff through KDSP to motivate and enhance their effectiveness

iv. Setting of personal targets for individual officers through Performance Contracting and Appraisal System.

Revenue collection for the first half of 2020/21 FY was Ksh. 54,159,666. This represents decrease of 5% from the same period in the previous financial year where a total of Kshs57,383,505was collected.

The FY 2021/22 proposed budget will be guided by the Programme Based Budgeting (PBB) model which relates resources to proposed and actual results of projects. PBB together with monitoring and evaluation framework and expenditure controls will achieve the intended impacts and development goals.

3.4 Deficit, Debt policy and Debt Sustainability

Currently, the county has no public debt. On the National level, the Government is required to maintain public debt at sustainable levels as set out in the Public Finance Management Act 2012, and its regulations. The external debt sustainability indicators illustrate that Kenya remains within the sustainable bounds. This is attributed to the large portion of debt that is on concessional terms in terms of low costs and long-term maturity.

3.5 County Economic Performance and Prospects

3.5.1 Growth Prospects and Challenges

The county growth prospects that can propel the county to higher economic possibilities include; improved agricultural productivity, urban growth, enhanced tourism, value addition ventures, revamp irrigation investments and economic gains from sports related activities amongst others.

The county's economic growth majorly relies on rain-fed agriculture and agricultural activities. Climatic conditions, therefore play a key role in determining the county's economy. It is with this in mind that the county continues to pursue climate-smart initiatives in a bid to combat the impacts of global warming. Citizens within the wards in the Kerio Valley have continued to prioritize and allocate substantial resources to irrigation projects. this has also been complemented by projects from the climate smart programme. All the three ecological zones depend on rainfall, and the zones have varied levels of socio-economic developments and resource endowments. A review of these zones shows that for the overall socio-economic development to be realized, there is need to invest in value addition and modernization of agriculture, improving road network and power supply and also improving the marketing chains though cooperatives and farmer organizations. Designation of Iten as a municipality has shown potential prospects for urban growth especially with the implementation of urban infrastructure projects through Kenya Urban Support Programme (KUSP). The implementation of climate smart agriculture programme has a potential to improve production of horticultural crops and thus improving household incomes.

The county government continues to face challenges as a result of constrained fiscal space necessary for implementation of strategic priorities especially in the productive sector. The major challenges include wage bill pressure which has been occasioned over the years by implementation of SRC circulars and demand for promotions from the labour unions. The wage bill pressure has been compounded by

stagnation of equitable share of revenue from the national government as well as under performance in local revenue collection.

Also, implementation of development programmes and projects has been slow resulting in low absorption; this can be attributed to challenges in implementation of end-to-end procurement amongst other administrative and external challenges.

3.5.2 Risks to Fiscal Outlook in the County

The Covid-19 Pandemic has devastated global economies with Kenya not being spared. On the domestic front, the economic impact of the Pandemic is already being felt across all sectors of the economy. Measures to contain the pandemic in the County have led to a decline in revenue collection and closure of businesses.

Further the desert locust invasion still being witnessed in parts of the county poses a risk to agricultural production and food security. Another risk relates to rising global oil prices due to tensions between U.S.Aand Iran, uncertainty of the global trade agreements as well as uneven and sluggish growth in advanced and emerging market economies could hamper the forecasted growth.

Another risk is the outbreak of infectious diseases which threaten the county health system, labour productivity as well as drainage of household financial resources. Such outbreaks will occasion budget re-organization to contain the situation.

The proposed National Treasury allocation to county governments has stagnated thus there is no growth in the equitable share from the national government. The implication of this is that allocation to the county will be the reduction of allocations to programmes which may slow down the development agenda of the county.

The county is prone to natural disasters including landslides, flooding and drought, these disasters pose huge risk to life and property. The disasters also threaten food security, utilities, road network and public health. Occurrence of such disasters will require huge financial resources and thus pose fiscal risk to the county government.

3.5.3 Wage Bill Risk to Fiscal Outlook

Wage bill is a major risk to the fiscal outlook for FY 2021/22 and the medium-term. The burgeoning public expenditure pressures are heightened mainly by demands for promotions backlog from staff and need to confirm staff who are in casual terms across the county civil service. The burden that wage-bill weighs on the budget is heavy and it is expected to continue posing fiscal risk to the County Government.

4.1 Fiscal Performance of County Governments in FY 2019/20

In FY 2019/20, the county government had a total budget of Ksh. 5,773,518,234 out of which Ksh3,861,300,000 was CRA allocation and the rest comprised of Own Source Revenue (OSR), conditional grants and rollover funds from FY 2018/19. From the total revenue, Ksh. 3,363,636,267 was recurrent budget and Ksh. 2,409,881,967 development budget. The table below presents the overview of fiscal performance of the county during financial year 2019/2020.

Table 1: Fiscal outturn in FY 2019/20

	Revenue Sources	Approved Estimates (Net)	Actual Revenue	Percent of total (%)
1.	CRA Share	3,861,300,000	3,529,228,200	91.40
2.	Local Revenue	150,400,000	150,400,000	100.00
3.	Receipts for Tampere university	23,000,000	23,000,000	100.00
4.	Balance b/d	568,313,952	568,313,952	100.00
5.	Surplus from 2018/19 OSR	11,170,247	11,170,247	100.00
6.	World Bank - Development of Youth Polytechnic	40,741,543	30,228,298	74.20
7.	DANIDA -Universal Health Care	11,250,000	11,250,000	100.00
8.	World Bank- Maternal Health	6,751,373	6,751,373	100.00
9.	World Bank - Transforming Health System/Health	57,353,972	33,891,971.75	59.09
10.	Lease of Medical Equipment	131,914,894	131,914,894	100.00
11.	World Bank -Kenya Climate Smart Agriculture Project	219,784,900	104,150,751	47.39
12.	Sweden - Agriculture Sector Development Support Programme -ASDSP	36,041,661	16,277,269	45.16
13.	World Bank - Kenya Development Support Programme (KDSP)	237,806,513	199,253,594.00	83.79
14.	Kenya Urban Support Development Programme - (KUSDP)	184,342,447	73,029,946	39.62
15.	EU Water Support	45,000,000	-	-
16.	Support to Abolishment of User Fees	13,099,803	8,788,919	67.09
17.	RMLF	175,246,930	109,605,563	62.54
	Total	**5,773,518,234**	**5,007,254,977**	**86.82**

4.1.1 County Governments' Own-Source Revenue (OSR)

Total OSR collected amounted to Ksh 153,819,514 against a target of Ksh 184,570,247. There was a deficit of Kshs 30,750,733 in the 2019/20 FY translating to 16% shortfall. The shortfall in OSR is attributed majorly to the underperformance in FIF and Tampere university funds' streams.

Table 2: County Governments' Own-Source Revenue (OSR)for period July 2019 to June 2020 (F/Y 2019/2020)

S/NO	REVENUE SOURCE	APPROVED ESTIMATES 2019/20	ACTUAL
1.	Animal Stock auction fees	2,820,450	1,176,840
2.	Produce and othercess	23,789,204	25,107,567
3.	Single Business Permit	13,932,050	10,634,465
4.	single business permit-liquorlicense	4,000,000	1,560,080
5.	Lands Rates/Plot Rent	2,500,392	2,517,493
6.	Bus park/motorcycle fees	2,836,350	5,113,020
7.	Trade applications fees	1,910,890	1,533,350
8.	Slaughter fees	1,551,000	933,790
9.	House rent/stall/ground	1,730,500	439,445
10.	Conservancy fees	1,967,105	911,980
11.	Plan approval fees	150,550	25,200
12.	Clearance fees		18,800
13.	Hide and skine	50,000	2,360
14.	Promotion/advert	1,103,580	2,666,410
15.	Tender Documents	50,000	-
16.	Hire of road field	218,230	-
17.	Trade	185,000	11,690
18.	Fines	810,150	450,161
19.	FI Funds	66,400,000	54,583,079
20.	VSD Funds		1,454,240
21.	Water Department	1,519,688	186,910
22.	Health Services-Public Health	7,513,975	2,573,990
23.	Youth Affairs and sports		5,374,000
24.	Agriculture		264,650
25.	Tourism	1,556,923	704,200
26.	Market fees and others	5,303,713	8,018,965
27.	Recoveries	-	620,562
28.	Surplus Revenue 2018	11,170,247	11,170,247
29.	Tampere University	23,000,000	10,684,152
30.	Others	8,500,250	5,081,868
	TOTALS	**184,570,247**	**153,819,514**

Source: Revenue office

4.1.2 County Governments' Budget Absorption

The totalexpenditure for the FY 19/20 amounted to Ksh4,353,507,820 against an approved budget of 5,769,518,234, representing an under spending of Kshs1,416,010,414.

