

REPUBLIC OF KENYA



THE COUNTY GOVERNMENT OF GARISSA

SEPTEMBER 2020

GARISSA COUNTY BUDGET REVIEW AND OUTLOOK PAPER (CBROP)

Forward

The County Budget Review and Outlook Paper is set against the backdrop of a contracting global economy occasioned by the outbreak and the rapid spread of the Covid-19 Pandemic. The Pandemic and the attendant containment measures has led to contraction of the global economy disrupting businesses including international trade and leading to loss of livelihoods for millions of people globally. Global economic activity is projected to contract by to 4.9 percent in 2020 from a growth of 2.9 percent in 2019 with prospects across countries and regions remaining highly uncertain. The condition is same on the county level, the Pandemic and the containment measures have not only disrupted our ways of lives and livelihoods in the county, but to a greater extent business all the sectors haven highly affected.

Therefore, in the medium term budget 2021/2022- 2022/2023 will be framed against background of this Coronavirus (COVID 19) pandemic challenges. The COVID 19 emergency response has presented unprecedented challenges in all aspect of life. Because of this challenge county have to coup up with reduced local revenue collection, delay in disbursement caused by shrinking national revenues and suspension of major development projects to fund challenges post by COVID 19.

In this period of global pandemic ,The economic policy of the county will continue to focus on cushioning the vulnerable households through targeted stimulus economic programs .when the economy fully reopens the targeted support will be gradually be mainstreamed with government programs that are aimed in safeguarding livelihoods ,job creation and Economic recovery .The council of governors is currently in the process of preparing post COVID 19 economic recovery strategy (PC-ERS) and all government programs will later be align to this strategy .

In the medium term accounting officers are therefore reminded to plan for this challenges and should only budget for key priority projects that are in support of the goal of reviving the economy and achieving sustainable growth. The county government will continue with its policy of expenditure rationalization with a view of funding only core services and reducing cost through elimination of duplication, inefficiencies and wasteful expenditures.

CPA Mr. Roble Nuno

Executive Member / Finance and Economic Planning

Acknowledgement

The Public Financial Management (PFM) Act, 2012 ushered in a paradigm shift in budget making process. It introduced reforms in the public finance management system and entrenched the Medium Term Expenditure Framework (MTEF) budgeting.

The CBROP is an important document in the budget making process. It provides a review of the fiscal performance for the Financial Year 2019-2020 and how it impacts on the Financial Objectives and Fiscal Responsibility Principles as set out in the PFM Act, 2012. It highlights recent economic development and outlook; economic outlook and policies; and resource allocation framework.

The CBROP is a key document in linking up of policy, planning and budgeting. It is embedded on the Kenya's Vision 2030 through the Second Medium Term Plan (MTP) and the Garissa County Integrated Development Plan (CIDP). As such, the CBROP will continue to play a critical role in the preparation of budgets and management of public resources in a devolved system. To strengthen the budget preparation process, the County government will continue to embrace performance budgeting and deepen public financial reforms to increase efficiency and effectiveness in service delivery and value for money.

The preparation of this document was a collaborative effort by staff of the directorate of Finance under my leadership and a core team of the department of budget who worked tirelessly to prepare and submit this document on time. I take this opportunity to sincerely thank all for their dedication, sacrifice and commitment to public service.

Mr. Adan Harun

Chief Officer/ Finance and Economic Planning

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Abbreviations and Acronyms

| | |
|--------------|--|
| CA | County Assembly |
| CBR | Central Bank Rate |
| CBROP | County Budget Review and Outlook Paper |
| CFSP | County Fiscal Strategy Paper |
| CIDP | County Integrated Development Plan |
| CPI | Consumer Price Index |
| FY | Financial Year |
| GDP | Gross Domestic Product |
| IFMIS | Integrated Financial Management Information System |
| MTEF | Medium Term Expenditure Framework |

Preamble

Legal Basis for the Publication of the County Budget Review and Outlook Paper

The Garissa County Budget Review and Outlook Paper was prepared in accordance with section 118 of the Public Finance Management Act, 2012 which states that:

1. A County Treasury shall prepare and submit a County Budget Review and Outlook Paper (CBROP) to the County executive committee for approval by 30th September each financial year.

The CBROP shall include;

- a) Details of actual fiscal performance in the previous financial year compared to the budget appropriation for that year;
- b) Updated financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper (CFSP);
- c) Information on any changes in the forecasts compared with the CFSP or actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles or the financial objectives in the CFSP for that year; and
- d) The reasons for any deviation from the financial objectives in the CFSP together with proposals to address the deviations and the time estimated for doing so.

2. The County Executive Committee shall consider the CBROP with a view to approving it, with or without amendments within fourteen days after its submission.

3. Not later than seven days after the CBROP has been approved by County Executive Committee, the County Treasury shall:

- a) Arrange for the CBROP to be laid before the County Assembly; and
- b) Publish and publicize the paper as soon as practicable.

Fiscal Responsibility Principles in the Public Financial Management Act

Section 107 of the Public Finance Management (PFM) Act 2012 sets out the fiscal responsibility principles to ensure prudent and transparent management of county resources. The PFM Act states that:

- i. The county government's recurrent expenditure shall not exceed the county government's total revenue;
- ii. Over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;
- iii. The county government's expenditures on wages and benefits shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive Member for finance in regulations approved by the County Assembly;
- iv. 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;
- v. The county debt shall be maintained at a sustainable level as approved by the County Assembly (CA);
- vi. Fiscal risks shall be managed prudently; and
- vii. A reasonable degree of the 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 INTRODUCTION

Background

1. The Garissa County Budget Review and Outlook Paper (CBROP) is prepared under the provisions of the Public Financial Management Act, 2012. In line with this Act, the CBROP contains a review of the fiscal performance of the financial year 2014/2015, updated macroeconomic forecasts and information on the changes in the forecasts compared with the financial year 2014/2015 county budget. The paper also contains actual financial performance for the previous financial year 2014/2015.

