

THE COUNTY GOVERNMENT OF TAITA TAVETA



MEDIUM TERM

2020 COUNTY FISCAL STRATEGY PAPER

“Accelerated socio-economic Transformation for all DATUZENS and residents
of Taita Taveta County”

FEBRUARY 2020

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The document is also available on the County Government website: www.taitataveta.go.ke

FOREWORD

The 2020 Taita Taveta County Fiscal Strategy Paper sets out the framework for the preparation of the 2020/21 budget in accordance with Section 117 of the Public Finance Management Act, 2012. It articulates key economic policies and fiscal strategies as well as sector-based expenditure programs that the County intends to implement for the realization of the County Integrated Development Plan(CIDP) 2018-2022.

The Medium-Term Expenditure Framework aims at ensuring efficiency and effectiveness in the implementation of the development activities outlined in the 2019 County Annual Development Plan(CADP). This is aimed at creating a conducive fiscal environment, adequate for financing of priority programmes and projects by the departments in the County.

The County Government is dedicated towards prudently utilizing the available resources and enhancing fiscal discipline so as to improve the living standards of the people. The County Government will continue to implement policies aimed at ensuring food and nutrition security, promotion of value addition, investment in infrastructure and support especially the small and medium enterprises so as to expand employment opportunities.

The County government will continue to pursue strategic measures aimed at tackling numerous structural, fiscal and human resources related challenges. These challenges include:

- a. Low Own Source Revenue(OSR) generation which in turn hinder development expenditure
- b. Huge amounts of pending bills on projects, stalled and abandoned projects as a result of poor budgeting and expenditure management as well as disregard to the provisions of the PFM Act,2012

The County government will continue to engage with the National Government and various Donor agencies to bridge the financial gap especially in critical areas of water, health and infrastructure.

This strategic paper is divided into 4 chapters:

Chapter 1 gives the general overview and rationale for preparation of this document. It also highlights the major achievements made and challenges faced by the county government. The chapter outlines the fiscal performance of the county in-terms of revenue generation and expenditure analysis.

Chapter 2 outlines the economic context in which the 2020-2021 MTEF budget will be prepared. It provides an overview of the recent economic development and macro-

economic outlook covering the national and county scene. It further provides a basis for the projections of revenue and expenditure for FY 2020-2021 and the medium term.

Chapter 3 outlines the fiscal framework under which the 2020/2021 budget will be based. It briefly highlights the county's resource envelop for FY 2020/2021 and further presents the spending priorities for the next budget.

Chapter 4 finally presents the sectors and departmental spending ceilings for 2020/21 budget and the medium term.

Hon Andrew Kubo Mlawasi

COUNTY EXECUTIVE COMMITTEE MEMBER-FINANCE AND PLANNING.

ACKNOWLEDGEMENTS

The 2020 Taita Taveta County Fiscal Strategy Paper is informed by the Public Finance Management Act, 2012 Section 117 (1) which stipulates that the County Treasury should each year prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved County Fiscal Strategy Paper to the County Assembly, by 28th February each year. It sets out broad strategic priorities and policy goals that will guide the County Government in preparing its budget over the medium term and for the Financial Year 2020/21.

We are particularly grateful to His Excellency the Governor for his lead role, direction and guidance in developing this document; Her Excellency the Deputy Governor, County Executive Committee Members led by Andrew Kubo Mlawasi- CECM-Finance and Economic Planning are also highly appreciated providing leadership during the public consultative forums. Special gratitude goes to all Chief Officers for their input in providing the much-needed information. The role played by the County Budget and Economic Forum (CBEF) is also equally appreciated.

Special gratitude is extended to members of the technical secretariat whose contribution in this paper is immense. These include; Benjamin Odago-Planning and Budgeting, Josephine Kache - Budget Accountant and other Budget and Planning staff.

We remain grateful to all Sub-county and Ward Administrators for coordinating and moderating the public consultative forums at ward levels.

Lastly is to express appreciation to Civil Society organizations, Local leaders, the general public and all other stakeholders who took their time to participate in providing vital information in the various meetings.

Finally, it is our sincere hope that this Fiscal Strategy Paper would serve to guide the budget making process for the 2019/2020 financial year.

CPA Leonard Langat
County Chief Officer, Finance and Economic Planning

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LIST OF ACRONYMS AND ABBREVIATIONS

AiA	Appropriation in Aid
BPS	Budget Policy Statement
CA	County Assembly
CADP	County Annual Development Plan
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy Paper
CPI	Consumer Price Index
CPSB	County Public Service Board
EU	European Union
FNS	Food and Nutrition Security
FY	Financial Year
GDP	Gross Domestic Product
KNBS	Kenya National Bureau of Statistics
KPA	Kenya Ports Authority
KRA	Kenya Revenue Authority
Kshs	Kenya Shillings
MTEF	Medium Term Expenditure Framework
MTP	Medium-Term Plan
OSR	Own-Source Revenue
PFMA	Public Financial Management Act
PPP	Public Private Partnership
SBP	Single Business Permit
SGR	Standard Gauge Railway
SWG	Sector Working Groups

LEGAL BASIS FOR THE PUBLICATION OF THE COUNTY FISCAL STRATEGY PAPER

The County Fiscal Strategy Paper is prepared in accordance with section 117 of The Public Finance Management Act, 2012 which stipulates that:

1. The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval.
 2. The County Treasury shall submit the approved County Fiscal Strategy Paper to the county Assembly by the 28th February in each year.
 3. The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.
 4. In preparing the County Fiscal Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term.
 5. The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.
 6. In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of:-
 - i. The Commission on Revenue Allocation
 - ii. The public
 - iii. Any interested persons or groups; and
 - iv. Any other forum that is established by legislation
7. 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.
8. The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been adopted by the county assembly.

FISCAL RESPONSIBILITY PRINCIPLES IN THE PUBLIC FINANCE MANAGEMENT LAW

The public finance management (PFM) Act, 2012 sets out the following fiscal responsibility principles to ensure prudence and transparency in the management of public resources;

1. The county governments' recurrent expenditures shall not exceed 70% of the total revenue.
2. Over the medium term, a minimum of thirty percent of the county government budget shall be allocated to development expenditures.
3. The county governments' expenditures on wages and benefits for its public officers shall not exceed a percentage of the county governments' total revenue as prescribed by the executive member for finance in regulations and approved by county assembly.
4. Over the medium-term the government borrowing shall be used only for the purpose of financing development expenditures and not recurrent expenditure
5. The county debt shall be maintained at sustainable levels as approved by county assembly
6. The fiscal risks shall be maintained prudently; and
7. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained taking into account any reforms that may be made in the future.

CHAPTER ONE: ACCELERATED SOCIO -ECONOMIC DEVELOPMENT FOR THE COUNTY'S PROSPERITY

Overview

1. This 2020 County Fiscal Strategy Paper (CFSP) is prepared in accordance with the provisions of the Public Financial Management Act, 2012 cap 117 which requires the county treasury to prepare this paper for each financial year.
2. In line with the provisions of the law, the 2020 CFSP presents the fiscal objectives for the FY 2020/21 and medium term. It further highlights the broad strategic priorities and policy goals that will guide the County government in preparing its budget for FY 2020/21 and the medium term.
3. The paper discusses the fiscal performance of the first half(July-December) of FY 2019/2020 budget, which forms the basis for projecting the financial outlook with respect to the County Government's revenues and expenditures for FY 2020/2021 and the Medium Term. It highlights of the recent economic developments and economic outlook; broad strategic priorities and policies for FY 2020/21 as indicated in the 2019 County Annual Development Plan(CADP) and the Medium Term Fiscal Framework as outlined in the County Integrated Development Plan (CIDP) 2018-2022.
4. The County priorities outlined in this paper shall form the basis for formulation of FY 2020/21 budget and the Medium Term. The framework ensures adherence to principles of public finance and fiscal responsibility principles as set out in the Constitution and the Public Finance Management Act, 2012. Specifically, the paper will ensure that the recurrent to development expenditure ratio is been maintained at 70:30 with a bias towards development. It also details how the expenditures will be funded fully from the allocations from the equitable share, Own Source Revenue and Grants from the development partners.
5. During the medium term, the County Government shall be continue giving priority to programmes/projects articulated in the 2018-2022 CIDP and Governor's manifesto.

6. This fiscal strategy paper articulates economic policies and fiscal reforms as well as sector-based expenditure programmes that the county intends to implement in order to achieve its broad development agenda. The proposed fiscal framework ensures continued fiscal discipline and provides support for sustained growth, broad based development and employment growth that benefits all Datuzens.
7. The County Government will build on the comparative advantage in resource availability and enhance fiscal discipline to navigate through the challenges posed by the global and domestic development in order to sustain and improve the resilience of the county economy.
8. With limited resources, the County government will embrace efficiency in resource utilization to make meaningful gains in poverty reduction. The fiscal framework outlined in this Fiscal Strategy Paper (FSP) requires greater fiscal discipline and alignment of resources to priorities. In particular, better control of expenditure and a clear focus on core mandates by county departments will be required. Thus, in preparing the 2020/21 budget, departments will be expected to identify savings that will contribute to financing the county government's targeted outcomes in line with the CIDP 2018-2022.