Absorption rate of recurrent budget remained high amounting to Kshs3,238,642,220 against an approved budget of Kshs3,359,636,267 reflecting an absorption rate of 96.4%, the absorption of development budget amounted to Ksh 1,114,865,600against an approved budget Ksh 2,409,881,967.

This reflects an absorption rate of 46.3%. The low absorption rate is explained in large part by procurement challenges occasioned by the COVID-19 Pandemic. These figures also contain rollover funds from the 2018/19 FY.

Table 3: **Overall absorption Rates for F/Y 2019/2020**

CODE	DEPARTMENT	Approved Budget	Cumulative Expenditure.	Deviation	Absorption (%)
R.4361	County Assembly	537,872,797	537,766,160	106,637	99.98
R.4362	Governor's Office	177,129,830	173,726,529	3,403,301	98.08
R.4363	Finance and Economic Planning	286,238,102	228,117,942	58,120,160	79.70
R.4364	Agriculture & Irrigation.	614,976,208	214,487,328	400,488,880	34.88
R.4366	Education & Technical Training	558,933,125	400,944,066	157,989,059	71.73
R.4367	Health & Sanitation	1,946,212,494	1,655,780,161	290,432,333	85.08
R.4368	Water, Lands and Physical Planning	508,579,454	303,119,297	205,460,157	59.60
R.4369	Roads, Transport & Public Works	511,551,149	338,576,717	172,974,432	66.19
R.4371	Trade, Tourism & Industrialization	53,138,500	46,254,891	6,883,609	87.05
R.4372	Youth, Sports and Gender	163,019,982	113,937,401	49,082,581	69.89
R.4373	ICT & Public Service	173,637,058	157,660,741	15,976,317	90.80
R.4374	County Public Service Board	39,878,421	38,591,108	1,287,313	96.77
R.4377	Livestock & Co-op. Development	198,351,114	144,545,479	53,805,635	72.87
	Grand Total	**5,769,518,234**	**4,353,507,820**	**1,416,010,414**	**75.00**

4.2 2020/2021 FINANCIAL PERFORMANCE

The revenue collected in first half of FY 2020/2021 was Ksh. 54,159,666 against a target of Ksh. 72,000,000. This is as shown in the table below.

Table 4: Revenue Collection for Period July 2020To Dec 2020 (F/Y 2020/2021)

S/NO	REVENUE SOURCE	APPROVED ESTIMATES 2020/21	HALF YEAR TARGETS	HALF YEAR ACTUALS
1.	Animal Stock auction fees	2,820,450	1,410,225	350,800
2.	Produce and othercess	23,789,204	11,894,602	11,516,225
3.	Single Business Permit	13,932,050	6,966,025	1,194,750
4.	Single business permit-liquor license	4,000,000	2,000,000	107,000
5.	Lands Rates/Plot Rent	2,500,392	1,250,196	2,231,564
6.	Bus park/motorcycle fees	2,836,350	1,418,175	1,519,700
7.	Trade applications fees	1,910,890	955,445	745,750
8.	Slaughter fees	1,551,000	775,500	438,810
9.	House rent/stall/ground	1,730,500	865,250	1,166,196

S/NO	REVENUE SOURCE	APPROVED ESTIMATES 2020/21	HALF YEAR TARGETS	HALF YEAR ACTUALS
10.	Conservancy fees	1,967,105	983,553	112,515
11.	Plan approval fees	150,550	75,275	23,000
12.	Clearance fees		0	7,100
13.	Hide and skins	50,000	25,000	2,650
14.	Promotion/advert	1,103,580	551,790	16,100
15.	Tender Documents	50,000	25,000	-
16.	Hire of road field	218,230	109,115	-
17.	Trade	185,000	92,500	315,880
18.	Fines	810,150	405,075	23,500
19.	FI Funds	60,000,000	30,000,000	25,771,021
20.	VSD Funds		0	434,725
21.	Water Department	1,519,688	759,844	155,760
22.	Health Services-Public Health	7,513,975	3,756,988	989,700
23.	Youth Affairs and sports		0	1,407,000
24.	Agriculture		0	1,350
25.	Tourism	1,556,923	778,462	103,200
26.	Market fees and others	5,303,713	2,651,857	2,071,726
27.	Recoveries	-	0	326,134
28.	Others	8,500,250	4,250,125	3,127,510
	TOTALS	**144,000,000**	**72,000,000**	**54,159,666**

4.3 2020/2021 ABSORPTION RATES

The absorption rates among departments in the county for half year2020/21 are as shown in table 5 and table 6 below.

Table 5: **Recurrent absorption Rates**

CODE	DEPARTMENT	Approved Budget	Cumulative Expenditure.	Balance	Absorption Rates (%)
R.4361	County Assembly	557,721,163	288,240,866	269,480,297	**51.68**
R.4362	Governor's Office	143,881,512	65,805,413	78,076,099	**45.74**
R.4363	Finance and Economic Planning	223,846,869	88,769,958	135,076,911	**39.66**
R.4364	Agriculture & Irrigation.	100,777,147	44,859,633	55,917,514	**44.51**
R.4366	Education & Technical Training	196,390,607	87,297,753	109,092,854	**44.45**
R.4367	Health & Sanitation	1,563,876,304	733,889,454	829,986,850	**46.93**
R.4368	Water, Lands and Physical Planning	78,059,121	35,121,856	42,937,265	**44.99**
R.4369	Roads, Transport & Public Works	66,968,217	31,561,661	35,406,556	**47.13**
R.4371	Trade, Tourism & Industrialization	35,609,808	15,528,087	20,081,721	**43.61**
R.4372	Youth, Sports and Gender	38,369,182	16,417,517	21,951,665	**42.79**
R.4373	ICT & Public Service	152,260,578	34,690,365	117,570,213	**22.78**
R.4374	County Public Service Board	46,738,274	19,504,608	27,233,666	**41.73**
R.4377	Livestock & Co-op. Development	97,522,268	41,858,172	55,664,096	**42.92**

CODE	DEPARTMENT	Approved Budget	Cumulative Expenditure.	Balance	Absorption Rates (%)
	Grand Total	**3,302,021,050**	**1,503,545,343**	**1,798,475,707**	**46.00**

Table 6: Development Absorption Rates

CODE	DEPARTMENT	Approved Budget	Cumulative Expenditure	Balance	Absorption (%)
R.4361	County Assembly	15,253,618	-	15,253,618	-
R.4362	Governor's Office	143,881,512	65,805,413	78,076,099	46
R.4363	Finance and Economic Planning	-	-	-	-
R.4364	Agriculture & Irrigation.	751,249,338	25,812,335	725,437,003	3
R.4366	Education & Technical Training	280,613,534	33,910,880	246,702,654	12
R.4367	Health & Sanitation	299,102,466	20,561,255	278,541,211	7
R.4368	Water, Lands and Physical Planning	518,709,963	26,400,404	492,309,559	5
R.4369	Roads, Transport & Public Works	499,065,857	86,569,428	412,496,429	17
R.4371	Trade, Tourism & Industrialization	15,678,318	-	15,678,318	-
R.4372	Youth, Sports and Gender	111,442,206	4,474,790	106,967,416	4
R.4373	ICT & Public Service	31,971,009	840,870	31,130,139	3
R.4374	County Public Service Board	-	-	-	-
R.4377	Livestock & Co-op. Development	98,446,438	5,671,666	92,774,772	6
	Grand Total	**2,765,414,259**	**270,047,041**	**2,495,367,218**	**10**

During the first half of FY 2020/21, the recurrent and development absorption rates of total expenditures are 46 percent and 10 percent respectively. The low absorption in development is occasioned by delay in disbursement of funds by the national government, coupled with difficulties the bidders encounter in their efforts to adhere to e-procurement requirements.