Objectives of CBROP

2. It provides a review of the previous fiscal performance and how it impacts on the financial objectives and fiscal responsibility principles as set out in the PFM Act, 2012. This together with an updated macroeconomic outlook provides a basis for revision of the current budget in the context of Supplementary Estimates and the broad fiscal parameters underpinning the next budget and the medium term. Details of the fiscal framework and the medium term policy priorities will be firmed up in the County Fiscal Strategy Paper 2016.

3. The CBROP is a key document in linking up of policy, planning and budgeting. It is embedded on the Kenya's Vision 2030 through the Second Medium Term Plan (MTP) and the Garissa County Integrated Development Plan (CIDP). The CBROP will be firmed up in the County Fiscal Strategy Paper (CFSP), 2016 to reflect any changes in the economic and financial conditions.

4. The CBROP is organized into the following sections: review of the fiscal performance in the Financial Year 2019/2020 and its implications on the financial objectives set out in the County Fiscal Strategy Paper, CFSP; highlights on recent economic developments and outlook; resource allocation framework; and the conclusion.

II REVIEW OF FISCAL PERFORMANCE IN 2014/2015

A. Overview

5. The fiscal performance in 2019/2020 was satisfactory in that we had an absorption rate of 91% in which 51% of total actual expenditure were spent on salaries , 14 % operations & maintenance and 27 percent of total expenditure were spent on development . The county had a local collection performance of 72% .

B. 2019/20 Fiscal Performance

6. Table 1 presents the fiscal performance for the Financial Year 2019/20 and the deviation from the revised budget estimates.

Table 1: Fiscal Performance

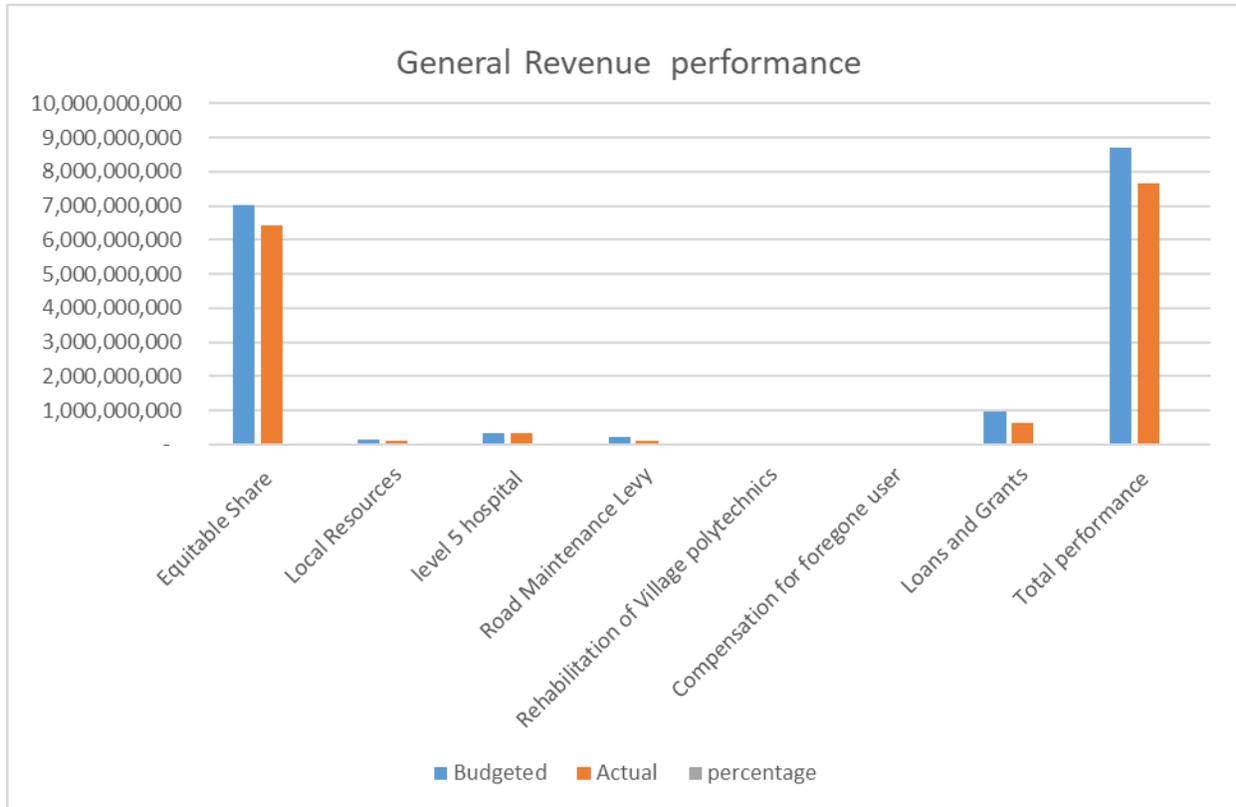
| REVENUE | 2019/20(Ksh) | 2019/20(Ksh) | 2019/20(Ksh) |
|---|--------------------------|-------------------------|--------------|
| Equitable Share | 7,026,300,000 | 6,422,038,200 | 91% |
| Local Resources | 150,000,000 | 109,915,818.00 | 73% |
| level 5 hospital | 344,739,884 | 344,739,885.00 | 100% |
| <i>Road Maintenance Levy</i> | <i>199,446,188</i> | 99,723,094.00 | 50% |
| <i>Rehabilitation of Village polytechnics</i> | <i>20,628,298</i> | 20,628,298.00 | 100% |
| <i>Compensation for foregone user</i> | <i>12,964,636</i> | 12,964,636 | 100% |
| <i>lease of medical equipemnts</i> | <i>131,914,894</i> | | |
| Loans and Grants | 960,008,383 | 628,661,336.00 | 65% |
| 2018/19 Balance c/f | 2,022,378,994 | 968,501,809.00 | 48% |
| Total Revenue | 10,868,381,277.00 | 8,607,173,076 | 79% |
| Salary | 4,214,443,994 | 4,197,926,626.00 | 100% |
| O&M/ Others | 1,446,041,244.00 | 1,122,930,295.00 | 78% |
| Development | 4,451,493,999.00 | 2,203,167,161 | 49% |
| County assembly salaries and operations | 756,402,040 | 745,000,000 | 98% |
| Total Expenditure | 10,868,381,277 | 8,269,024,082.00 | 76% |