Objectives of the 2020 County Fiscal Strategy Paper

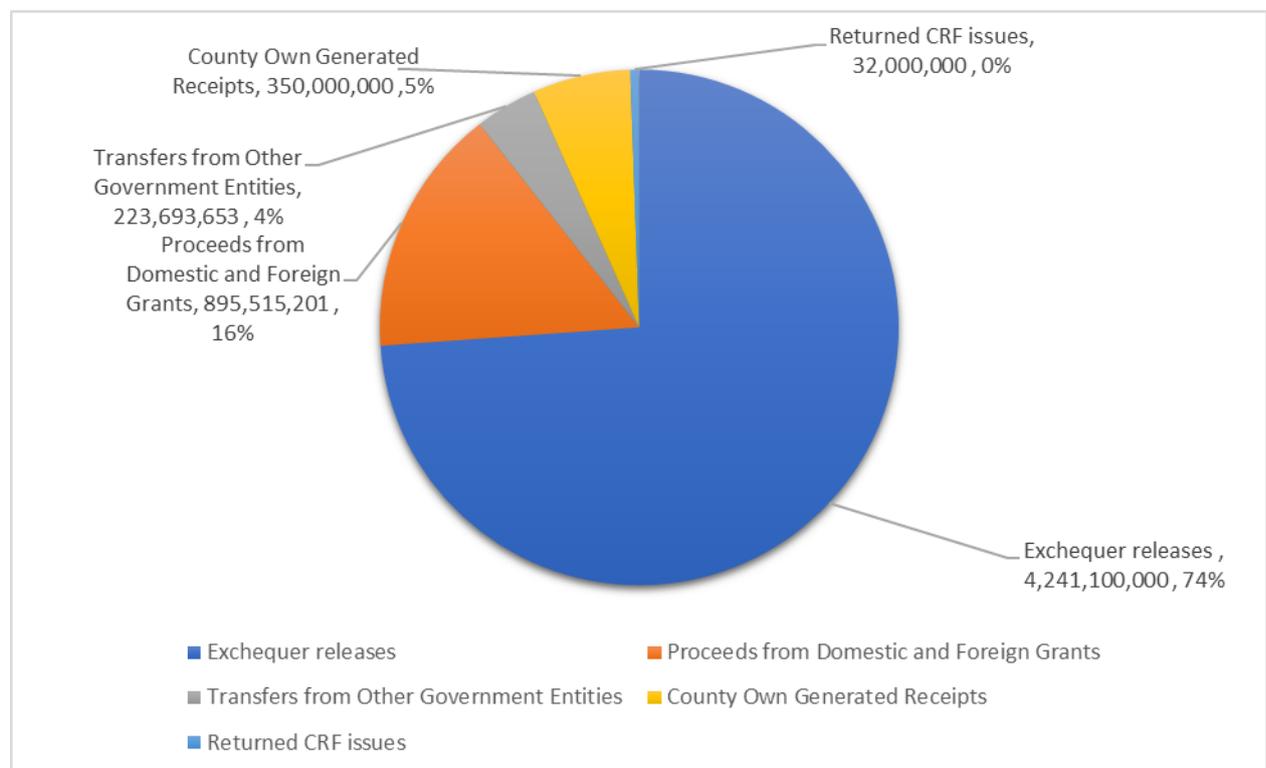
9. The objective of the 2020 County Fiscal Strategy Paper is to set the framework for the preparation of the FY 2020/21 County budget. It is a requirement under section 117 of the Public Finance Management Act, 2012 that each County Treasury shall prepare and submit to the County Executive Committee the Fiscal Strategy Paper for approval, and the County Treasury shall submit the approved Fiscal Strategy Paper to the County Assembly by the 28th February, 2020. This Fiscal Strategy Paper contains the following:
 - a. The principles that will guide the FY 2020/21 budgetary process;
 - b. The broad fiscal parameters for the 2020/21 budget and the key strategies and policies for management of revenues and expenditures;
 - c. The broad strategic priorities and policy goals that will guide the preparation of the budget over the medium term;
 - d. A discussion of risks to the budget parameters;
 - e. The medium-term outlook for county government's revenues and expenditures;
 - f. A discussion of how the Budget Strategies relates to the County priorities as outlined in the County Integrated Development Plan (CIDP) 2018-2022

County’s Fiscal Performance

Revenue Analysis

10. The County Government has two major sources of county revenue to fund its operations; equitable share from National government and Own source revenue. In the FY 2019/20, the County has a projected a total revenue of KShs 5.7 Billion consisting of KShs 350 Million(5%) from own sources and KShs 4.24 Billion(74%) from Equitable share and Kshs 1.19 Billion(21%) as transfers from government entities and conditional grants.

Figure 1: Resource envelope for FY 2019/2020



11. During the period under review, the total amount of receipts was Kshs 1.68 Billion. This consists of Kshs 1.5 Billion as equitable share, Kshs 116 Million as Own source revenue and kshs 57 Million as conditional grants.

12. The actual total Own Source Revenue(OSR) for the first half of FY 2019/20 was Kshs 116 Million comprising of 59 million and 57 million for first and second quarters respectively. This represents a slight decline from the 124 Million generated during a similar period in FY 2018/19.

Table 1 : Flow of revenue from the exchequer per Month

	July - Sep	Oct - Dec	Cumulative	Comparative
	Q1	Q2	Amount	Period 2018/2019
RECEIPTS				
Exchequer releases	737,951,400	763,398,000	1,501,349,400	4,050,600,000
Proceeds from Domestic and Foreign Grants	-	57,720,473	57,720,473	176,884,230
County Own Generated Receipts	59,069,344	57,592,592	116,661,935	332,712,551
Returned CRF issues	79,418	-	79,418	55,128,403
TOTAL RECEIPTS	797,100,161	878,711,065	1,675,811,227	4,848,891,747

Own Source Revenue Analysis

13. The total local revenue collected during the 1st half of FY 2019/20 was Kshs 116 Million marking a 6% decline from Kshs 124 Million reported in FY 2018/19 same period.

Table 2 : Comparative first half Own Source Revenue Performance

	2015/16	2016/17	2017/18	2018/19	2019/2020
Budgeted Amount	155,202,663	169,000,000	169,232,755	105,100,766	175,000,000
Actual Amount	71,930,954	74,485,557	57,847,885	124,248,096	116,661,935
Variance	(83,271,709)	(94,514,443)	(111,384,870)	19,147,330	(58,338,065)

Figure 2 : Comparative Quarterly performance for FY 2020/21

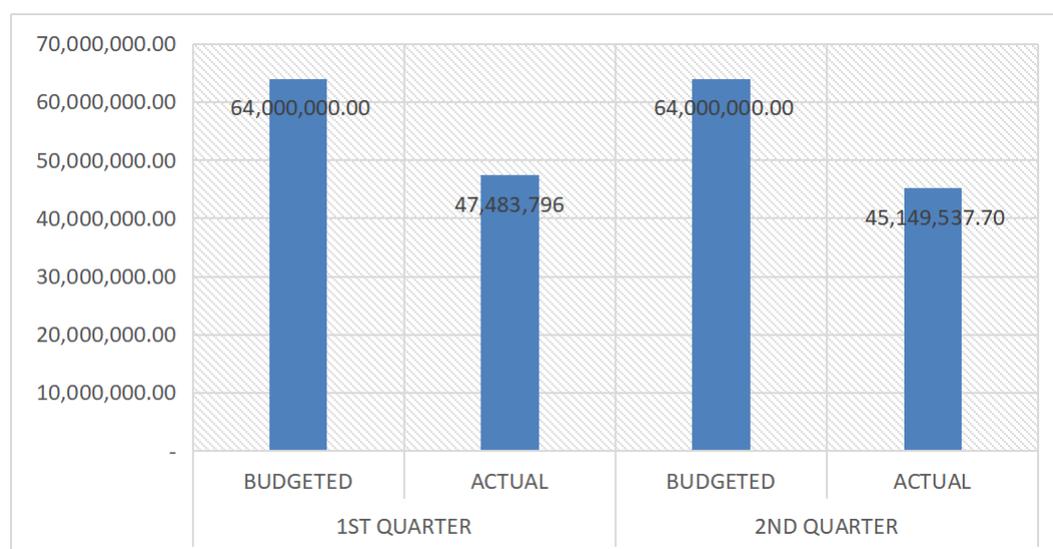
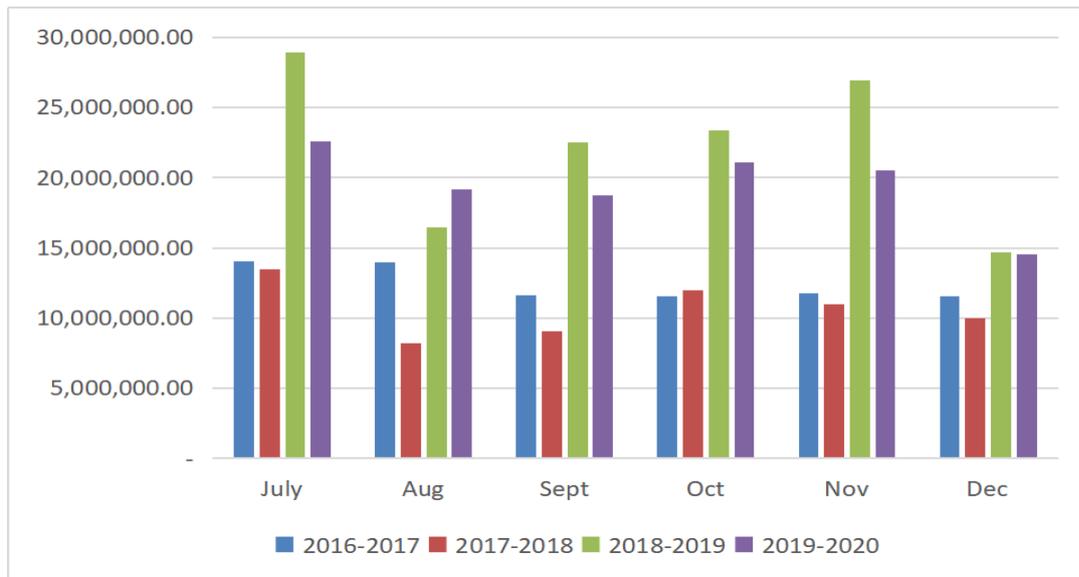