4.4 2021/2022FY EXPENDITURE

4.4.1 RECURRENT EXPENDITURE

4.4.1.1 PERSONAL EMOLUMENTS (PE)

Table 7: PERSONNEL EMOLUMENTS ANALYSIS

CODE	DEPARTMENT	Approved Supplementary 2020/21 FY	2021/22 FY PE Estimates
R.4361	County Assembly		
R.4362	Governor's Office	121,241,086	121,254,446
R.4363	Finance and Economic Planning	168,940,211	191,621,189
R.4364	Agriculture & Irrigation.	95,952,903	92,460,017

R.4366	Education & Technical Training	181,802,672	209,022,641
R.4367	Health & Sanitation	1,338,811,054	1,359,298,722
R.4368	Water, Lands and Physical Planning	68,860,636	64,882,661
R.4369	Roads, Transport & Public Works	55,811,997	99,292,246
R.4371	Trade, Tourism & Industrialization	31,822,152	32,412,770
R.4372	Youth, Sports and Gender	34,666,522	41,464,017
R.4373	ICT & Public Service	77,579,613	100,353,216
R.4374	County Public Service Board	39,926,030	42,290,846
R.4377	Livestock & Co-op. Development	90,934,075	89,903,851
	TOTAL (KSHS)	**2,306,348,951**	**2,444,256,622**

4.4.1.2 OPERATIONS AND MAINTENANCE

Table 8: Operations and Maintenance

CODE	DEPARTMENT	O&M	Mandatory O&M	Essential O&M	Conditional Grant	TOTAL
R.4361	County Assembly	-	607,974,781			607,974,781
R.4362	Governor's Office	46,022,547	-			46,022,547
R.4363	Finance and Economic Planning	28,986,318	44,000,000	10,000,000	66,926,861	149,913,179
R.4364	Agriculture & Irrigation.	6,145,053	-			6,145,053
R.4366	Education & Technical Training	8,120,345	15,000,000			23,120,345
R.4367	Health & Sanitation	17,093,180	172,900,000			189,993,180
R.4368	Water, Lands and Physical Planning	13,578,966	10,000,000	1,500,000		25,078,966
R.4369	Roads, Transport & Public Works	10,585,624	18,000,000			28,585,624
R.4371	Trade, Tourism & Industrialization	7,012,924	-			7,012,924
R.4372	Youth, Sports and Gender	6,327,389	1,500,000	5,000,000		12,827,389
R.4373	ICT & Public Service	12,381,917	109,804,625	5,000,000		127,186,542
R.4374	County Public Service Board	7,505,465	-	4,500,000		12,005,465
R.4377	Livestock & Co-op. Development	6,843,408	962,350			7,805,758
	TOTAL (KSHS)	**170,603,136**	**980,141,756**	**26,000,000**	**66,926,861**	**1,243,671,753**

The total O&Mis Ksh1,239,663,753. This comprisesKsh 170,595,136 as general day-to-day running of departmental operations, Kshs. 26,000,000 as essential O&M and Kshs. 66,926,861 KDSP level I conditional allocation and Kshs980,141,756is Mandatory O&M which is composed of the following;Medical Drugs, County Assembly Ceiling, FIF, Street Lighting Bills, Conservancy services, Staff medical scheme and overhaul of motor vehicles.

4.4.1.3 OVERALL RECURRENT EXPENDITURE ANALYSIS

CODE	DEPARTMENT	2021/22 FY PE Estimates	2021/22 FY O&M Estimates	2021/22 FY Total Recurrent Estimates
R.4361	County Assembly	0	607,974,781	607,974,781
R.4362	Governor's Office	121,254,446	46,022,547	167,276,993
R.4363	Finance and Economic Planning	191,621,189	149,913,179	341,534,368
R.4364	Agriculture & Irrigation.	92,460,017	6,145,053	98,605,070
R.4366	Education & Technical Training	209,022,641	23,120,345	232,142,986
R.4367	Health & Sanitation	1,359,298,722	189,993,180	1,549,291,902
R.4368	Water, Lands and Physical Planning	64,882,661	25,078,966	89,961,627
R.4369	Roads, Transport & Public Works	99,292,246	28,585,624	127,877,870
R.4371	Trade, Tourism & Industrialization	32,412,770	7,012,924	39,425,694
R.4372	Youth, Sports and Gender	41,464,017	12,827,389	54,291,406
R.4373	ICT & Public Service	100,353,216	127,186,542	227,539,758
R.4374	County Public Service Board	42,290,846	12,005,465	54,296,311
R.4377	Livestock & Co-op. Development	89,903,851	7,805,758	97,709,609
	TOTAL (KSHS)	**2,444,256,622**	**1,243,671,753**	**3,687,928,375**

4.4.2 DEVELOPMENT EXPENDITURE

4.4.2.1 SUMMARY OF DEVELOPMENT ALLOCATIONS

Table 9: Summary of Development Allocation

CODE	DEPARTMENT	Ward Projects	COVID-19 deferred projects	Conditional Grants	County Level	TOTAL (Kshs)
R.4361	County Assembly		-			**-**
R.4362	Office of Governor	-			16,000,000	**16,000,000**
R.4363	Finance and Economic Planning	-	-			**-**
R.4364	Agriculture, Livestock and Fisheries	48,002,580	150,000	435,652,013	10,500,000	**494,304,593**
R.4366	Education, Science and Technology	114,860,500	3,500,000		15,000,000	**133,360,500**
R.4367	Health & Sanitation	71,950,000	29,340,481	65,916,117	41,288,919	**208,495,517**
R.4368	Lands, Housing and Physical Planning	130,762,178	4,000,000	133,559,392	-	**268,321,570**
R.4369	Roads, Public Works and Transport	310,895,588			74,000,000	**384,895,588**
R.4371	Trade, Tourism, Co-operative Development and Energy	7,921,950	7,076,734		30,000,000	**44,998,684**
R.4372	Youth, Sports, Culture and Gender	54,879,562	8,470,000		34,000,000	**97,349,562**
R.4373	Public Service Management (PSM)	23,923,215	6,389,500		31,500,000	**61,812,715**
R.4374	County Public Service Board	0	0		2,500,000	**2,500,000**
R.4377	Livestock Production, Fisheries and Co-operative Development	50,341,759	2,278,000	-	20,000,000	**72,619,759**
	TOTAL (KSHS)	**813,537,332**	**61,204,715**	**635,127,522**	**274,788,919**	**1,784,658,488**

4.4.2.2 ANALYSIS OF DEVELOPMENT PRIORITIES

Table 10: Analysis of Development Priorities

Code	Department	APPROVED 2020/2021	ESTIMATES 2021/2022
R.4361	County Assembly	15,253,618	-
R.4362	Office of Governor	-	16,000,000
R.4363	Finance and Economic Planning	-	-
R.4364	Agriculture, Livestock and Fisheries	198,091,752	494,304,593
R.4366	Education, Science and Technology	146,231,375	133,360,500
R.4367	Health & Sanitation	303,357,467	208,495,517
R.4368	Lands, Housing and Physical Planning	299,700,066	268,321,570
R.4369	Roads, Public Works and Transport	327,564,031	384,895,588
R.4371	Trade, Tourism, Co-operative Development and Energy	85,866,439	44,998,684
R.4372	Youth, Sports, Culture and Gender	71,694,579	97,349,562
R.4373	Public Service Management (PSM)	21,000,000	61,812,715
R.4374	County Public Service Board	-	2,500,000
R.4377	Livestock Production, Fisheries and Co-operative Development	65,238,670	72,619,759
	TOTAL	**1,533,997,997**	**1,784,658,488**

4.4.3 2021/22CFSP OVERALL EXPENDITURE ANALYSIS

Table 11: Overall Expenditure Analysis

Expenditure Type	Amount	Percentage of Budget
Compensation to Employees	2,444,256,622	44.66
Mandatory & Essential O&M	1,073,068,617	19.61
Utilities and operations	170,603,136	3.12
Development	1,784,658,488	32.61
Total	**5,472,586,863**	**100.00**

From the above summary, development allocations are Ksh1,784,658,488 translating to 32.61% of the total budget while the rest make up the recurrent expenditure totaling Ksh. 3,687,928,375.