Source: County Treasury

Total Revenue performance

The equitable share is the biggest share of the county revenue contributing 84% percent of the total county revenue in 2019-2020 budget followed by grants contributing 8% of the total revenue, level 5 hospital 5% and local revenue contributing 1% of the the total county revenue.

Interns of the overall target the county had an overall performance of 76% against the budgeted in 2019-2020 .



Local Revenue Performance

Revenue from local sources amounted to Kes.108 million against the target of Ksh.150 million representing a performance of 72% percent . the county had experienced the following challenges and made proposal for way forward.

Challenges in revenue collection

1. Trucking of gypsum traders and transporters and ensuring all payments are paid electronically has created accountability and growth in that revenue stream.
2. Almost all revenue streams were affected directly or indirectly by the Covid 19 pandemic due to slowing down of the economy, travel restrictions and the nationwide curfews
3. Receipt books printing got delays hence affecting smooth running of revenue activities

4. Due to the draught that was experience in the region in the better part of the year. Livestock markets in the county performed below the targeted revenues
5. The collection from the bridge and market cess drastically reduced because of reduced business activities in the town, reduced construction work and market activities.
6. Land rates collection activities were not properly implemented due to lack of valuation roll and the proposed changes in the department of land registry.
7. Cost sharing from all the health centers were affected by the Covid 19 pandemic as fewer patients were seeking services from health centers due to fear and stigma.

WAY FORWARD

1. Automation of revenue collection and management
2. Valuation roll to be prepared and new land rate management information system be pronounced and installed.
3. All health centers and the county referral hospital to be installed with a health management information system that will store data and avoid revenue lost
4. Printing of receipt books to be done from government printers with a government to government agreement with a seamless process.

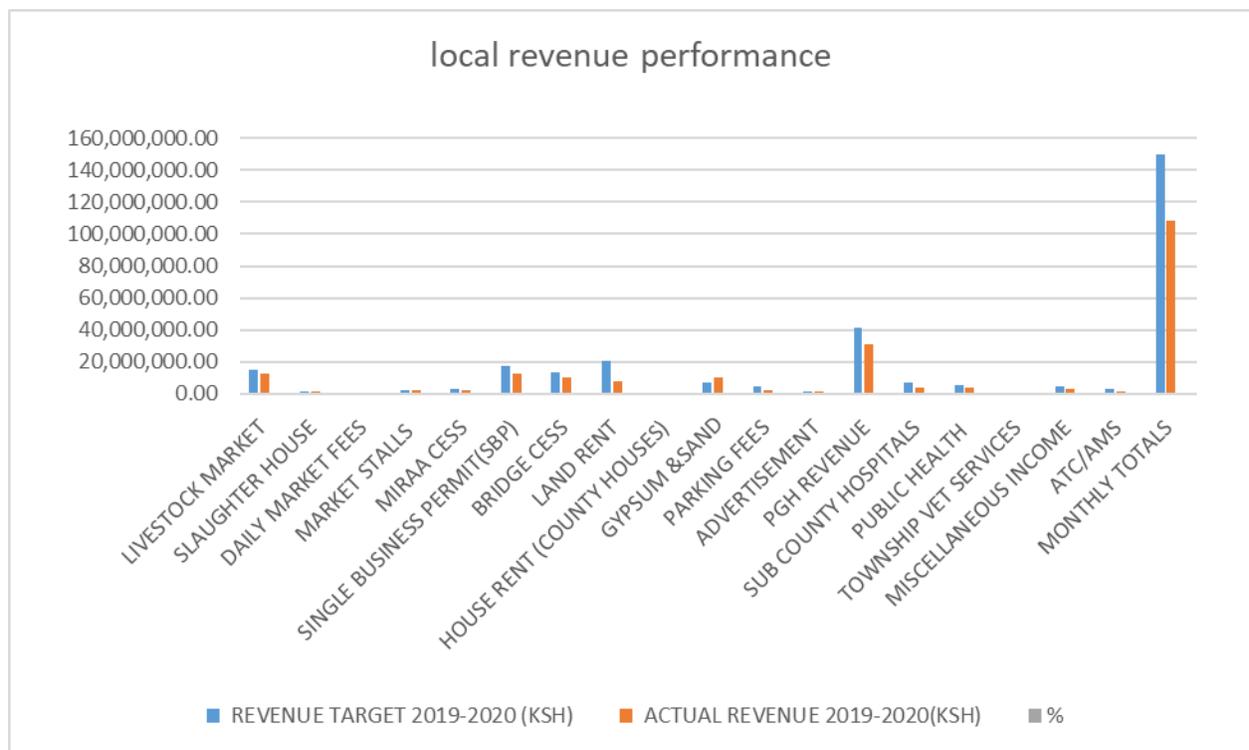
Table 2 shows the various local revenue sources and estimated and actual performance in local revenue collection.