Figure 3: Comparative 1st Half performance



Leading Sources of Revenue

14. Our leading revenue sources in the 1st half were: Market fees-Kshs.14,173,650, General cess-Kshs.12,228,144, Hospital fees-Kshs.12,043,663 and Vehicle parking fees-Kshs.7,316,180.

Table 3: Leading Sources of Revenue

	REVENUE TYPE	DEPARTMENT	1ST QUARTER		2ND QUARTER	
			2018-19	2019-20	2018-19	2019-20
1	MARKET FEES	TRADE	9,803,791	11,913,595	9,415,757	12,978,505
2	HEALTH-HOSPITALS	HEALTH	6,891,087	9,971,536		10,203,910
3	VEHICLE PARKING FEE	PUBLIC WORKS & INFRASTRUCTURE	4,100,431	7,975,510	4,223,344	9,155,024
4	SAND CESS	ENVIRONMENT	1,594,410	1,511,050		2,949,610
5	AGRICULTURAL CESS	FINANCE		1,580,000		2,851,382
6	NATURAL RESOURCES EXPLOITATION	ENVIRONMENT	602,990	908,180	759,749	1,618,200
7	PUBLIC TOILET FEES	ENVIRONMENT		595,360		693,280
8	LIVESTOCK AND VETERINARY	LIVESTOCK	143,810	310,750		500,880

Expenditure

15. The total expenditure for the 1st half ended 31st December, 2019 amounted to KShs 1.5 Billion. Compensation to employees accounted for 52% of the total expenditure

Table 4: Total Expenditure by Type

	Jul- Sept Q1	Oct- Dec Q2	Cumulative Amount	Comparative Period 2019
Compensation of Employees	241,736,652	695,801,226	937,537,878	2,085,861,342
Use of goods and services	12,588,062	180,396,840	192,984,902	1,006,211,459
Transfers to Other Government Units	61,530,020	279,631,907	341,161,928	851,070,794
Other grants and transfers	-	2,813,325	2,813,325	211,721,753
Social Security Benefits	-	5,604,912	5,604,912	10,599,389
Acquisition of Assets	17,962,792	12,344,906	30,307,698	776,052,983
Finance Costs, including Loan Interest	2,170	-	2,170	69,521
Other Payments	-	49,782,444	49,782,444	214,358,837
TOTAL PAYMENTS	333,819,696	1,226,375,560	1,560,195,256	5,155,946,078

16. The total development expenditure for the period stands at Kshs440 Million against Kshs 2.2 Billion expenditure representing absorption of 20.07%

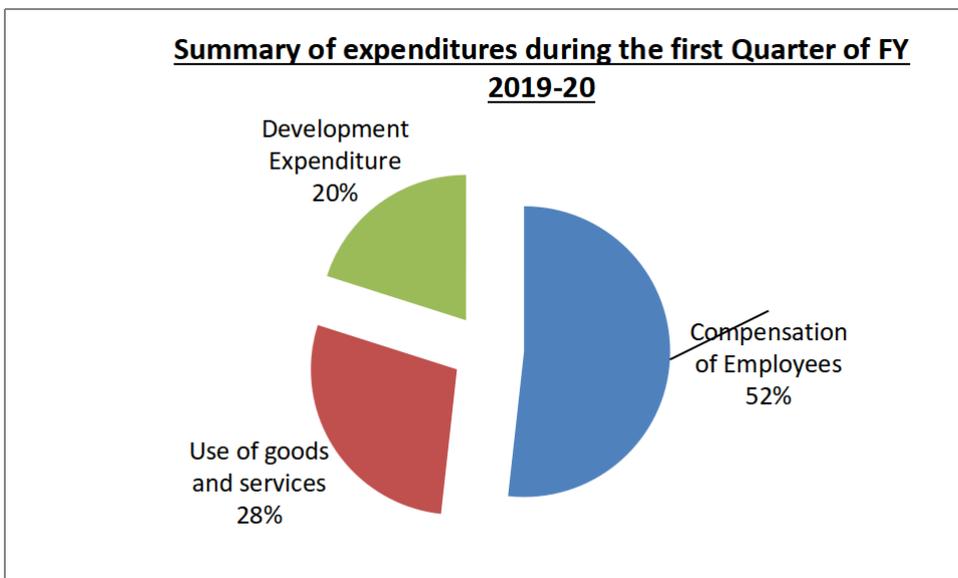
Table 5: Total Expenditure by Department

Department	Approved Budget 2019- 2020	Personnel emoluments	O&M	Total Rec Expenditure	Total Dev Expenditure	Total Expenditure	Total Absorbtion rate
County Assembly	648,175,000	79,477,864	177,444,472	256,922,336	8,615,080	265,537,416	40.97%
Public Service Administration	1,947,721,951	1,054,928,589	56,298,989	1,111,227,578	4,544,002	1,115,771,580	57.29%
Office Of The Governor And Deputy Governor	147,149,785	-	62,536,380	62,536,380	-	62,536,380	42.50%
Finance and Economic Planning	318,313,543	-	104,573,359	104,573,359	-	104,573,359	32.85%
Agriculture, Livestock, Fisheries and Irrigation	268,150,380	-	9,676,195	9,676,195	75,534,702	85,210,897	31.78%
Water ,Environment and Sanitation	611,386,000	-	12,191,794	12,191,794	47,251,054	59,442,848	9.72%
Education ,Libraries and ICT	254,348,149	-	12,599,249	12,599,249	107,403,900	120,003,149	47.18%

Health Services	705,965,371	-	152,940,894	152,940,894	94,348,364	247,289,258	35.03%
Trade, Tourism, Culture, Gender and Cooperative	114,890,041	-	9,421,241	9,421,241	68,991,001	78,412,242	68.25%
County Public Service Board	10,050,000	-	4,462,290	4,462,290	-	4,462,290	44.40%
Public Works, Transport and Infrastructure	292,554,473	-	11,348,430	11,348,430	28,347,620	39,696,050	13.57%
Lands, Mining and Housing	183,592,200	-	4,323,905	4,323,905	5,000,000	9,323,905	5.08%
Youth, Sports, VTCs and Social Services	240,011,960	-	817,150	817,150	-	817,150	0.34%
	5,742,308,854	1,134,406,453	617,817,198	1,752,223,651	440,035,723	2,192,259,374	38.18%

17. During the first half of FY 2019/2020, the county was operating on a Vote on Account (VoA) following a stalemate on the approval of the budget estimates. The Vote on Account was limited to recurrent expenditure only.

Figure



Pending Bills

18. Pending bills remains a big challenge in the operations of the County Government. Most of the outstanding bills are historical spanning over past financial years. The County government has factored in Kshs 652 Million as pending bills in the revised FY 2019/2020 budget estimates. This amount consists of KShs 379 Million for Development and KShs 273 Million for Recurrent. As at 31st December, 2019 the County had paid pending bills totaling Kshs.108 Million and strive to clear the outstanding balance by 30th June, 2020. To achieve this, the County Treasury has submitted a supplementary budget to the County Assembly to provide for the balance of Kshs.526 Million not considered in the approved budget for the year 2019/2020.

19. Going forward the County will implement E-Procurement full cycle, from sourcing to payments as a step towards reducing incurring of pending bills. Additionally, staff who will commit the County to incur pending bills will be held personally responsible and disciplinary action taken against them.

CHAPTER TWO: RECENT NATIONAL ECONOMIC DEVELOPMENT AND POLICY OUTLOOK

Global and Regional Economic Developments

20. According to the 2020 draft National Budget Policy Statement, the Kenyan economy remains resilient and grew by an average of 5.5 percent in the first three quarters of 2019, mostly supported by strong performance in the services sector. Growth momentum is expected to pick up to 5.6 percent in 2019, 6.1 percent in 2020 and further to 7.0 percent over the medium term supported by a strong rebound in the agricultural output, steady recovery in industrial activities, robust performance in the services sector, and investments in strategic areas under the “Big Four” Plan.

21. The economy continues to register macroeconomic stability with low and stable interest rates and a competitive exchange rate to support exports. At 5.8 percent in December 2019, year-on-year overall inflation remained stable and within the 5 (+/- 2.5) percent target largely due to lower food prices following favorable weather conditions. Inflation is expected to remain within target in 2020, largely due to lower energy prices and expected stability in food prices.