4.5 Resource envelop of the Medium Term

Table 12: Resource Envelop

REVENUE SOURCE	APPROVED 2017/18	APPROVED 2018/19	APPROVED 2019/20	APPROVED 2020/2021	ESTIMATES 2021/2022	PROJECTED 2022/2023
CRA Share	3,624,000,000	3,768,000,000	3,782,000,000	3,861,300,000	4,606,532,480	4,836,859,104
Local Revenue	160,291,113	130,000,000	144,000,000	144,000,000	164,000,000	172,200,000
Balance B/F		464,710,745	1,164,149,352	1,239,095,520		-
Surplus from			8,000,000			-

REVENUE SOURCE	APPROVED 2017/18	APPROVED 2018/19	APPROVED 2019/20	APPROVED 2020/2021	ESTIMATES 2021/2022	PROJECTED 2022/2023
2018/19 OSR						
Savings from procurement			7,000,000			-
World Bank - Dev. Of Youth Polytechnics	37,641,245	41,800,000	30,228,298	27,904,894		-
DANIDA - Universal Health Care	9,442,456	12,150,000		10,980,000	16,330,154	17,146,662
WORLD BANK RBF	47,990,000					-
Lease of Medical Equipment	95,744,681	200,000,000	131,914,894			-
Other Loans and Grants	18,956,694					-
Kenya Devolution support Programme (KDSP)	36,005,074	38,552,919	46,326,333	45,000,000	66,926,861	70,273,204
Kenya Climate Smart Agriculture (KCSA)		117,000,000	140,590,677	280,000,045	416,433,868	437,255,561
Agriculture Sector Support Development Programme (ASDSP)				12,921,815	19,218,145	20,179,052
Kenya Urban Support Programme (KUSP)		89,802,100	107,908,872	89,802,100	133,559,392	140,237,362
World Bank – Transforming Health Systems	30,279,354	50,000,000	60,081,486	33,340,400	49,585,963	52,065,261
Conditional Grant (Covid Emergency Response)				57,212,000		-
Covid Frontline medical staff allowances				32,685,000		-
Covid DANIDA				4,200,000		-
Support to Abolishment of User Fees in H/C & Dispensaries	8,788,919	8,788,919	8,788,919	8,788,919		-
Underperformance in local revenue				(10,578,044)		-
Road Maintenance Levy Fund (RMLF)	139,343,420	99,208,158	109,605,563	115,085,841		-
TOTAL REVENUE	**4,208,482,956**	**5,020,012,841**	**5,740,594,394**	**5,951,738,490**	**5,472,586,863**	**5,746,216,206**

Conditional grants were consolidated in the 2021 BPS but have been prorated in this CFSP using the 2020/21 FY approved estimates. This will be changed once the 2021/22 FY County Allocation of Revenue Act (CARA) has been approved which unbundles these conditional allocations.

4.5.1 Collaboration with National Government and Development Partners

Conditional Allocations from Development Partners as per BPS 2021, the county will receive Health Sector Support conditional grant, Kenya Urban Support Programme, Kenya Climate Smart Agriculture from World Bank, among other loans and grants. Some of the existing Conditional grants have been converted into unconditional, these are; Road Maintenance Levy Fund (RMLF); the compensation for user fees foregone; and, the grant funding rehabilitation of village polytechnics. Table 13 below shows the conditional grants.

Table 13: Conditional Allocations

S/NO	Conditional Grants	ESTIMATED 2021/2022
1.	Kenya Climate Smart Agriculture Project (KCSAP)	416,433,868
2.	Agriculture Sector Development Support Programme (ASDSP)	19,218,145
3.	World Bank – Transforming Health Systems for Universal Care Project (WB)	49,585,963
4.	Kenya Urban Support Programme (KUSP)	133,559,392
5.	Kenya Devolution support Programme (KDSP)-Level 1	66,926,861
6.	DANIDA - Universal Health Care	16,330,154
	TOTAL	**702,054,383**

4.3.2 Medium-Term Expenditure Estimates

Table 14: **Medium-Term Expenditure Estimates**

	Department/ Sector	Approved					
		Description	Approved	Approved	Approved	Projected ceiling	Projected ceiling
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
R.4361	County Assembly	Rec	566,844,007	566,844,007	572,974,781	607,974,781	638,373,520
		Dev	-	1,028,790	15,253,618	-	-
R.4362	Office of the Governor	Rec	158,230,280	157,236,868	141,581,512	167,276,993	48,323,674
		Dev	-	-	-	16,000,000	16,800,000
R.4363	Finance & Economic Planning	Rec	212,433,531	238,064,887	205,846,869	341,534,368	153,208,838
		Dev	-	-	-	-	-
R.4364	Agriculture and irrigation	Rec	108,932,587	100,653,823	100,777,147	98,605,070	6,443,906
		Dev	231,873,608	342,219,054	198,091,752	494,304,593	519,028,223
R.4366	Education and Technical Training	Rec	213,669,037	216,736,544	196,390,607	232,142,986	24,276,362
		Dev	276,635,132	360,017,259	146,231,375	133,360,500	140,028,525
R.4367	Health and Sanitation	Rec	1,356,073,746	1,401,878,154	1,488,664,304	1,549,291,902	199,492,839
		Dev	496,877,929	646,776,275	303,357,467	208,495,517	218,920,293
R.4368	Water, Lands, Environment and Climate Change	Rec	73,716,831	73,112,006	78,059,121	89,961,627	26,332,914
		Dev	371,732,200	438,798,148	299,700,066	268,321,570	281,737,649
R.4369	Roads, Transport, Public Works and Transport	Rec	64,495,007	64,250,494	66,968,217	127,877,870	36,839,905
		Dev	333,796,322	470,912,642	327,564,031	384,895,588	404,140,367
R.4371	Tourism, Culture, Wildlife, Trade and	Rec	34,000,486	35,086,495	35,609,808	39,425,694	7,363,570
		Dev	28,464,302	27,902,398	85,866,439	44,998,684	47,248,618

	Department/ Sector	Approved					
		Description	Approved	Approved	Approved	Projected ceiling	Projected ceiling
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	Industry						
R.4372	Sports, Youth affairs, ICT and Social Services	Rec	34,910,518	35,742,302	38,369,182	54,291,406	13,468,758
		Dev	90,630,005	129,722,400	71,694,579	97,349,562	102,217,040
R.4373	Public Service Management and County Administration	Rec	114,801,571	92,480,618	152,260,578	227,539,758	133,545,869
		Dev	52,266,184	51,629,292	21,000,000	61,812,715	64,903,351
R.4374	County Public Service Board	Rec	59,525,783	45,650,555	46,738,274	54,296,311	12,605,738
		Dev	-	-	-	2,500,000	2,625,000
R.4377	Livestock Production, Fisheries and Cooperatives Development	Rec	98,382,203	96,058,255	97,522,268	97,709,609	8,196,046
		Dev	41,721,572	83,793,128	65,238,670	72,619,759	76,250,747
	TOTAL	**Rec**	**3,096,015,587**	**3,123,795,008**	**3,221,762,668**	**3,687,928,375**	**1,308,471,941**
		Dev	**1,923,997,254**	**2,552,799,386**	**1,533,997,997**	**1,784,658,488**	**1,873,899,812**
	GRANT TOTAL		**5,020,012,841**	**5,676,594,394**	**4,755,760,665**	**5,472,586,863**	**3,182,371,753**