Table 2: Revenue 2019/20120

| REVENUE STREAM | REVENUE TARGET 2019-2020 (KSH) | ACTUAL REVENUE 2019-2020(KSH) | % |
|-----------------------------|--------------------------------|-------------------------------|------|
| LIVESTOCK MARKET | 15,000,000.00 | 12,958,785.00 | 86% |
| SLAUGHTER HOUSE | 1,380,000.00 | 1,158,000.00 | 84% |
| DAILY MARKET FEES | 650,000.00 | 577,030.00 | 89% |
| MARKET STALLS | 2,500,000.00 | 1,926,200.00 | 77% |
| MIRAA CESS | 3,000,000.00 | 2,552,100.00 | 85% |
| SINGLE BUSINESS PERMIT(SBP) | 17,040,000.00 | 12,803,182.00 | 75% |
| BRIDGE CESS | 13,565,000.00 | 9,969,264.00 | 73% |
| LAND RENT | 20,600,000.00 | 7,888,702.00 | 38% |
| HOUSE RENT (COUNTY HOUSES) | 1,000,000.00 | 453,700.00 | 45% |
| GYPSUM & SAND | 7,050,000.00 | 10,320,736.00 | 146% |
| PARKING FEES | 4,500,000.00 | 2,459,985.00 | 55% |
| ADVERTISEMENT | 1,650,000.00 | 1,099,000.00 | 67% |
| PGH REVENUE | 41,350,000.00 | 30,862,608.00 | 75% |
| SUB COUNTY HOSPITALS | 7,000,000.00 | 4,015,805.00 | 57% |

| | | | |
|-----------------------|-----------------------|-----------------------|------------|
| PUBLIC HEALTH | 5,165,000.00 | 4,106,039.00 | 79% |
| TOWNSHIP VET SERVICES | 1,050,000.00 | 784,690.00 | 75% |
| MISCELLANEOUS INCOME | 4,500,000.00 | 3,026,842.00 | 67% |
| ATC/AMS | 3,000,000.00 | 1,135,590.00 | 38% |
| MONTHLY TOTALS | 150,000,000.00 | 108,098,258.00 | 72% |

Graph on local revenue performance



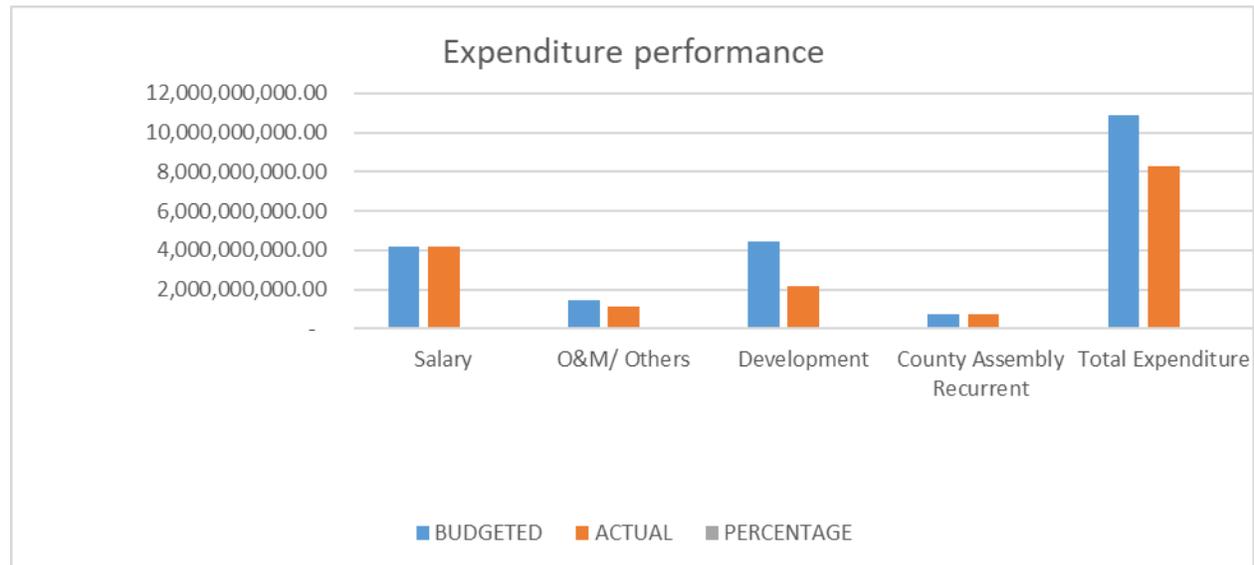
Expenditure Performance

In the Financial Year 2019/2020, total expenditure amounted to Ksh 8.2 Billion against budget Ksh. **10 billion with salary taking 51% of the total revenue other** Recurrent expenditure of the executive 14% , development expenditure taking 27% of the overall budget and assembly 9% of the budget .

Table on expenditure performance

| | BUDGETED | ACTUAL | PERCENTAGE |
|---------------------------|-------------------|------------------|------------|
| Salary | 4,214,443,994.00 | 4,197,926,626.00 | 51% |
| O&M/ Others | 1,446,041,244.00 | 1,122,930,295.00 | 14% |
| Development | 4,451,493,999.00 | 2,203,167,161.00 | 27% |
| County Assembly Recurrent | 756,402,040.00 | 745,000,000.00 | 9% |
| Total Expenditure | 10,868,381,277.00 | 8,269,024,082.00 | 100% |

Expenditure graph 2019-2020



C. Implication of 2019/20 Fiscal Performance on Fiscal Responsibility Principle and Financial Objectives Contained in the 2020 CFSP

1. The performance in the FY 2019/20 has affected the financial objectives set out in the Budget for FY 2020/2021 in the following ways:

- i. The macroeconomic assumptions underpinning the 2020/2021 budget and medium term will need to be modified in light of the slower-than-envisaged real GDP growth and the significant deceleration in inflation;
- ii. The base for revenue and expenditure projections has changed implying the need for adjustment in the fiscal aggregates for the current budget and the medium-term; and
- iii. Taking into account the slower pace of execution of the budget by the departments resulting from the uncertainty surrounding release of funds by the National Treasury, the baseline ceilings for spending agencies will be adjusted.