22. The foreign exchange market remains stable supported by the narrowing of the current account deficit. The current account deficit is estimated at 4.3 percent of GDP in 2019 down from 5.0 percent in 2018. The narrowing deficit reflects strong growth in diaspora remittances and tourism receipts, higher tea and horticultural exports, slower growth in imports due to lower food imports and the decline in international oil prices.

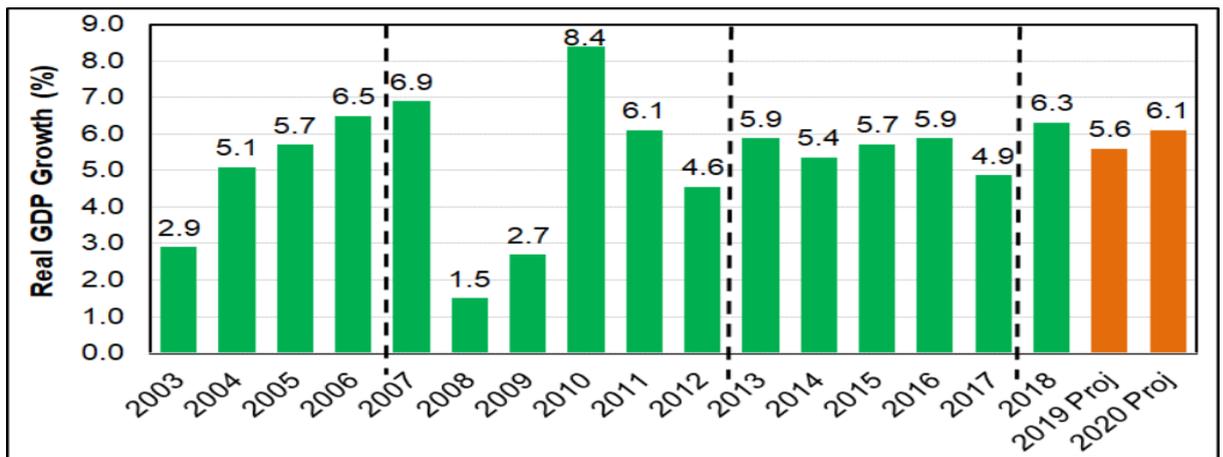
23. Growth prospects for sub-Saharan Africa continue to strengthen. Growth is expected to improve from 2.7 percent in 2017 to 3.1 percent in 2018 and further to 3.8 percent in 2019, supported by a stronger global growth, higher commodity prices, improved capital market access and contained fiscal imbalances in many countries. However, downside risks may arise from uncertainties in the run up to the 2019 general elections in South Africa

24. Growth in the East African Community (EAC) region is estimated to rise to 5.9 percent in 2018 from 5.3 percent in 2017. This growth is driven by a rebound in agricultural activity on the backdrop of favorable weather conditions and a pickup in private sector credit growth. In 2019, economic growth is projected to increase to 6.3 percent supported by a stable macroeconomic environment, ongoing infrastructure investments, and strong private consumption

National Economic Developments and Outlook

25. Kenya’s economic growth has remained strong and resilient even under emerging global challenges, supported by strong public and private sector investment and appropriate economic and financial policies. The broad-based economic growth has averaged 5.7 percent for the last six years (2013 to 2018) outperforming the average growth rate of 4.7 percent in the period 2008 to 2012 and 5.4 percent in the period 2003 to 2007. Growth is estimated at 5.6 percent in 2019 and projected to recover to 6.1 percent in 2020

Trends in Kenya’s Economic Growth Rates, Percent



Source: Kenya National Bureau of Statistics

Inflation Rate

26. Year-on-year overall inflation remained low, stable and within the Government target range of 5+/-2.5 percent in December 2019 at 5.8 percent up from 5.7 percent in December 2018 reflecting higher food prices.

27. Core inflation (Non-Food-Non-Fuel) remained below 5.0 percent in the period under review reflecting subdued demand pressures in the economy. Fuel inflation declined from 6.9 percent in December 2018 to 2.5 percent in December

Exchange rate

28. The Kenya Shilling has been relatively stable supported by continued narrowing of the current account deficit and adequate foreign reserve buffer. The Shilling appreciated against the US Dollar and the Euro exchanging at an average of Ksh 101.4 and Ksh 112.7 in December 2019 from Ksh 102.3 and Ksh 116.4 in December 2018, respectively. However, against the Sterling Pound, the Shilling weakened exchanging at an average of Ksh 133.0 in December 2019 compared to Ksh 129.7 in December 2018.

Interest Rates

29. Interest rates were low and stable for the period 2008 to 2011 due to ample liquidity in the money market. However, interest rates increased in 2012 following tight monetary policy stance in order to ease inflationary pressures. Interest rates remained stable and low in the period 2013 to October 2019, except from June to December 2015 when world currencies were under pressure. During the period, the Central Bank Rate (CBR) was adjusted appropriately to anchor inflation expectations. The Central Bank Rate was reduced to 8.5 percent on in November 2019 from 9.0 percent in August 2018 as there was room for easing monetary policy stance to support economic activity.

National economic development pillars in the Medium Term Plan III

30. The National Treasury's 2019 Budget Policy Statement (BPS) and the Medium term Plan III-2018-2022 outlines the broad policy direction for the National Government. It is indicated that the National Government will continue to prioritize the implementation of the "Big Four" economic Strategy. This strategy aims at: -

- a. Increasing the **manufacturing** share of GDP to 15 % and agro-processing to at least 50 % of total agricultural output;
- b. Providing **affordable housing** by building 500,000 affordable houses in five years across the country;
- c. Enhancing **Food and Nutrition Security** (FNS) through construction of large-scale multi-purpose and smaller dams for irrigation projects, construction of food storage facilities and implementation of high impact nutritional interventions and other FNS initiatives; and
- d. Achieve 100% **universal health coverage**.

31. Further the National Government will continue to consolidate the gains made in devolution in order to provide better service delivery and enhanced economic development.

Risks to the Outlook

32. Major risks have emerged from Kenya's fiscal decentralization, which require prudent management especially by the County government. These include:

- a) Under performance of total own source revenue presents a significant risk, as it undermines the amount of funds allocated for critical infrastructure.
- b) Heavy dependence on a few own-source revenue streams may lead to fiscal shocks occasioned by a dip in their main revenue source.

- c) The escalation in pending bills, which is caused mainly by under performance of OSR, technical challenges with cash flow management and violation of laid down procurement regulations.
- d) Duplication of functions that risk generating intergovernmental conflicts, wasteful spending and financing gaps that could adversely affect implementation of fiscal framework

CHAPTER THREE: FISCAL FRAMEWORK AND COUNTY STRATEGIC PRIORITIES FOR 2020/21-2022/23 AND THE MEDIUM TERM

2020/21 FISCAL FRAMEWORK AND POLICY

Fiscal Policy

33. The major policy thrust of the MTEF 2020/21-2022/23 is accelerated social-economic transformation with special emphasis to food security and wealth creation. This agenda is aimed at;

- a) Improving access to clean and potable water for both urban and rural areas
- b) Increasing agricultural and livestock productivity for food security and wealth creation;
- c) Improving access to quality and affordable social services-including quality Health care and education
- d) Social-economic empowerment of the youth, Women and PWDs through employment creation and ease of access to credit
- e) Reduction in the cost of doing business and attracting investments through development of key infrastructure including roads network and energy.

34. Over the medium term, the Government will pursue Fiscal and management policies aimed at streamlining recurrent expenditure while at the same emphasizing on capital investment. Some of the policies and strategies to be adopted include:

1. Planning, approval and implementation of projects should be based on viability and sustainability of the same
2. For huge capital projects the planning and implementation should be in phases to ensure efficiency considering the limited resource basket per disbursement.
3. The county should enhance its Own Source revenue collection to supplement the funds received from the Exchequer.

Revenue side

1. Improved collection and efficiency in Own Source Revenue including full automation and restructuring of systems. The County should avoid over relying on the equitable share for development expenditure.
2. The County Government should consider pursuing Asset based financing as a way of boosting its development agenda given the pressures exerted by the Wage bill and recurrent expenditures. This should only be directed towards acquisition of capital equipment/plants meant for development
3. Promotion of Private-Public Partnerships (PPPs) and reaching out to donors to enhance resource mobilization
4. There is need to undertake a revenue baseline and potential survey . This will help in validating the data being held by Revenue directorate as well as exploring new revenue streams
5. There is need to have a new and up dated valuation roll with a view of enhancing revenue collection.
6. The County should endeavour to urgently collect all outstanding lands rates and

rents to boost Own Source revenue

Expenditure side

1. The completion of all critical and viable ongoing programmes and projects should be given the first priority in funds allocation.
2. The County government should develop a policy on Projects management that will ensure prioritization of high impact quick win projects. This policy will discourage the thin spreading of resources with little or no corresponding benefit.
3. On the issue of huge pending bills, the County will implement the directives of the National Treasury. There should also be proper documentation of pending bills and assets as well as closer monitoring of the same
4. Spending should be directed towards the most critical needs of the County. Non-priority expenditures should be avoided while funding to areas with high impact intensified.
5. Further to streamline expenditure, there is need to strengthen monitoring, evaluation and reporting at the project/programme, department and county levels.