ANNEXES

Annex 1: Recurrent Departmental Ceilings

Department/ Sector	Approved	Approved	Approved Estimates	Estimated Ceiling	Projection
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
County Assembly	566,844,007	566,844,007	557,721,163	607,974,781	638,373,520
Office of the Governor	158,230,280	157,236,868	143,881,512	167,276,993	175,640,843
Finance & Economic Planning	212,433,531	238,064,887	223,846,869	341,534,368	358,611,086
Agriculture and irrigation	108,932,587	100,653,823	100,777,147	98,605,070	103,535,324
Education and Technical Training	213,669,037	216,736,544	196,390,607	232,142,986	243,750,135
Health and Sanitation	1,356,073,746	1,401,878,154	1,545,876,304	1,549,291,902	1,626,756,497
Water, Lands, Environment and Climate Change	73,716,831	73,112,006	78,059,121	89,961,627	94,459,708
Roads, Transport, Public Works and Transport	64,495,007	64,250,494	66,968,217	127,877,870	134,271,764
Tourism, Culture, Wildlife, Trade and Industry	34,000,486	35,086,495	35,609,808	39,425,694	41,396,979
Sports, Youth affairs, ICT and Social Services	34,910,518	35,742,302	38,369,182	54,291,406	57,005,976
Public Service Management and County Administration	114,801,571	92,480,618	152,260,578	227,539,758	238,916,746
County Public Service Board	59,525,783	45,650,555	46,738,274	54,296,311	57,011,127
Livestock Production, Fisheries and Cooperatives Development	98,382,203	96,058,255	97,522,268	97,709,609	102,595,089
TOTAL	**3,096,015,587**	**3,123,795,008**	**3,284,021,050**	**3,687,928,375**	**3,872,324,794**

Annex 2: Development Departmental Ceilings

Department/ Sector	Approved	Approved	Approved Estimates	Estimated Ceiling	Projection
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
County Assembly	0	1,028,790	15,253,618	0	0
Office of the Governor	0	0	0	16,000,000	16,800,000
Finance & Economic Planning	0	0	0		0
Agriculture and irrigation	231,873,608	342,219,054	751,249,338	494,304,593	519,019,823
Education and Technical Training	276,635,132	360,017,259	280,613,534	133,360,500	140,028,525
Health and Sanitation	496,877,929	646,776,275	299,102,466	208,495,517	218,920,293
Water, Lands, Environment and Climate Change	371,732,200	438,798,148	518,709,963	268,321,570	281,737,649
Roads, Transport, Public Works and Transport	333,796,322	470,912,642	499,065,857	384,895,588	404,140,367
Tourism, Culture, Wildlife, Trade and Industry	28,464,302	27,902,398	15,678,318	44,998,684	47,248,618
Sports, Youth affairs, ICT and Social Services	90,630,005	129,722,400	111,442,206	97,349,562	102,217,040
Public Service Management and County Administration	52,266,184	51,629,292	31,971,009	61,812,715	64,903,351
County Public Service Board	0	0	0	2,500,000	2,625,000
Livestock Production, Fisheries and Cooperatives Development	41,721,572	83,793,128	98,446,438	72,619,759	76,250,747
Total	**1,923,997,254**	**2,552,799,386**	**2,621,532,747**	**1,784,658,488**	**1,873,891,412**

Annex 3: Summary Departmental Ceilings

Department/ Sector	Approved	Approved	Approved Estimates	Estimated Ceiling	Projection
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
County Assembly	566,844,007	567,872,797	572,974,781	607,974,781	638,373,520
Office of the Governor	158,230,280	157,236,868	143,881,512	183,276,993	192,440,843
Finance & Economic Planning	212,433,531	238,064,887	223,846,869	341,534,368	358,611,086
Agriculture and irrigation	340,806,195	442,872,877	852,026,485	592,909,663	622,555,146
Education and Technical Training	490,304,169	576,753,803	477,004,141	365,503,486	383,778,660
Health and Sanitation	1,852,951,675	2,048,654,429	1,844,978,770	1,757,787,419	1,845,676,790
Water, Lands, Environment and Climate Change	445,449,031	511,910,154	596,769,084	358,283,197	376,197,357
Roads, Transport, Public Works and Transport	398,291,329	535,163,136	566,034,074	512,773,458	538,412,131
Tourism, Culture, Wildlife, Trade and Industry	62,464,788	62,988,893	51,288,126	84,424,378	88,645,597
Sports, Youth affairs, ICT and Social Services	125,540,523	165,464,702	149,811,388	151,640,968	159,223,016
Public Service Management and County Administration	167,067,755	144,109,910	184,231,587	289,352,473	303,820,097
County Public Service Board	59,525,783	45,650,555	46,738,274	56,796,311	59,636,127
Livestock Production, Fisheries and Cooperatives Development	140,103,775	179,851,383	195,968,706	170,329,368	178,845,836
TOTAL	**5,020,012,841**	**5,676,594,394**	**5,905,553,797**	**5,472,586,863**	**5,746,216,206**

EXPLANATORY NOTES

EXPLANATORY NOTE 1: ALLOCATION CLASSIFICATIONS AND OVERALL ALLOCATIONS FOR 2021/22 FY

The Expenditure allocations of CFSPs are classified into two components with each component having sub-components and Divisions as depicted in Table 1 below;

Expenditure Component	Sub-Component	Divisions	Description/Objectives
Development	Ward/EDA Projects	-	To comply with the County Equitable Development Act (EDA) Section 6 (2) & (3) provisions which requires that each Ward be allocated funds based on agreed parameters which includes; population size, land area, poverty level and ASAL coverage
	Reinstated differed Projects for COVID-19 re-allocation	-	All Wards ceded on average projects worth 3m each for re-allocation to COVID-19 emergency interventions supplementary budget
	County Level Projects	-	These are projects whose benefits are not confined to one Ward but more than two Wards as guided by EDA Section 6 (3) (ii). These projects are approved in the 2018-22 CIDP and prioritized with regional balancing considerations. These are projects that facilitates effective and efficient delivery of the county mandates by providing premises and conducive environment
	Conditional Grants (Development)	-	These are funds which are based on Conditions contained in agreements signed between concerned parties and Ministries on behalf of County Governments. Conditional Grants are classified into two; those from Development Partners and those from National Government
Recurrent	Personal Emoluments (PE)	Existing staff in the current FY	This provision is based on what each county staff earns in the current FY and adjusted for; i) Mandatory annual salary incremental ii) Annual increase of salary for ECDE teachers. These staff doesn't automatically get annual increment in the IPPD like in (i) above because they are on contract terms iii) Periodic SRC and/or PSC salary adjustment increment or staff welfare schemes that have effects on the salary levels for all staff or for a cadre of staff. Example: Recently PSC issued a Circular on Pension Scheme for PnP staff which commenced from 1st January,

Expenditure Component	Sub-Component	Divisions	Description/Objectives
			2021. This Circular therefore has an effect of the 2021/22 FY PE computation iv) Existing staff promotions effect (staff become due for promotions every three years). For our county due to wage bill pressure staff promotions had been frozen in 2016. This led to a build-up of unaffected staff promotions leading to a backlog which eventually led to health staff work strikes in November, 2020. 50% of these backlog promotions were budgeted and effected in 2020/21 FY while the remainder of 50% has been budgeted for in the 2021/22 FY CFSP. Promotions are automatic for common cadre staff (JG A-M) while for JG N-R, promotions are competitive but internal. v) Conversion of staff from one employment terms to another. Example; converting staff on casual terms to Contract or PnP terms
		Budgeted positions in the current FY	These are positions budgeted in the current FY whose recruitments are on-going. So the names of successful candidates are not yet known as of the time of the preparation of CFSPs. So positions as budgeted are used to project these positions PE for the upcoming FY
		Replacement positions for staff exiting in the current FY	Every year, significant number of staff exit the service through various means including; retirement, resignations and deaths. For continuity of delivery of service such staff have to be replaced so in the CFSPs these exited positions are budgeted for as replacements
	Operations & Maintenance (O&M)	Mandatory O&M	These type of O&M are the ones that must be provided for because without them important county mandates cannot be delivered. The benefits of this type of O&M cuts across many Departments. Examples include; Medical drugs, FIF, street lighting, conservancy services for cleaning of urban centers, staff medical scheme etc
		Essential O&M	These are important O&M components that enables a Department to deliver on its responsibilities e.g purchase of vehicles
		Normal O&M	These type of O&M is discretional and mainly used for electricity bills, allowances, stationery etc
		Conditional Grants (Recurrent)	This O&M type captures Recurrent Conditional Grants such as for KDSP Level I
	County Assembly Budget Ceilings		CRA annually recommends the County Assemblies budget ceilings and The Senate approves with or without amendments under the County Revenue Allocation Acts