2. Given the above deviations, the revision in revenues and expenditures will be based on the revised macroeconomic assumptions which will be firmed up in the context of the County Fiscal Strategy Paper. The County Government will not deviate from the fiscal responsibility principles, but will make appropriate modification to the financial objectives to be contained in The CFSP to reflect the changed circumstances.

II. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

7. The macroeconomic environment has continued to be uncertain because of COVID 19 pandemic. Therefore, macroeconomic outlook remains unfavorable depending on the risk posed by COVID 19 pandemic.

A. Recent Economic Developments

8. Recent developments in key macroeconomic variables are discouraging. The country's Gross Domestic Product (GDP) is expected to contract to 4.9% in 2020 compared to GDP of 5.5% in the previous years this was as a result of COVID 19.

9. Overall inflation declined from 5% in August 2019 to 4.4% in August 2020. This was largely attributed to improved supply of basic foodstuffs as a result of favorable weather conditions and stable domestic prices.

10. Short-term interest rates remained fairly low and stable. The Central Bank Rate was retained at 7.0 percent on July 29, 2020 same as in April 2020 to signal lower lending rates in order to support credit access by borrowers especially the Small and Medium Enterprises distressed by Covid-19 pandemic

11. The foreign exchange market has experienced some volatility in 2020, largely due to uncertainties with regard to the impact of Covid-19 Pandemic and a significant strengthening of the US Dollar in the global markets. However, the Kenya Shilling remained competitive supported by a stable current account deficit

B. Overview of Recent Developments

12. The decrease in inflation rate meant that consumers and businesses are better able to make long-range plans because they know that the purchasing power of their money will hold and will not be steadily eroded year after year. Additionally, low inflation also means lower nominal and real (inflation-adjusted) interest rates. Lower real interest rates reduce the cost of borrowing. This in turn has not helped expansion of business because of fear of COVID 19 impact .

13. As a result of COVID 19 borrowing appetite of the private sector reduced and new investments halted. most of the private sector enterprises have negotiated and rescheduled their loan payments for fear of default.

14. The County Government is committed to sustain economic growth by deepening and widening the agricultural base in Garissa. This will mainly be done along the River Tana through expansion of the irrigation infrastructure. It is the belief of the County's political leadership that this is the path to the revitalization of the county's economy and consequently to sustainable employment creation and empowerment of the county's citizens. The County Government has expanded agricultural growth through the supply of certified seeds, water pumps etc .

Livestock development and value addition to livestock products continues through improved access to livestock markets such as construction and repairs of existing livestock sale yards, availability of livestock feeds through production and conservation of pasture and fodder, improved animal health and general disease control.

To further spur economic growth and propel the county to higher levels of development, the county government intends to promote youth, woman and people with disability investment opportunities and trade by launching and allocation ksh 100 million for revevolving funds.

15. The roads sub sector is one of the least developed in the county with only 21.5 km under bitumen; 304 km under gravel and 1,479 km of earth surface. The county government has in the recent past continued to upgrade/rehabilitate roads within the Garissa town and its environs. In the coming year a large percentage of the county's funds will be committed in the road sub sector.

16. Garissa is a water scarce county. It heavily relies on river-based water supply schemes, water pans and boreholes. Approximately 76.2% of the population is water insecure. The county government will continue to invest in water infrastructure especially by constructing both medium and mega dams and pans in strategic places to harvest rain waters.

17. Education sector has been given special attention in the wake of the insecurity, COVID 19 and strikes that led to the desertation of non locals from their duties-PTA and ECD teachers were engaged to supplement the few local teachers in order to continue with the eradication of illiteracy over the medium term.

18. Conservation of the environment has also been undertaken through planting of more trees and beautification of the towns in the county.

C. Progress Report on Budget Implementation

19 The county is in the process of implementing the 2020/21 budget. The county treasury had already uploaded the 2020/21 budget and procurement plan prepared and also loaded and its ready for implementation although challenge exist at senate for county revenue allocation stalemate

28.In terms of expenditure the county has so far expended nothing as no release of county has been made by treasury and this was occasioned by county Revenue stalemate.

D. Economic Outlook and Policies

Growth prospects

20. The national GDP growth will still have replica effect on the counties. Although the COVID 19 challenge Economic growth exist to both the national and county government. The council governors have formed county response to COVID 19 steering committee which is expected to propose a raft of measures to mitigate COVID negative effects.

21. Growth will be based on increased acreage under irrigated agriculture and massive investment in infrastructure especially in opening up rural access roads. Inter-county trade will be enhanced through the development of business friendly policies. Investment in the water sector will also have a positive impact on the county's economy both in the short and in the long run. Finally, security situation is expected to improve further following increased collaboration between the security agencies and the public and the raft of measures aimed at restoring the investor confidence in Garissa town and county at large.

Inflation outlook

22. Nationally, inflation rate will obviously have effect on the county. This will affect purchasing power of the people.

E. Medium Term Fiscal Framework

23. The County's fiscal policy objective will be to focus on government spending in the coming year and in the medium term on efforts to expand the county's five key sectors of Infrastructure, Agriculture, Health, Water and Education. To ensure sustainable resource usage, other sector allocations will be reduced to appropriate levels. Prudent fiscal policy is the key to maintaining economic stability in the county. The County Government is committed to operating within the approved fiscal framework. The county will continue maintaining a strong revenue mobilization effort. The economic agenda will continue being premised on inclusive and sustainable growth that opens economic opportunities and provide a better future for all residents of the county.

24. The county will continue to maintain a balanced budget in the medium term. This will be followed by prudent financial management to ensure that all planned projects are implemented.