2020/2021-2022/2023 Revenue Projections

35. The Total resource envelope projected for the FY 2020/2021 budget is 5.8 Billion. A total of Kshs 4.4 Billion is expected from the National government as equitable share. The projected Own Source Revenue stands at Kshs 370 Million. Further, the County expects an estimated Kshs 794 Million as conditional grants from the National Government and development partners.

Table 6 : MTEF 2020/21- 2022/23 County Fiscal Framework

SOURCE	ESTIMATES	PROJECTED		
	2019/2020	2020/2021	2021/2022	2022/2023
Equitable share	4,241,100,000	4,417,420,000	4,600,000,000	4,800,000,000
Local Revenue	350,000,000	370,000,000	390,000,000	400,000,000
Conditional Grants	181,260,314	194,472,000	350,000,000	350,000,000
(Loans & Grants)	734,315,201	794,160,000	800,000,000	800,000,000
	5,506,675,515	5,776,052,000	6,140,000,000	6,350,000,000

34. The county expects to receive Kshs 5.2 Million as compensation for user fee forgone, Kshs 58 Million for development of VTCs and Kshs 131 Million will be used under the Roads Maintenance and Fuel Levy Fund. Further, a total of Kshs 794 Million is expected as loans and grants from development partners. This include; Kenya Urban Support Programme(KUSP), Kenya Devolution Support Programme(KDSP), Kenya Smart Climate Agriculture Programme(KSCAP) and Water and Sanitation Development(WSP).

Table 7 : Sources of Revenue by Type for FY 2020/2021

SOURCE OF REVENUE	AMOUNT
Equitable share	4,417,420,000
Own Source Revenue	370,000,000
Compensation for user fees forgone	5,296,000
Development of Vocational Training Centers	58,056,000
Roads Maintenance and Fuel levy Fund	131,120,000
Loan and Grants	794,160,000
TOTAL	5,776,052,000

2020/2021 Expenditure Projections

36. Based on the county’s fiscal policy and in compliance with the fiscal responsibility principles outlined above in the PFM Act 2012, the county’s expenditure for the budget period in 2020/2021 is projected as follows:

Recurrent Expenditure

37. Recurrent expenditure is projected at 65% of total expenditure. This will however be spent to support capital expenditure in line with the programme based budgeting framework. This will go a long way in supporting robust economic growth in the County while ensuring prudence and caution in the application of resources.

38. The County’s wage bill continues to exert undue pressure on the recurrent vote and this could undermine development if not mitigated. Restraining the growth of the county’s wage bill is a priority in the medium term in order to sustain growth. This will be achieved through the following measures:

1. Containing wages and salaries of public entities by limiting the size of the public service.
2. Realigning the existing staff with the functions of the county government as entrenched in the constitution to avoid duplication of roles in the departments.

Development Expenditure

39. Development expenditure in FY 2020/2021 and the medium term is projected at 35% of total expenditure. This is consistent with the objective of progressively allocating more resources for critical capital projects.

40. The projection is based on the assumption that there will be high absorption capacities for the spending agencies for development funds and that there will be continued implementation of the county government’s development agenda by investment in high impact initiatives and other projects as outlined in the CIDP.

County's Strategic Priorities for FY 2020/2021 and the medium term

41. The County Government will implement its accelerated transformative agenda. Priority will be given towards projects with high impact for socio –economic development. The priority areas that will continue to be pursued in FY 2020/2021 and the medium term include:

The 7 Broad County priorities

1. Increasing access to clean, quality, affordable and potable water for all households, schools and health facilities. **(WATER)**
2. Improved Food and Nutrition Security and community resilience through provision of adequate water for irrigation, livestock and wildlife throughout the County. **(FOOD SECURITY)**
3. Improved household income and livelihood through value addition, marketing and establishment of fruits, tomatoes, beef and dairy processing plants. **(INCOME)**
4. Investing sufficiently in quality, accessible and affordable health care services including provision of prerequisite equipment, drugs and health personnel. **(HEALTH)**
5. Ensuring quality education through development of ECDE and Library services, equipping of schools and enhanced bursaries allocation **(EDUCATION)**
6. Provision of quality infrastructure including improved roads network, ICT, quality housing, Land management and adoption of alternative sources of energy. **(INFRASTRUCTURE)**
7. Empowerment of Youth, women, and vulnerable members of the community through establishment of small scale cooperatives, talents identification and nurturing and improved access to cheap and affordable credit. **(COMMUNITY EMPOWERMENT)**

CHAPTER FOUR: MEDIUM TERM EXPENDITURE ESTIMATES AND DEPARTMENTAL CEILINGS

42. The sectoral allocation for the FY 2020/21 and the medium term are influenced by the necessity to finance projects that directly support economic growth and reduce poverty. Attention will be given to projects that improve the quality of life of the residents in the county. The allocations are informed by the county goals and peoples aspirations as captured in the County Integrated Development Plan (CIDP) 2018-2022.

43. Given that the sectoral demands for funds are very high while the available resources are limited it is important to come up with a fair way of allocating resources. The following criterion has been used in the proposed FY 2020/21 departmental allocations.

1. In the recurrent expenditure category non-discretionary expenditures/Statutory obligations such as salaries took first priority.
2. Citizens prioritization during the 2019 CADP and the 2020 CFSP public participation exercises influenced the development expenditure.
3. Projects and programme with moderate costs implications but with high impact on transforming lives and employment creation
4. On-going and Critical infrastructure improvement projects
5. The baseline estimates also reflects the current departmental spending levels-Current absorption rates

Details of Sectoral and Departmental Priorities and Baseline Ceilings

44. Based on the resource envelop projected above and the broad county priorities, County departments have been allocated funds as discussed below and detailed in Annexes 1,2 and 3.

Water Environment and Sanitation

45. During the FY 2020/21 and the medium term, the Strategic Priorities to be implemented by the department of Water, Environment and Sanitation include:

1. Increasing access to portable and affordable water in rural areas and urban centers
2. Provision of water for livestock
3. Promotion of water harvesting
4. Securing and conserving the critical water catchment areas
5. Management of storm water and convert it to useful water.
6. Promotion of Solid and liquid waste mangement
7. Increase access to clean and sustainable environment

The department has been allocated Kshs 149 Million to implement key priority projects as highlighted by the public. Some of these include: Itinyi dam; Augmentation of water supply through connection to mzima Pipeline; Ndilidau water Supply and rehabilitation of Kighombo dam and Njoro Kubwa canal among others. The department will aslo receive Kshs 470 Million as conditional grants- Kshs 400 Million World Bank Funded Water and sanitation Programme and 70 Million for water Sector Trust Fund

Lands, Mining and housing

46. The department's mission is to provide an enabling Environment for sustainable land management leading to increased productivity for social economic development and industrialization.

The department in FY 2020-21 will continue with the following priorities:

- a. Land registration, surveying and titling
- b. Support to Small-scale miners
- c. Promotion of affordable housing and technologies
- d. Enforcement of Housing regulations and Laws
- e. Implementing Environmental Laws related to land use
- f. Enforcement of public land laws
- g. Technical backstopping and oversight of Mwatate Municipality

To effectively undertake its mandate, the department has been allocated Kshs 11.5 Million for development expenditure. The department further has a conditional grant of Kshs 50 million as World Bank funded Kenya Urban Support Programme

Agriculture, Livestock and Irrigation Development

a. Agriculture sub-sector

47. During the FY 2020/21 and the medium term, the department has lined up priority projects and programmes which include: Crops development, pests and diseases control, Promotion of Drought tolerant crops, revitalization of Horticultural Production Centres (HPC), Promotion of macadamia and avocado, sorghum and cotton development, Rice Production, milling and value addition, Strengthening extension services, Enhancing accessibility to affordable inputs and credit, promotion of banana value chain, Promotion of sustainable land use practises - Soil and water management, Soil fertility management, rehabilitation of gullies and protection of water catchment and wetlands, Rehabilitation of seed farms, Revitalization of agriculture mechanization services, Promotion of Agro – forestry, and Provision of Agriculture Development fund. Improvement of supply of manures; promotion of DTCs and Climate smart Agriculture.

b. Livestock, Veterinary and Fisheries sub-sectors

48. The department has lined up the following priorities and programmes for FY2020/21 and the medium term:

1. Promotions of livestock value addition ventures such as milk and leather processing.
2. Promotion of sustainable utilization of inland capture fisheries through: strengthening the BMUs; Control of fishing effort and strengthening of enforcement of fisheries legislations;
3. Range rehabilitation and water improvement for livestock in the ranches;
4. Maintenance of facilities at livestock multiplication centres in Bachuma and Mwatate
5. Maintenance and Improvement of facilities for livestock Holding Grounds;
6. Purchase of livestock feed milling equipment, Auction Rings and sale yards
7. Enhancing fish safety, quality assurance, value addition and marketing;
8. Promotion of appropriate fish handling and preservation technologies and Promotion of value addition and marketing of fish and fishery products.
9. Promotion of indigenous poultry

c. Irrigation

- a. Support development of water pans and farm ponds
- b. Rehabilitation of canals

- c. Expansion of irrigable areas
- d. Development of dams

The department has been allocated Kshs 65.2 Million for development expenditure and a further Kshs 175 Million for various donor-Funded projects. These include World bank funded, Kenya Climate Smart Agriculture Project(KCSAP), EU funded IDEAS and Danish funded-ASDPS

Health Services

49. During the FY 2020-21, the department of Health services will implement key priority projects that will

- a. Ensure access to affordable and quality preventive and promotive health care.
- b. Ensure improvement and availability of critical health infrastructure
- c. Ensure equipping of priority health facilities such as Taveta Sub-County Hospital and other sub-county health facilities
- d. Equipping of all health facilities with the necessary medical equipment, drugs and personnel will be a priority.