EXPLANATORY NOTE 2: OVERALL ALLOCATIONS FOR 2021/22 FY BASED ON ALLOCATION CLASSIFICATIONS

Expenditure Component	**Sub-Component**	**Divisions**	**Amount Proposed for 2021/22 FY**	**Justifications & Reference Documents**
Development (Annex 4a)	Ward/EDA Projects	-	813,545,332	Approved 2021/22 ADP
	Reinstated differed Projects for COVID-19 allocation	-	61,294,715	Approved list of ADP differed projects to COVID-19 interventions attached as Annex 4(b)
	County Level Projects	-	274,788,919	List of County Level Project is attached as Annex 4(c) with justifications for each
	Conditional Grants	-	635,127,522	List of Conditional Grants for 2021/22 FY is attached as Annex 4(d)
Recurrent	Personal Emoluments (PE) (Annex 5(b)	Existing staff costs	2,272,128,096	
		Annual Increment & Promotions	81,893,843	
		Compulsory Pension (PSSA Scheme) from January 2021	63,660,296	
		Replacement positions for staff exiting in 2020/21 FY	26,574,390	
	Operations & Maintenance (O&M) (Annex 6a)	Mandatory O&M	372,166,975	
		Essential O&M	26,000,000	
		Normal O&M	170,603,136	
		Conditional Grants (Recurrent)	66,926,861	List of Recurrent Conditional Grants Annex 6(b)
	County Assembly Budget Ceilings		607,974,781	Tentative figure as CARA approval is being awaited

Annex 4(a): Development Allocation Summary

Department	ADP – Approved	COVID-differed Projects	Conditional Grant	County Development Projects	Total Development
County Assembly	0	0	0	0	0
Office of Governor	0	0	0	16,000,000	16,000,000
Finance and Economic Planning	0	0	0	0	0
Agriculture, Livestock and Fisheries	48,002,580	150,000	435,652,013	10,500,000	494,304,593
Education, Science and Technology	114,860,500	3,500,000	0	15,000,000	133,360,500
Health & Sanitation	71,950,000	29,340,481	65,916,117	41,288,919	208,495,517
Lands, Housing and Physical Planning	130,762,178	4,000,000	133,559,392	0	268,321,570
Roads, Public Works and Transport	310,895,588	0	0	74,000,000	384,895,588
Trade, Tourism, Co-operative Development and Energy	7,921,950	7,076,734	0	30,000,000	44,998,684
Youth, Sports, Culture and Gender	54,879,562	8,470,000	0	34,000,000	97,349,562
Public Service Management (PSM)	23,923,215	6,389,500	0	31,500,000	61,812,715
County Public Service Board	0	0	0	2,500,000	2,500,000
Livestock Production, Fisheries and Co-operative Development	50,341,759	2,278,000	0	20,000,000	72,619,759
TOTAL	**813,537,332**	**61,204,715**	**635,127,522**	**274,788,919**	**1,784,658,488**

Annex 4(b): COVID-19 Differed Projects (reinstated)

2019-2020 FY PROJECTS TO BE REDUCED TO PROVIDE FOR COVID-19 PANDEMIC FIGHT				
DEPARTMENT	**Project Name**	**Description Of Activities**	**Procurement**	**Location**
Agriculture	Extension services	Farmer training, demonstrations and tours	150,000	Sengwer
Educaction	Purchase of land at Simbeiywet ECD		1,500,000	Moiben/ Kuserwo
Education	bursaries to TVET	Scholarships	500,000	Arror
Education	Purchase of land at Chemaech ECD		1,500,000	Metkei
Health	Medical Screening	Screening of diseases and treatment	600,000	Arror
Health	Medical Screening	Screening of diseases and treatment	1,500,000	Chepkorio
Health	CHVs	CHVS' equipment and incentives	1,000,000	Chepkorio
Health	CHVs	CHVS' equipment and incentives	500,000	Cherangany/ Chebororwa
Health	Kaptionyh.c	Purchase delivery bed	490,000	Cherangany/ Chebororwa
Health	Community Health Strategy	CHVS equipment and Incentives	1,000,000	Embobut/Embolot
Health	Maron-Marichor	Equipping of maternity wing	980,000	Embobut/Embolot
Health	Medical screening	Screening of diseases for treatment & referrals	800,000	Endo
Health	Community health units	CHVs equipment and incentives	500,000	Endo
Health	Preventive and promotive services	CHVs equipment and incentives	1,000,000	Kabiemit
Health	Kipriria Dispensary	Equipment	294,000	Kabiemit
Health	Tulwobei Dispensary	Purchase of assorted Medical equipment	294,000	Kabiemit
Health	Simotwo Dispensary	Construction of Lab ad maternity	686,000	Kabiemit
Health	Community Health Strategy	CHVs equipments and Incentives	300,000	Kamariny
Health	Community Health Strategy	CHVs equipment and incentives	800,000	Kapchemutwa
Health	Singore/Kapkonga H/C	purchase of public utility land	1,500,000	Kapchemutwa
Health	Medical screening	Screening of diseases and treatment	1,000,000	Kapsowar
Health	Medical Screening	screening of diseases and treatment	600,000	Kaptarakwa
Health	Community Health Strategy	CHVS equipment and incentives	500,000	Kaptarakwa
Health	Medical camp	Screening of ward citizens	1,500,000	Kapyego
Health	Kipkundul Dispensary	Purchase of assorted medical equipment	1,960,000	Lelan

2019-2020 FY PROJECTS TO BE REDUCED TO PROVIDE FOR COVID-19 PANDEMIC FIGHT				
DEPARTMENT	**Project Name**	**Description Of Activities**	**Procurement**	**Location**
Health	Medical Screening	Screening of diseases and treatment	500,000	Metkei
Health	Community Health strategy	CHVs equipment and motivation	500,000	Metkei
Health	Kaplenge dispensary	Supply of Water (Extension of pipeline)	500,000	Moiben/ Kuserwo
Health	Community Health Strategy	CHVs equipment and Incentives	500,000	Sambirir
Health	Community Health Strategy	CHVs equipment and Incentives	600,000	Sambirir
Health	Kimuren Dispensary	Construction of emergency delivery room	980,000	Sambirir
Health	Medical Screening	Screening of diseases and treatment	1,000,000	Sengwer
Health	Community Health Strategy	CHVs equipmqnt and incentives	1,000,000	Sengwer
Health	Medical screening	Screening of diseases for treatment & referrals	700,000	Soy North
Health	Community Health Strategy	CHVs equipmqnt and incentives	710,481	Soy North
Health	Community Health strategy	CHVs equipment and Incentives	1,000,000	Soy South
Health	Health	Kocholwo SCH	600,000	Soy South
Health	Community Health Strategy	CHVs equipment and incentives	300,000	Tambach
Health	Tambach Sub-County Hospital	Construction of OPD Lab Equipment	1,960,000	Tambach
Health	Kewapsos Dispensary	Purchase of laboratory Equipment	686,000	Tambach
Livestock	Cooperatives development	Support to cooperatives	882,000	Kabiemit
Livestock	Sergoit and Katalel Sale Yards	Repairs	200,000	Kamariny
Livestock	Tirich Cattle dip	Construction of Tirich cattle dip	1,000,000	Kapyego
Livestock	Capacity Building of cooperative farmers	Farmers training demonstrations and tours	196,000	Sengwer
PSM	Capacity building and project management	Training/benchmarking of WDC/PMC	800,000	Arror
PSM	Project monitoring and evaluation	Project management (supervision & M&E by WDCs & PMCs	500,000	Chepkorio
PSM	Project monitoring and evaluation	Project management (supervision & M&E by WDCs & PMCs	700,000	Embobut/ Embolot
PSM	Project monitoring and evaluation(rollover)	Project management (supervision & M&E) by WDCs & PMCs	600,000	Emsoo
PSM	Project monitoring and evaluation	Project management (supervision & M&E by WDCs & PMCs	500,000	Endo
PSM	Project Management Committee	Training of PMCs and WDCs	500,000	Kamariny