25. In the 2020/21 financial year, the county expects to collect Ksh. 150 from local revenue sources. In order to attain the target for local revenue a number of measures need to be taken. These include;

- i. Full implementation of the 2020/21 Finance Bill;
- ii. Widening of the tax base;
- iii. Tax incentives and relief;
- iv. Measures to prevent non remittance of collected revenue;
- v. Automation of the tax collection;

26. On the expenditure, the county shall adopt prudent rationalization to improve efficiency and reduce wastage. The top three expenditure items include development; salaries and wages; and operations and maintenance. In the medium term the government expects to carry out austerity measures to maintain the recurrent expenditure to manageable level.

F. Risks to the Fiscal Framework

27. The risks to the outlook for FY 2020/21 and medium-term include COVID 19 pandemic which might lead to weakening of the Shilling as compared to other global major currencies and rising inflation, job losses. These will have an effect to both national and county government.

28. Unfavorable weather conditions including erratic rainfall pattern coupled with and floods might halt construction works or even wash away some of the recently commissioned projects is a major risk.

29. Insecurity has been a challenge especially Garissa county having faced spate of attacks claimed by Islamist group Al-Shabaab and the subsequent flight of non locals leaving many sectors such as schools and patients in hospital been left unattended to still pose a threat to progress.

IV. RESOURCE ALLOCATION FRAMEWORK

A. Adjustment to 2020/21 Budget

30. With reference to the performance of county budget in 2019/2020 and the national macroeconomic outlook, the risks to the FY 2020/21 budget include reduced development expenditure that will impact negatively on the county's economic growth. Expenditure pressures, especially recurrent, pose a fiscal risk. Wage pressure is the main reason for inadequate allocations to development expenditure.

In addition, implementation pace in the spending units continues to be a source of concern especially with regard to the development expenditures. These risks will be monitored closely and the county government would take appropriate measures in the context of the next supplementary budget.

31. Adjustments to the 2020/21 budget will take into account actual performance of expenditure so far and absorption capacity in the remainder of the financial year. In the face of expenditure pressures, the county government will rationalize its operation by cutting non priority items. However, the resources for development will be utilized in the planned projects.

32. On revenue, the county will fully implement the 2020/21 Finance Bill once it is enacted into law. The government aims to expand the tax base and further seal avenues for financial leakages. Similarly, full automation of revenue collection system and processes in the county should be enhanced to eliminate existing leakages.

B. Medium-Term Expenditure Framework (MTEF)

33. Going forward, and in view of the county's economic outlook, MTEF budgeting will entail adjusting non-priority expenditures to cater for the priority sectors. The County Integrated Development Plan is revision has been completed (CIDP) and it be launched this financial year, together with the county department's sectoral plans priorities will guide resource allocation.

34. The priority county sectors of health, water, agriculture, education and infrastructure will continue to receive adequate resources. These sectors are already receiving a significant share of county resources and are required to utilize them more efficiently to generate fiscal space to accommodate other strategic interventions in the county.

35. Specifically, the county government has prioritized key strategic interventions across all the sectors as a way of accelerating economic and social transformation to improve quality of life of its citizenly. The main areas of interventions cover food security, improved access to quality health care, engagement of PTA/BOG and ECD teachers in the interim to fill the voids created by insecurity while working on a long solution to resolve the same and improved mobility by opening up of rural access roads, empowering youth and women .

36. Reflecting the above medium-term expenditure framework, the table below provides the tentative projected baseline ceilings for the 2020/21-2021/20 MTEF budget, classified by departments including ceilings as per the County Fiscal Strategy Paper (CFSP)

Table 3: Total program Ceilings for the MTEF Period 2020/21-2021/2022,2022/2023 source :county treasury

| Agriculture, Livestock & Cooperatives | Estimates | Projection | Projection |
|--|--------------------|--------------------|--------------------|
| Programs | 2020/2021 | 2021/2022 | 2022/2023 |
| CP1: Agriculture | 576,722,644 | 604,568,765 | 635,279,136 |
| CSP 1.1 Administrative and Support Services | 575,522,644 | 540,308,765 | 465,827,136 |
| CSP 1.2 Extension Support Services and Exhibitions | 1,200,000 | 1,260,000 | 1,452,000 |
| CSP 1.3 Agricultural Farm Inputs & Machinery | 0 | 0 | 0 |
| CP2: Livestock Production | 79,645,730 | 83,628,017 | 87,809,418 |
| CSP 2.1 Administrative and Support Services | 55,745,730 | 58,533,017 | 61,459,668 |
| CSP 2.2 Livestock Production | 5,550,000 | 5,827,500 | 6,118,875 |
| CSP 2.3 Veterinary Services | 18,350,000 | 19,267,500 | 20,230,875 |
| CP3: Fish production | 200,000 | 210,000 | 220,500 |
| CSP 3.1 Fisheries services | 200,000 | 210,000 | 220,500 |
| CP4: Co-operatives | 600,000 | 630,000 | 661,500 |
| CSP 4.1 Co-operatives Development | 600,000 | 630,000 | 661,500 |
| Total | 657,168,374 | 689,036,781 | 724,338,620 |

| Gender, Social Services & Sports | Estimates | Projection | Projection |
|--|--------------------|--------------------|--------------------|
| Programs | 2020/2021 | 2021/2022 | 2022/2023 |
| CP 1 Culture, Women & Youth | 146,200,432 | 148,260,454 | 155,673,476 |
| CSP 1.1 Administrative and Support Services | 141,411,832 | 143,232,424 | 150,394,045 |
| CSP 1.2 Social Protection, Cultural Promotion & Preservation | 1,025,000 | 1,076,250 | 1,130,063 |
| CSP 1.3 Youth & Sports | 3,763,600 | 3,951,780 | 4,149,369 |
| Total | 146,200,432 | 148,260,454 | 155,673,476 |