To implement its mandate, the department has been allocated a total of Kshs 100 Million to deliver prerequisite health infrastructure. Kshs 330 Million has also been provided in terms of recurrent expenditure to be directed towards equipping all health facilities with drugs and non-pharmaceuticals

Youths, Sports, VTCs and Social Services

50. The department will continue to implement its core mandate by pursuing the following Strategic Priorities for 2020/21. These include: Sports development-Through establishment of sports facilities and equipment; Youth empowerment and Social development. Promote economic empowerment of the community. The department will further ensure the development of all Vocational Training Centres.

The department has been allocated Kshs 48.5 Million to implement key priority projects including Mwatunge stadium and Leveling of various playing fields. A further 58 Million has been set aside for the development of VTCs.

Education, Library Services and ICT

51. The key priorities for FY 2020/21 and the medium-term will include:

- 1. Promotion of access, retention and completion rates for secondary and tertiary institutions through enhancement of education fund to adequately address the demand for scholarships, loans and bursaries, mentorship and career guidance and Scholarship for specialised courses.
- 2. Strengthen early childhood education through Infrastructure improvement, staffing, grants, community sensitization, feeding program, growth monitoring, teaching/learning materials and graduation.
- 3. Enhancing good performance in National examinations through provision meals and sanitary during examination period
- 4. Promote reading culture and access to reading materials through library infrastructure improvement, Mobile library services and community sensitization
- 5. Promote total child development through improved Childcare facilities

The department has been allocated Kshs 64 Million as development expenditure targeted towards completion and equipping of education facilities. The Department will also oversight on the County Education Fund which has been allocated Kshs 150 Million for bursaries and Scholarships

Public Works, Transport and infrastructure

52. The department will implement the following priorities:

1. Improvement of existing roads network
2. New road formation
3. Streetlighting using renewable energy sources
4. Enhancing transport and parking controls in bus parks
5. Provision of technical infrastructure

The department has been allocated Kshs 97 Million for the improvement of roads infrastructure across the county. Priority will be given to maintenance of key access roads such as Kimorigho-Ngutini road, Kamtonga-Chungaunga and Kibarani-Kiruirui road among others. The department will further receive a conditional funding of Kshs 131 Million as Roads Maintenance and Fuel levy Fund.

Devolution, Public Service and Administration

53. The department is planning to implement the following strategic priorities:-

1. Promote Public Participation in Decision-Making and Development Process
2. Promote Effective Service Delivery through well Coordination of service provision
3. The Promote peace, security and more resilient communities to disaster in the county
4. Human Resource management and Performance management system

The department has been allocated Kshs 10 million as development expenditure to be directed to the improvement of sub-county and wards offices. A total of Kshs 66 Million has been allocated to cater for the operations and maintenance of the department.

The department has also been allocated Kshs 30 Million from the World Bank funded Kenya devolution Support. A total of Ksh 2.15 Billion has also been set aside to cater for all personnel emoluments for the County Executive.

Finance and Economic Planning

54. The department's Strategic Priorities for 2020/2021 and the medium term include:

1. Prudent financial management: through strengthening of controls; development of sound policies and laws; Automation of accounting and procurement processes,
2. Economic development Planning: through coordination of the preparation of County Intergrated Development Plan, County annual Development Plans and other planning and budgeting documents,
3. Resource Mobilization: Through automation of revenue management, Statistics and documentation: through strengthening of data collection and analysis; establishment of a statistics framework for the county
4. Monitoring and evaluation: Strengthen the continuous tracking of progress in the implementation of programmes

The department has been allocated Kshs 49 Million as development expenditure to be directed towards the improvement of revenue Offices. Further, Kshs 30 Million and Kshs 15 Million have been set aside for County Emergency Fund and Mortgage and Car loans respectively.

Gubernatorial

55. In the FY 2020/21 and the medium term, the major priority areas to be pursued will be provision of leadership and coordination of county government business. The office will also coordinate special programmes, service delivery and promote activities of County Budget and Economic Forum.

The Gubernatorial has been allocated Kshs 45 Million for the construction of the official Governor's residence and Kshs 170 million for recurrent expenditure.

County Public Service Board (CPSB)

56. In the FY 2020/21 the CPSB's key priorities will be:

1. Promotion of Ethics and Discipline in the County Public service and the general;
2. Provision of human Resource Capacity to the County government and Provision of adequate administration services to the Board and its stakeholders.

The Board has been allocated Kshs 5 Million for improvement of its infrastructure and Kshs 11 Million for operations and maintenance.

Trade, Tourism, Gender, Culture and Cooperatives

57. The department's priorities among others include:-

- a. Promotion of trade development by supporting SMEs
- b. Enhance investment in the county through legislation and ease of doing business index;
- c. Promotion of value addition and undertake economic empowerment through creation and training of cooperatives
- d. Enhance societal equity and equality through gender and disability mainstreaming
- e. Promotion of local and international tourism through development of tourism infrastructure
- f. Promotion of local culture through undertaking cultural activities and awareness creation;

The department has been allocated a total of Kshs 80.2 Million comprising of Kshs 43.3 Million for development and Kshs 36.9 Million for recurrent expenditure. These funds will be directed towards priority projects including improvement of Wundanyi market and other markets infrastructure; Support to SMEs; gender and disability mainstreaming and promotion of tourism and investment

County Assembly

58. The County Assembly is the legislative arm in the County, with the primary responsibility of creating and passing local laws for the benefit of the County's development and within the framework of the constitution and other laws.

In executing its mandate, the County Assembly: - plays an oversight role on the County executive committee and any other County executive organs; receives, debates and approves policies and development plans prepared by the County Executive; Vets and approves

nominees for appointment to county public offices; approves County Government budget and expenditure and approves county the borrowing plans.

The County assembly has been allocated a total of Kshs 634 Million comprising of Kshs 35 Million development expenditure and Kshs 599 Million as recurrent expenditure.

Annex 1: 2020/2021 Development Expenditure Ceilings

VOTE	DEPARTMENT/ARM	CFSP-PP	% SHARE	FINAL DEVELOPMENT CEILINGS	% SHARE
3261	County Assembly			35,000,000	1.6%
3262	Devolution,Public service			10,000,000	1.3%
3263	Gubernatorial			45,000,000	5.8%
3264	Finance and Economic Planning			49,000,000	1.3%
3265	Agriculture,Livestock, Fisheries and irrigation	42,200,000	6.9%	65,200,000	8.4%
3267	Water, Environment and Sanitation	222,600,000	36.2%	149,100,000	22.0%
3268	Education, Libraries and ICT	65,500,000	10.6%	64,033,600	6.1%
3269	Health Services	116,900,000	19.0%	100,000,000	13.6%
3270	Trade, Tourism, Gender, Culture and Cooperatives	12,000,000	2.0%	36,900,000	8.8%
3271	County Public Service Board			5,000,000	0.6%
3272	Public Works, Transport and Infrastructure	106,000,000	17.2%	97,000,000	12.9%
3273	Lands, Mining and Housing	6,500,000	1.1%	11,500,000	1.5%
3276	Youth, Sports and Social services	43,450,000	7.1%	48,450,000	8.6%
	Development of VTCs			58,000,000	7.5%

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	TOTAL	615,150,000	100%	774,183,600	100%
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Annex 2: 2020/2021 Recurrent Expenditure Ceilings

VOTE	DEPARTMENT/ARM	PERSONNEL EMOLUMENTS	FUNDS ACCOUNTS	OPERATIONS & MAINTENANCE	TOTAL RECURRENT	% SHARE
3261	County Assembly	251,000,000		348,000,000	599,000,000	14.9%
3262	Devolution, Public service	2,150,000,000		67,659,497	2,217,659,497	55.3%
3263	Gubernatorial			170,440,355	170,440,355	4.2%
3264	Finance and Economic Planning		45,000,000	162,805,001	207,805,001	5.2%
3265	Agriculture, Livestock, Fisheries and irrigation			55,393,241	55,393,241	1.4%
3267	Water, Environment and Sanitation			60,174,255	60,174,255	1.5%
3268	Education, Libraries and ICT		150,000,000	46,327,870	196,327,870	4.9%
3269	Health Services			330,423,283	330,423,283	8.2%
3270	Trade, Tourism, Gender, Culture and Cooperatives			43,292,921	43,292,921	1.1%
3271	County Public Service Board			11,009,577	11,009,577	0.3%
3272	Public Works, Transport and Infrastructure			67,102,578	67,102,578	1.7%
3273	Lands, Mining and Housing			14,503,742	14,503,742	0.4%
3276	Youth, Sports and Social services			40,104,080	40,104,080	1.0%
	Development of VTCs					