2019-2020 FY PROJECTS TO BE REDUCED TO PROVIDE FOR COVID-19 PANDEMIC FIGHT				
DEPARTMENT	**Project Name**	**Description Of Activities**	**Procurement**	**Location**
PSM	PMC Training	Training of PMCs and WDCs	500,000	Lelan
PSM	ward development committees	Project management (supervision & M&E by WDCs & PMCs	680,000	Moiben/Kuserwo
PSM	Project management	Project management (supervision & M&E by WDCs & PMCs	1,000,000	Soy North
PSM	Enhance capacity for PMCs	Capacity building/ training of Project management committees	200,000	Soy South
PSM	PMC Training		409,500	Soy South
Sports	suport of PWDs	suport with income generating activities	300,000	Arror
Sports	Youth Skill development	suport with income generating activities	800,000	Arror
Sports	Talent Scouting and Promotion	Football tournaments and Purchase of balls	232,000	Cherangany/ Chebororwa
Sports	Sports tournament	Sports activities	290,000	Embobut/Embolot
Sports	Singorepri sports field	Grading	1,470,000	Kapchemutwa
Sports	Talent scouting and Promotion	organize football, volleyball and handball tournaments	406,000	Kaptarakwa
Sports	Youth Skill development	Equipping Youths With Technical Skills at VTCs & TVET	500,000	Kapyego
Sports	Youth Skill development	Equipping Youths With Technical Skills at VTCs & TVET	1,000,000	Lelan
Sports	Sports tournament	Sports activities	406,000	Metkei
Sports	Youth Skill development	ward sports/talent day	580,000	Moiben/ Kuserwo
Sports	Youth Skill development	Equipping Youths With Technical Skills at VTCs & TVET	1,000,000	Sambirir
Sports	Talent Scouting and Development	Volleyball and Athletics	290,000	Sengwer
Sports	Youth Skill development	Equipping Youths With Technical Skills at VTCs & TVET	300,000	Soy North
Sports	Talent Scouting and Promotion	Organize sports activities in the ward	348,000	Soy North
Sports	Behavior change/ Rehabiltation	Rehabilitation of alcoholics and drug addicts	200,000	Soy South
Sports	Talent Scouting and Promotion	Sports and talent development	348,000	Soy South
Tourism	Culture promotion	Hold ward cultural day celebration	300,000	Embobut/ Embolot

2019-2020 FY PROJECTS TO BE REDUCED TO PROVIDE FOR COVID-19 PANDEMIC FIGHT				
DEPARTMENT	**Project Name**	**Description Of Activities**	**Procurement**	**Location**
Tourism	Cultural promotion	Fencing of the cultural centre ,hold cultural festivals	830,000	Endo
Tourism	Culture promotion	Hold ward cultural day celebration	400,734	Kabiemit
Tourism	Trade development	Provision of trade loans	294,000	Kabiemit
Tourism	Trade revolving fund		2,000,000	Kamariny
Tourism	Cultural promotion	Hold ward cultural day	400,000	Kapsowar
Tourism	ward cultural day	Hold ward cultural day	276,000	Kaptarakwa
Tourism	Acquisition of land and establishment of camping and picnic sites		2,000,000	Kaptarakwa
Tourism	Promotion of culture	Holding of ward cultural day	300,000	Soy south
Tourism	Culture promotion	Hold one Cultural festival	276,000	Tambach
Water	Chebororwa dumpsite	Acquisition of land	200,000	Cherangany/ Chebororwa
Water	Spatial plan for Kapsowar		3,000,000	Kapsowar
Water	Kapcherop Dumping Site	acquisition of land	800,000	Sengwer
	TOTAL		**61,204,715**	

Annex 4(c): County Level Projects

Department	County Development Projects	Allocation
	Ablution Block	3,000,000
	Completion of on-going Radio Station Construction	3,000,000
	COG Ugatuzi Towers Down Payment	10,000,000
Office of the Governor	**Sub-total**	**16,000,000**
Agriculture	Construction and Equipping ChebaraAtc	10,500,000
	Sub-total	**10,500,000**
	Embobut VTC Construction	10,000,000
Education, Science and Technology	Chesewew VTC Construction	5,000,000
	Sub-total	**15,000,000**
	User Fees for Health Facilities	8,788,919
	DANIDA Matching	2,500,000
	Xray Machines for Various Facilities (Refer to Annex 1(c) (i) for Details	30,000,000
Health & Sanitation	**Sub-total**	**41,288,919**
	Plant Machinery Maintenance	10,000,000
	Mechanical Workshop Rehabilitation	4,000,000
	Grader and Excavator for Sports And Roads	50,000,000
	Chepkorio Road Circuit Tarmac	10,000,000
Roads, Public Works and Transport	**Sub-total**	**74,000,000**
Tourism	Rimoi Roads and Ecolodges	30,000,000
	Sub-total	**30,000,000**
	Revenue System Payment	4,000,000
	Kibigos Sports Field Development	10,000,000
	UHC Medical Cover for citizens	20,000,000
Sports	**Sub-total**	**34,000,000**
	Ablution Block (County Treasury)	2,500,000
PSM	County Resources Center with Administrative Offices	25,000,000

Department	County Development Projects	Allocation
	Equipping Sub County Offices	4,000,000
	Sub-total	**31,500,000**
	Office Renovations	2,500,000
County Public Service Board	**Sub-total**	**2,500,000**
LIVESTOCK	Mordern Abattoir/Slaughterhouse (Land Acquisition and Building)	20,000,000
	Sub-total	**20,000,000**
	Grand Total	**274,788,919**

Annex 4(c) (i) Health County Level Projects Details

No.	Facility	X-Ray (Million)	Ultra-Sound (Million)	Total (Million)
1.	Tot	4.5	0	4.5
2.	Kapcherop	4.5	1.5	6.0
3.	Kaptarakwa	0	1.5	1.5
4.	Chepkorio	4.5	0	4.5
5.	Kocholwo	4.5	0	4.5
6.	Chesoi	4.5	1.5	6.0
7.	Kamwosor	0	1.5	1.5
8.	Kapkata	0	1.5	1.5
TOTAL				**30**

Annex 4(d): List of Conditional Grants

No.	Conditional Grant	Approved 2020/21 FY	proposed 2021/22 FY	Increase/ Decrease	Comments
1.	Support to Abolishment of User Fees in H/C & Dispensaries	8,788,919	0	-8,788,919	2021 Budget Policy Statement (BPS) removed it as a Conditional Grant and converted the amount to the pool of Equitable Share. However, as a county the purpose of the funds has been identified as critical so the full amount has been budgeted for under the same name under County Level Projects
2.	Road Maintenance Fuel Levy Fund	115,085,841	0	-115,085,841	2021 Budget Policy Statement (BPS) removed it as a Conditional Grant and converted the amount to the pool of Equitable Share. As a county 50m of this funds have been allocated to a related activity – Purchase of a Bulldozer (50m) under the County Level Projects.
3.	Kenya Climate Smart Agriculture Project (KCSAP)	280,000,045	416,433,868	136,433,823	Maintained and increased in 2021 BPS
4.	Agriculture Sector Development Support Programme (ASDSP)	12,921,815	19,218,145	6,296,330	Maintained and increased as per the 2021 BPS
5.	World Bank – Transforming Health Systems for Universal Care Project (WB)	33,340,400	49,585,963	16,245,563	Maintained and increased as per the 2021 BPS
6.	EU Water Support	69,163,856	-	-69,163,856	Removed (not in 2021 BPS)
7.	Kenya Urban Support Programme (KUSP)	89,802,100	133,559,392	43,757,292	Maintained and increased as per the 2021 BPS
9.	DANIDA - Universal Health Care	10,980,000	16,330,154	5,350,154	Maintained and increased as per the 2021 BPS
10.	World Bank - Dev. Of Youth Polytechnics	27,904,894	0	-27,904,894	2021 Budget Policy Statement (BPS) removed it as a Conditional Grant and converted the amount to the pool of Equitable Share. As a county 15,000,000 of it has been maintained for the same purpose under Mandatory O&M in recurrent
	Total	**692,987,870**	**635,127,522**	**-57,860,348**	