| Roads and Transport | Estimates | Projection | Projection |
|--|--------------------|--------------------|--------------------|
| Programs | 2020/2021 | 2021/2022 | 2022/2023 |
| CP1: Roads and Transport | 549,188,285 | 367,229,202 | 385,590,662 |
| CSP1.1 Administration and Support Services | 37,906,400 | 39,801,720 | 41,791,806 |
| CSP 1.2 Roads and Transport | 511,281,885 | 327,427,482 | 343,798,856 |
| Total | 549,188,285 | 367,229,202 | 385,590,662 |

| Education and Labour | Estimates | Projection | Projection |
|---|--------------------|--------------------|--------------------|
| Programs | 2020/2021 | 2021/2022 | 2022/2023 |
| CP 1 Education | 578,844,550 | 607,786,778 | 638,176,116 |
| CSP 1.1 Administration and Support Services | 493,889,663 | 518,584,146 | 544,513,353 |
| CSP 1.2 E.C.D | 59,453,793 | 62,426,483 | 65,547,807 |
| CSP 1.3 Vocational Training | 25,501,094 | 26,776,149 | 28,114,956 |
| CP 2 Labour | 213,274,211 | 192,437,922 | 202,059,818 |
| CSP 2.1 Human Resources | 189,991,478 | 167,991,052 | 176,390,604 |
| ICT & Libraries | 23,282,733 | 24,446,870 | 25,669,213 |
| Total | 792,118,761 | 800,224,699 | 840,235,934 |

| Environment, Energy and Natural Resources | Estimates | Projection | Projection |
|--|-------------------|-------------------|-------------------|
| Programs | 2020/2021 | 2021/2022 | 2022/2023 |
| CP 1 Administration and Support Services | 59,243,025 | 62,205,176 | 65,315,435 |
| CSP 1.1 Administration and Support Services | 59,243,025 | 62,205,176 | 65,315,435 |
| CP 2 Environment and Natural Resources | 2,700,000 | 2,835,000 | 2,976,750 |
| CSP 2.1 Environmental management system | 1,100,000 | 1,155,000 | 1,212,750 |
| CSP 2.2 Natural resource management | 1,600,000 | 1,680,000 | 1,764,000 |
| CP3 Energy Development | 1,205,000 | 1,265,250 | 1,328,513 |

| | | | |
|----------------------------|-------------------|-------------------|-------------------|
| CSP 3.1 Energy development | 1,205,000 | 1,265,250 | 1,328,513 |
| Total | 63,148,025 | 66,305,426 | 69,620,698 |

| Lands, Urban Development, Housing & Public Works | Estimates | Projection | Projection |
|---|--------------------|--------------------|--------------------|
| Programs | 2020/2021 | 2021/2022 | 2022/2023 |
| CP 1: Administration | 268,500,000 | 281,925,000 | 296,021,250 |
| CSP 1.1 Administration & Support Services | 268,500,000 | 281,925,000 | 296,021,250 |
| CP 2: Lands & Housing | 30,574,997 | 32,103,747 | 33,708,934 |
| CSP 2.1 Lands | 8,000,000 | 8,400,000 | 8,820,000 |
| CSP 2.2 Housing and works | 22,574,997 | 23,703,747 | 24,888,934 |
| CP 3: Urban Development | 2,514,626 | 2,640,357 | 2,772,375 |
| CSP 3.1 Urban Planning and Disaster Management | 1,614,626 | 1,695,357 | 1,780,125 |
| CSP 3.2 Urban Sanitation and Development | 900,000 | 945,000 | 992,250 |
| Total | 301,589,623 | 316,669,104 | 332,502,559 |

| Finance, Revenue & Economic Planning | Estimates | Projection | Projection |
|--|----------------------|----------------------|----------------------|
| Programs | 2020/2021 | 2021/2022 | 2022/2023 |
| CP1 Administration and support services | 1,615,559,334 | 1,434,846,659 | 1,506,588,992 |
| CSP 1.1 Administrative and Support services | 1,418,580,628 | 1,251,159,659 | 1,313,717,642 |
| CSP 1.2 Special Programmes Services | 196,978,706 | 183,687,000 | 192,871,350 |
| CP2 Public Finance management | 303,000,120 | 318,150,126 | 334,057,632 |
| CSP2.1 Accounting Services | 3,713,739 | 3,899,426 | 4,094,397 |
| CSP2.2 Budget Formulation, Coordination and Management | 6,780,000 | 7,119,000 | 7,474,950 |
| CSP2.3 Audit services | 3,862,600 | 4,055,730 | 4,258,517 |
| CSP2.4 Economic Planning and Monitoring | 34,086,000 | 35,790,300 | 37,579,815 |
| CSP2.5 Revenue Mobilization | 248,927,781 | 261,374,170 | 274,442,879 |
| CSP2.6 Supply Chain Management Services | 5,630,000 | 5,911,500 | 6,207,075 |

| | | | |
|--------------------------------|----------------------|----------------------|----------------------|
| CP3 Donor Co-ordination | 16,780,548 | 17,619,575 | 18,500,554 |
| CSP 3.1 Donor Co-ordination | 16,780,548 | 17,619,575 | 18,500,554 |
| Total | 1,935,340,002 | 1,770,616,361 | 1,859,147,179 |

| Health and Sanitation | Estimates | Projection | Projection |
|--|----------------------|----------------------|----------------------|
| Programs | 2020/2021 | 2021/2022 | 2022/2023 |
| CP 1 Administration and Support Services | 2,246,732,685 | 2,309,824,319 | 2,425,315,535 |
| CSP1.1 Administration and Support Services | 2,246,732,685 | 2,309,824,319 | 2,425,315,535 |
| CP 2 Curative Services | 521,956,762 | 548,054,600 | 575,457,330 |
| CSP 2.1 Medical Products, Appliances and Equipment | 122,500,000 | 128,625,000 | 135,056,250 |
| CSP2.2 Development of Health Facilities | 332,021,277 | 348,622,341 | 366,053,458 |
| CSP 2.3 Referral Services | 67,435,485 | 70,807,259 | 74,347,622 |
| CP 3 Preventive and Promotive Services | 4,216,604 | 4,427,434 | 4,648,806 |
| CSP 3.1 Health Promotion and Campaign | 1,075,645 | 1,129,427 | 1,185,899 |
| CSP 3.2 Public Health Services | 1,618,450 | 1,699,373 | 1,784,341 |
| CSP 3.3 Nutrition | 1,522,509 | 1,598,634 | 1,678,566 |
| Total | 2,785,870,687 | 2,862,306,354 | 3,005,421,671 |