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	TOTAL	2,401,000,000	195,000,000	1,417,236,400	4,013,236,400	100%
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Annex 3: 2020/2021 Budget Ceilings with Conditional Funds

VOTE	DEPARTMENT/ARM	CFSP-PP	% SHARE	FINAL DEVELOPMENT CEILINGS	% SHARE	PERSONNEL EMOLUMENTS	FUNDS ACCOUNTS	OPERATIONS & MAINTENANCE	TOTAL RECURRENT	% SHARE	CONDITIONAL GRANTS	TOTAL BUDGET ALLOCATION	% SHARE
3261	County Assembly			35,000,000	4.5%	251,000,000		348,000,000	599,000,000	14.9%		634,000,000	11.1%
3262	Devolution, Public service			10,000,000	1.3%	2,150,000,000		67,659,497	2,217,659,497	55.3%	30,000,000	2,257,659,497	39.5%
3263	Gubernatorial			45,000,000	5.8%			170,440,355	170,440,355	4.2%		215,440,355	3.8%
3264	Finance and Economic Planning			49,000,000	6.3%		45,000,000	162,805,001	207,805,001	5.2%		256,805,001	4.5%
3265	Agriculture, Livestock, Fisheries and irrigation	42,200,000	6.9%	65,200,000	8.4%			55,393,241	55,393,241	1.4%	175,123,242	295,716,483	5.2%
3267	Water, Environment and Sanitation	222,600,000	36.2%	149,100,000	19.3%			60,174,255	60,174,255	1.5%	470,000,000	679,274,255	11.9%
3268	Education, Libraries and ICT	65,500,000	10.6%	64,033,600	8.3%		150,000,000	46,327,870	196,327,870	4.9%	58,056,000	318,417,470	5.6%
3269	Health Services	116,900,000	19.0%	100,000,000	12.9%			330,423,283	330,423,283	8.2%	74,332,758	504,756,041	8.8%
3270	Trade, Tourism, Gender, Culture and Cooperatives	12,000,000	2.0%	36,900,000	4.8%			43,292,921	43,292,921	1.1%		80,192,921	1.4%
3271	County Public Service Board			5,000,000	0.6%			11,009,577	11,009,577	0.3%		16,009,577	0.3%
3272	Public Works, Transport and Infrastructure	106,000,000	17.2%	97,000,000	12.5%			67,102,578	67,102,578	1.7%	131,120,000	295,222,578	5.2%
3273	Lands, Mining and Housing	6,500,000	1.1%	11,500,000	1.5%			14,503,742	14,503,742	0.4%	50,000,000	76,003,742	1.3%
3276	Youth, Sports, and Social services	43,450,000	7.1%	48,450,000	6.3%			40,104,080	40,104,080	1.0%		88,554,080	1.5%
3277	VTCS			58,000,000	7.5%								
	TOTAL	615,150,000	1	774,183,600	1	2,401,000,000	195,000,000	1,417,236,400	4,013,236,400	1	988,632,000	5,718,052,000	1

Annex 4: Consolidated 2020 Public Proposals for FY 2020/2021

WARD	SUB LOCATION	Priority Rank	PROJECT	DEPARTMENT	AMOUNT
1	Marungu	Miasenyi	1 Wagalla Dispensary	Health Services	14,000,000
		Maungu	2 Land Surveying and Titling	Lands and Mining	3,000,000
		Marungu	3 Marungu Health Centre	Health Services	5,000,000
		Miasenyi	4 Miasenyi Dispensary	Health Services	1,500,000
		Miasenyi	5 Itinyi Dam and soil erosion control	Water	12,000,000
		Miasenyi	6 Miasenyi-Mwanatibu Borehole	Water	10,000,000
2	Challa	Lumi	1 Lumi Dispensary	Health Services	6,000,000
		Ward wide-Challa	2 Extension of challa water supply	Water	10,000,000
		Chumvini	3 Completion of Chumvini Dispensary	Health Services	6,000,000
3	Kasighau	Ward wide-Kasighau	1 Connection to Mzima Water Pipeline	Water	10,000,000
		Bughuta	2 Buguta HC maternity	Health Services	4,000,000
		Rukanga	3 Facelifting of Rukanga HC	Health Services	4,000,000
		Ward wide-Kasighau	4 Kasighau Youth development Programme	Youth and Sports	2,000,000

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4	Mata	Kimala	1	Desilting of River Lumi	Agriculture	8,000,000
		Kachero	2	Completion and equipping of Kachero Dispensary	Health Services	5,000,000
		Mata	3	Rehabilitation of Grogan canal	Agriculture	7,000,000
		Ndilidau	4	Ndilidau A and B Water supply	Water	5,000,000
		Ndilidau	5	Ndilidau Dispensary	Health Services	1,000,000
		Ward wide-Mata	6	Mata flood control project	Water	5,000,000
		Kimala	7	Rahabilitation of Salim Flood control	Agriculture	2,000,000
		Kachero	8	Kachero Water Supply	Water	5,000,000
5	Mboghoni	Ward wide-Mboghoni	1	Completion of Social Hall and Toilets	Youth and Sports	4,000,000
		Kimorigho	2	Renovation of Kiwalwa Dispensary Staff Houses	Health Services	6,000,000
		Mboghoni	3	Mwarusa road rehabilitation	Public Works	2,000,000
		Kimorigho	4	Kimorigho-Marigasi-Lambo-Ngutini road	Public Works	8,000,000
		Kimorigho	5	Kimorigho HC	Health Services	3,000,000
		Eldoro	6	Desilting and lining of block C canal	Agriculture	2,500,000
		Mrabani	7	Kwa-father Moya road murruming	Public Works	3,000,000
		Mboghoni	8	Desilting of Njoro Kubwa canal	Water	5,000,000
		Mrabani	9	Mrabani-Kambugu road murraming	Public Works	2,500,000
		Mrabani	10	Majengo-Irrigation road murraming	Public Works	2,000,000
		Kitobo	11	Equipping of Kitobo Dispensary	Health Services	2,000,000

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	Kitobo	12	Desilting of Kitobo-Buruma river	Agriculture	1,500,000	
	Eldoro	13	Lining of Kamleza irrigation scheme	Agriculture	2,000,000	
	Eldoro	14	Murraming of Eldoro-Kitoghoto-Ngutini road	Public Works	2,000,000	
	Eldoro	15	ECD classrooms at Eldoro Primary	Education	2,000,000	
6	Mbololo	Tausa	1	Construction and equipping of Kulele HC maternity	Health Services	5,000,000
		Ward wide- Mbololo	2	Mbololo water supply	Water	4,000,000
		Mraru	3	rehabilitation of Ikanga-Ghazi road	Public Works	5,000,000
		Tausa	4	Rehabilitation of Kighombo dam	Water	8,000,000
		Ward wide- Mbololo	5	Plot identification and beaconing	lands and Mining	2,000,000
		Tausa	6	Jua Kali shed at Tausa	Public Works	2,500,000
		Mraru	7	Mwakiki-Mdanda Borehole	Water	3,000,000
		Tausa	8	Construction of a Dias at Tausa	Public Works	1,500,000
		Tausa	9	Reclamation of Kighombo water catchment	Water	3,000,000
		Ward wide- Mbololo	10	Street lighting	Public Works	2,500,000
7	Mwatate	Mwatate	1	Construction of Mwatunge Stadium	Youth and Sports	10,000,000
		Mwatate	2	Completion of Mwatunge Library	Education	5,000,000
		Ward wide- Mwatate	3	Mwatate water supply	Water	8,000,000

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8	Mwanda-Mgange	Ward wide- Mwanda	1 Seedling purchase & distribution programe	Agriculture	3,000,000
		Mgange dawida	2 Mghange dawida milk cooling plant	Agriculture	1,200,000
		Njawuli	3 Kiloghwa kiseghenyi lolo ndau water project extension	Water	600,000
		Mwaroko	4 Ivongongonyi mwaroko kokua water project phase II	Water	1,000,000
		Mgange Nyika	5 Construction of classroom at st peters ECDE ikuminyi	Education	500,000
		Kishamba	6 Ndumbinyi ECDE 2 classroom complection	Education	500,000
		Ward wide- Mwanda	7 Bursary	Education	5,000,000
		Mgange Nyika	8 Mghange nyika health center maternity complection	Health Services	2,500,000
		kishamba	9 Mwanda health center maternity	Health Services	700,000
		Mgange dawida	10 Mghange-dawida health center fencing phase II	Health Services	700,000
		Mgange Nyika	11 Mbarangondi-mdumbinyi road	Public Works	2,000,000
		Mwaroko	12 Saraa-ikonde-kapanga road	Public Works	2,000,000
		Mgange Nyika	13 Slabing of mghange nyika catholic stretch	Public Works	1,000,000
		Mgange Nyika	14 Mghange-nyika market (toilet construction)	Trade	500,000
		Kishamba	15 Mwanda market toilet construction	Trade	500,000
		Mgange Nyika	16 Vuria tourism promotion	Tourism	1,000,000
		Njawuli	17 Kiloghwa VTC complection	Education	4,000,000
		Lushangonyi	18 Iyale all stars football association	Youth and Sports	1,000,000
		Ward wide- Mwanda	19 Sporting equipments (football & netball)	Youth and Sports	800,000
		Njawuli	20 Njawuli hall completion and toilet construction	Youth and Sports	1,450,000