Annex 5(b): Personal Emoluments (PE) Allocation Summary

Department	Existing staff PE	Annual Increment & Promotions	Compulsory Pension (PSSA Scheme) from January 2021	Replacement Positions for exiting staff in 2020/21 FY	Total PE
Office of Governor	112,888,475	6,202,139	1,790,966	372,866	**121,254,446**
Finance and Economic Planning	164,194,441	21,942,504	4,284,072	1,200,175	**191,621,192**
Agriculture, Livestock and Fisheries	85,962,977	2,306,764	2,056,635	2,133,641	**92,460,017**
Education, Science and Technology	184,322,414	11,612,871	10,319,356	2,768,000	**209,022,641**
Health & Sanitation	1,294,827,580	21,694,440	32,786,702	9,990,000	**1,359,298,722**
Lands, Housing and Physical Planning	57,486,431	4,519,980	1,229,598	1,646,652	**64,882,661**
Roads, Public Works and Transport	88,146,802	5,012,352	4,101,384	2,031,708	**99,292,246**
Trade, Tourism, Co-operative Development and Energy	30,947,361	677,716	551,430	236,263	**32,412,770**
Youth, Sports, Culture and Gender	38,440,036	24,373	1,451,805	1,547,803	**41,464,017**
Public Service Management (PSM)	92,845,824	3,584,964	3,099,102	823,326	**100,353,216**
County Public Service Board	40,806,294	747,348	209,718	527,486	**42,290,846**
Livestock Production, Fisheries and Co-operative Development	81,259,461	3,568,392	1,779,528	3,296,470	**89,903,851**
TOTAL	**2,272,128,096**	**81,893,843**	**63,660,296**	**26,574,390**	**2,444,256,625**

Annex 6(a): Operations & Maintenance (O&M) Summary Allocations

Department	Mandatory O&M	Essential O&M	Normal O&M Utilities and Operations)	Conditional Grants (Recurrent)	Total O&M
County Assembly	607,974,781	0	0	0	607,974,781
Office of Governor	0	0	46,022,547	0	46,022,547
Finance and Economic Planning	44,000,000	10,000,000	28,986,318	66,926,861	149,913,179
Agriculture, Livestock and Fisheries	0	0	6,145,053	0	6,145,053
Education, Science and Technology	15,000,000	0	8,120,345	0	23,120,345
Health & Sanitation	172,900,000	0	17,093,180	0	189,993,180
Lands, Housing and Physical Planning	10,000,000	1,500,000	13,578,966	0	25,078,966
Roads, Public Works and Transport	18,000,000	0	10,585,624	0	28,585,624
Trade, Tourism, Co-operative Development and Energy	0	0	7,012,924	0	7,012,924
Youth, Sports, Culture and Gender	1,500,000	5,000,000	6,327,389	0	12,827,389
Public Service Management (PSM)	109,804,625	5,000,000	12,381,917	0	127,186,542
County Public Service Board	0	4,500,000	7,505,465	0	12,005,465
Livestock Production, Fisheries and Co-operative Development	962,350		6,843,408	0	7,805,758
TOTAL	**980,141,756**	**26,000,000**	**170,603,136**	**66,926,861**	**1,243,671,753**

Annex 6(b): List of Recurrent Conditional Grants

Department	Conditional Grant (Recurrent)	Amount
County Assembly	0	0
Office of the Governor	0	0
Finance and Economic Planning	Kenya Devolution Support Programme (KDSP)	66,926,861
Agriculture	0	0
Education, Science and Technology	0	0
Health & Sanitation	0	0
Lands, Housing and Physical Planning	0	0
Roads, Public Works and Transport	0	0
Tourism	0	0
Sports	0	0
PSM	0	0
County Public Service Board	0	0
LIVESTOCK	0	0
Total		**66,926,861**

EXPLANATORY NOTE 2: 2021/22 FY RESOURCE AND EXPENDITURE ALLOCATIONS COMPARED TO 2020/21 FY

Classification	Revenue + Expenditure	Approved 2020/21 FY	Proposed 2021/22 FY	Increase/Decrease
	Local Revenue	144,000,000	164,000,000	20,000,000
	CRA Share	3,861,300,000	4,606,532,480	745,232,480
	Loans & Grants in development	647,987,870	702,054,383	54,066,513
Revenue	Total Revenue	4,653,287,870	5,472,586,863	819,298,993
	Development	1,416,525,202	1,784,658,488	368,133,286
	a) EDA Allocation	813,537,332	813,537,332	-
	b) Differed Projects for COVID-19 Emergency	-	61,204,715	61,204,715
	c) County Level Development Allocation	-	274,788,919	274,788,919
	d) Conditional Grants	602,987,870	635,127,522	32,139,652
	Recurrent	3,236,762,668	3,687,928,375	451,165,707
	a) County Assembly ceiling	572,974,781	607,974,781	35,000,000
	b) PE/Wage Bill	2,313,107,994	2,444,256,622	131,148,628
	c) Mandatory O&M	233,043,975	372,166,975	139,123,000
	d) Essential O&M	-	26,000,000	26,000,000
	e) Normal O&M	72,635,918	170,603,136	97,967,218
	f) Conditional Grants (Recurrent)	45,000,000	66,926,861	21,926,861
Expenditure	Total Expenditure (Development + Recurrent)	4,653,287,870	5,472,586,863	819,298,993

EXPLANATORY NOTE 3: 2021/22 FY RESOURCE AND EXPENDITURE ALLOCATIONS SUMMARY

Explanation	**Revenue + Expenditure**		**Proposed 2021/22 FY**
Revenue	Local Revenue		164,000,000
	CRA Share		4,606,532,480
	Loans & Grants in development		702,054,383
	A) Total Revenue		**5,472,586,863**
Less Development Allocations (a-d)	a) EDA Allocation		813,537,332
	b) Differed Projects for COVID-19 Emergency		61,204,715
	c) County Level Development Allocation		274,788,919
	d) Conditional Grants (Development)		635,127,522
	B) Total Development Allocation		**1,784,658,488**
Remainder (A-B) = C = Recurrent Allocation	**C) Recurrent**		**3,687,928,375**
Less Recurrent Allocations (e-j)	e) County Assembly ceiling		607,974,781
	f) PE/Wage Bill		2,444,256,622
	g) Mandatory O&M (i-ix)		372,166,975
	i) KRA outstanding Taxes, and NHIF & NSSF outstanding premiums, liquor licensing	47,123,000	
	ii) VTC Capitations	15,000,000	
	iii) Facility Improvement Funds (FIF) - AIA	77,900,000	
	iv) Medical Drugs	95,000,000	
	v) Conservancy costs (Urban centers)	10,000,000	
	vi) Street Lights Bills	10,000,000	
	vii) ICT server costs, Motor vehicles rehabilitation	14,000,000	
	viii) Staff medical insurance costs	103,181,625	
	ix) Abattoir maintenance (AIA)	962,350	
	h) Essential O&M		26,000,000
	i) Public Participation processes for ADP, Finance Bill and other documents	7,000,000	
	ii) Open Contracting Counter-part funding	3,000,000	
	iii) Task Forces costs i.e NLC	1,500,000	
	iv) Iten Marathon	5,000,000	
	v) Staff Rationalization processes, sensitization and HR	6,500,000	

	reforms		
	vi) Fire Fighters Training costs at Morindat Institute	3,000,000	
	i) Normal O&M for Utilities and Operations		170,603,136
	j) Conditional Grants (Recurrent)		66,926,861
	D) Total Recurrent Allocation		**3,687,928,375**
Total Allocation (B-D) = Total Revenue (A)			**5,472,586,863**

EXPLANAORY NOTE 4: SUMMARY DETAILS OF HOW THE ADDITIONAL CRA EQUITABLE SHARE (745,232,480) & LOCAL REVENUE (20,000,000) HAS BEEN ALLOCATED

Expenditure Allocation Item	Approved 2020/21 FY	Proposed 2021/22 FY	Increase
Development	813,537,332	1,149,530,966	335,993,634
a) EDA Allocation	813,537,332	813,537,332	-
b) Differed Projects for COVID-19 Emergency Re-allocation	-	61,204,715	61,204,715
c) County Level Development Allocation	-	274,788,919	274,788,919
Recurrent	3,236,762,668	3,687,928,375	451,165,707
a) County Assembly ceiling	572,974,781	607,974,781	35,000,000
b) PE/Wage Bill	2,313,107,994	2,444,256,622	131,148,628
c) Mandatory O&M	233,043,975	372,166,975	139,123,000
d) Essential O&M	-	26,000,000	26,000,000
e) Normal O&M	72,635,918	170,603,136	97,967,218
Total Expenditure (Development + O&M)	**4,653,287,870**	**5,472,586,863**	**765,232,480**

***Excludes Conditional Grants**