| Trade, Enterprise Development and Tourism | Estimates | Projection | Projection |
|--|--------------------|-------------------|-------------------|
| Programs | 2020/2021 | 2021/2022 | 2022/2023 |
| CP 1 Administration and Support Services | 187,847,996 | 92,240,396 | 96,852,416 |
| CSP 1.1 Administration and Support Services | 85,447,996 | 89,720,396 | 94,206,416 |
| CP 2 Trade and Investments | 100,000,000 | 0 | 0 |
| CSP 2.1 Trade and Development | 2,400,000 | 2,520,000 | 2,646,000 |
| CP 3 Weight & Measures | 1,350,000 | 1,417,500 | 1,488,375 |
| CSP 3.1 Weight and Measures | 1,350,000 | 1,417,500 | 1,488,375 |
| CP 4 Tourism | 802,259 | 842,372 | 884,491 |

| | | | |
|-----------------------------|--------------------|-------------------|-------------------|
| CSP 4.1 Tourism Development | 802,259 | 842,372 | 884,491 |
| Total | 190,000,255 | 94,500,268 | 99,225,281 |

| Water and Irrigation | Estimates | Projection | Projection |
|--|----------------------|--------------------|--------------------|
| Programs | 2020/2021 | 2021/2022 | 2022/2023 |
| CP Water Services | 794,556,361 | 834,284,179 | 875,998,388 |
| CSP1.1 Administration and Support Services | 1,059,556,361 | 246,284,179 | 258,598,388 |
| CSP1.2 Water Infrastructure Development | 825,000,000 | 588,000,000 | 617,400,000 |
| CP2: Irrigation Services | 45,000,000 | 47,250,000 | 49,612,500 |
| CSP 2.1 Irrigation Development | 45,000,000 | 47,250,000 | 49,612,500 |
| Total | 1,104,556,361 | 881,534,179 | 925,610,888 |

| Executive Services | Estimates | Projection | Projection |
|---|--------------------|--------------------|--------------------|
| Programs | 2020/2021 | 2021/2022 | 2022/2023 |
| CP 1 Executive Services | 393,798,645 | 413,488,577 | 434,163,006 |
| CSP 1.1 Governor Operations | 179,400,000 | 188,370,000 | 197,788,500 |
| CSP 1.2 Deputy Governor Operations | 36,120,000 | 37,926,000 | 39,822,300 |
| CSP1.3 County Secretary | 48,656,215 | 51,089,026 | 53,643,477 |
| CSP 1.4 Operations & Sub County Administration | 90,810,000 | 95,350,500 | 100,118,025 |
| CSP 1.5 Intergovernmental & Institutional Relations | 18,812,430 | 19,753,052 | 20,740,704 |
| CSP 1.6 County Attorney | 20,000,000 | 21,000,000 | 22,050,000 |
| Total | 393,798,645 | 413,488,577 | 434,163,006 |

| County Public Service Board | Estimates | Projection | Projection |
|---|-------------------|-------------------|-------------------|
| Programs | 2019/2020 | 2020/2021 | 2021/2022 |
| CP 1 County Public Service Board | 37,072,000 | 38,925,600 | 40,871,880 |
| CSP 1.1 Administrative And Support Services | 37,072,000 | 38,925,600 | 40,871,880 |

| | | | |
|--------------|-------------------|-------------------|-------------------|
| Total | 37,072,000 | 38,925,600 | 40,871,880 |
|--------------|-------------------|-------------------|-------------------|

| Municipality Board | Estimates | Projection | Projection |
|---|--------------------|-------------------|-------------------|
| Programs | 2019/2020 | 2020/2021 | 2021/2022 |
| CP 1 Town Management Board | 314,306,000 | 75,600,000 | 79,380,000 |
| CSP 1.1 Administrative and Support Services | 314,306,000 | 75,600,000 | 79,380,000 |
| Total | 314,306,000 | 75,600,000 | 79,380,000 |

| | | | |
|-------------------------------|-----------------------|----------------------|----------------------|
| County Assembly Budget | 756,402,040 | 794,222,142 | 833,933,249 |
| GRAND TOTAL | 10,176,759,490 | 9,255,919,147 | 9,718,715,104 |

C. 2021/22 Budget framework

38. The 2021/2022 budget framework is set against a background of contracting global Economy occasioned by COVID 19 and also anticipated floods, erratic weather patterns high Inflation and interest rates are expected to bear a direct effect on the county's performance.

Revenue Projections

39. The 2021/22 budget targets will remain same with annual target of ksh150 million . As noted above, this performance will be underpinned by improvement in revenue collection system and processes to eliminate existing leakages.

Expenditure Forecasts

40. In 2021/22, recurrent expenditures are projected at 70% of county's annual budget which is projected figure. Development expenditure is expected to be pegged at 30% on account of devoting more resources to development as required by the PFM Act 2012.

41. Expenditure ceilings on goods and services for departments are based on allocations in the FY 2020/21 budget and more focus will be place on sector absorption. Stringent measures need to be put in place to ensure more resources are allocated to development expenditure over the medium term for attainment of the PFM Act, 2012 minimum requirement of thirty percent. Most of the outlays are expected to support critical infrastructure.