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	Mwaroko	21	Mwaroko social hall toilet	Youth and Sports	500,000
	Ward wide- Mwanda	22	Bodaboda shed completion	Youth and Sports	600,000
	Njawuli	23	Njawuli hall supplies, chairs/tents	Youth and Sports	600,000

9	Ngolia	Ward wide-Ngolia	1	Ngolia Water supply	Water	8,000,000
		Ward wide-Ngolia	2	Equipping of Health Facilities	Health Services	10,000,000
		Ward wide-Ngolia	3	Maintenance of Ngolia ward roads	Public Works	8,000,000
		Ward wide-Ngolia	4	Equipping of all Ngolia ward ECDs	Education	5,000,000

10	Saghalla	Ndara	1	Ngelenge-Loghola road- Grading	Public Works	7,000,000
		Teri	2	Construction of Saghalla VTC	Education	4,000,000
		Kishamba	3	Upgrading of kajire Dispensary	Health Services	6,500,000
		Kishamba	4	Connection to Mzima Pipeline_ Kishamba sub location	Water	6,000,000

11	Werugha	Ward wide- Werugha	1	Werugha Water Supply	Water	8,000,000
		Ward wide- Werugha	2	Maintenance of Werugha ward roads	Public Works	4,000,000
		Ward wide- Werugha	3	Completion and equipping of all ECDs	Education	4,500,000
		Ward wide- Werugha	4	Supply of seedlings, manure and AI	Agriculture	5,000,000
		Werugha	5	Equipping of Werugha dispensary	health Services	2,500,000

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12	Mahoo	Msengoni	1	Timbila A water project	Water	4,500,000
		Msengoni	2	Costruction of Mkuyuni ECD	Education	2,500,000
		Lesesia	1	Lesesia Water project	Water	7,000,000
		nakruto	1	kasokoni pre school-Construction of a kitchen and fencing of the school	Education	4,000,000
		nakruto	2	nakruto borehole	Water	5,000,000
		malikilorit	2	Completion, construction and equiping of Makloriti B AND C ECDE	Education	2,500,000
		malikilorit	1	submassive pump and distribution pipes to timboni	Water	5,000,000
		mahoo	1	construction of mahoo social hall	Youth and Sports	3,000,000
		mahoo	3	Empowerment -mushroom project	Youth and Sports	1,000,000
		mahoo	2	kechi -joshua road murrarming	Public Works	2,500,000
		Lesesia	2	Langata Borehole	Water	2,500,000

13	Bomeni	Ward wide-Bomeni	1	Equipping of Taveta SC Hospital	Health Services	9,000,000
		Ward wide-Bomeni	2	Equiping of all ECDs	Education	2,500,000
		Mjini	3	Competition of makaburini Borehole	Water	2,500,000
		Mjini	4	Bomeni social hall	Youth and Sports	2,000,000
		Mjini	5	Mama mbogha shades	Public Works	2,000,000
		Ward wide-Bomeni	6	Maintenance of all roads	Public Works	3,000,000
		Ward wide-Bomeni	7	Youth Empowerement	Youth and Sports	2,500,000
		Ward wide-Bomeni	8	Land Surveying and titling	Lands and Mining	1,500,000

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14	Wusi Kishamba	Kaya Ilole	1	Kibarani-Mwambiti-Kiruirui road	Public Works	4,500,000
		Kaya Ilole	2	Dembwa-Wusi water tank	Water	3,000,000
		Ward Wide-Wusi	3	Supply of Macadamia seedlings	Agriculture	3,000,000
		Kishamba	4	Josa-modambogho water project	Water	4,500,000
		Ward Wide-Wusi	5	Supply of maize seedlings and fertilizer	Agriculture	3,500,000
		Wusi	6	Equipping of Kighangachinyi dispensary	Health Services	3,500,000

15	Wundanyi-Mbale	Shigharo		Mwachora Water Tank & Source Water At Iyale Or Irido	Water	3,000,000
		Mlechi		Distribution of Water at ACK Mwandongo	Water	4,000,000
		Sungululu		Construction of Kwa Hebron-Mwalachi-tira-Mswadi water Project (Water Tank 100m ³)	Water	2,500,000
		Sungululu		Construction of water Tank 100m ³ at Mwangui	Water	3,000,000
		Mbale		Upgrading of Ngilinyi-Mwagonya-Mbaria-Manonyi-Msangachinyi	Public Works	2,500,000
		Ward wide- Wundanyi		Upgrading of Mwanda-Mwamburi-Sungululu-Nyambu Primary-Kitukunyi road	Public Works	4,000,000
		Mlechi		Upgrading of Mlechi-Mwachawaza Road	Public Works	2,500,000
		Ward wide- Wundanyi		Upgrading of Mwangui-Mghambonyi Road	Public Works	2,000,000
		Wundanyi		Construction of Male & Female Ward at Wundanyi Hospital	Health Services	3,500,000
		Mbale		Construction of Health Centre at Ngilinyi	Health Services	4,000,000
		Wundanyi		Completion of Ngururu 2 classrooms	Education	2,500,000

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	Mlechi		Construction of Mlechi & Mwailengo ECDE	Education	1,500,000
	Mbale		Completion of 2 classes-Mbale VTC	Education	1,500,000
16	Wumingu/Kishushe	Ward wide-Wumingu	1 WATER PROJECT: Mghambonyi,Sasenyi Paranga water project and Makurati water project, Nyache water project, and paranga Mlilo water Project and rehabilitation of Vipalo kishushe piping system.	Water	15,000,000
		Ward wide-Wumingu	2 WUMINGU FOOD PROCESSING PLANT , MACADAMIA , MGHAMBONYI MARKET	Agriculture	3,500,000
		Ward wide-Wumingu	3 CONSTRUCTION AND STAFFING OF ECDES : Kimangachughu, Mmbonunyi,Mlilo and Paranga ECDEs	Education	6,000,000
17	Chawia	Wumari Sechu	1 Extension of Mruru Water Project(Piping and Tanks)	Water	12,000,000
		Chawia	2 Leveling of Mazola-Kitivo playing fields	Youth and Sports	5,000,000
		Mwachabo	3 Maintenance of Kamtonga-Chungaunga road	Public Works	8,000,000
18	Kaloleni	Ward wide-Kaloleni	1 Refurbishment and maintenance of all markets	Trade	10,000,000
		Ward wide-Kaloleni	2 Equipping of all ECDs	Education	4,500,000
		Ward wide-Kaloleni	3 Extension of existing water supply	Water	8,000,000
		Ward wide-Kaloleni	4 Maintenance of all roads-Kaloleni	Public Works	10,000,000
19	Ronge	Ward wide-Ronge	7 Youth Empowerment	Youth and Sports	2,500,000
		Kigombo Marumbenyi	2 Rehabilitation of Mvita-Mwambota-Sisera-Rahai road	Public Works	5,000,000

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	Msau rahai	5	Construction of baghau dispensary	Health Services	4,500,000
	Msau rahai	4	Upgrading of Msau dispensary	Health Services	4,000,000
	Ward wide-Ronge	1	Desilting of Mwabolo water intake and replacement of pipes	Water	4,500,000
	Msau Rahai	3	Construction Ore river High dam	Water	3,500,000
	Ward-wide Ronge	6	Rehabilitation and extension of Ronge water supply	Water	3,000,000

20	Bura	Mlughu	1	Mwashuma ECD	Education	1,500,000
			2	Extension and completion of Mughu Water project	Water	4,000,000
		Mwakitau	1	Mwakitau Social Hall	Youth and Sports	2,500,000
			2	Kongoni ECD	Education	1,500,000
			3	Mlambenyi Shale Water project	Water	3,000,000
			4	Kirurumo water Project	Water	3,000,000
		Mnamu	1	Saghaighu Social hall	Youth and Sports	2,000,000
			2	Mwatogha Water project	Water	3,500,000
		Godoma	1	Kwa Mnengwa VTC	education	3,000,000
			2	Godoma Social hall	Youth and Sports	2,000,000
		Nyolo	1	Drilling of nyolo Borehole	Water	3,000,000
			2	Rehabilitation of Mwakidasi road	Public Works	2,500,000
		Ilole	1	Mbagha primary ECD	Education	1,500,000
			2	Mbagha health centre	Health Services	3,000,000

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		3	Mdodonyi Mwasange road	Public Works	2,500,000
		4	Mwasoko tank at Mdengu	Water	2,000,000

Annex 5: Own Source Revenue Performance per quarter

REVENUE TYPE 2018-2019	DEPARTMENT	1ST QUARTER		2ND QUARTER	
		BUDGETED (2019-2020)	ACTUAL	BUDGETED (2019-2020)	ACTUAL
FINES,PENALTIES AND FORFEITURES	FINANCE	300,000	141,193	300,000	88,200
UNCLAMPING FEES	FINANCE	140,000	68,650	140,000	85,120
FISHERIES	FISHERIES	12,000	-	12,000	-
HOUSE RENT	HOUSING	1,200,000	59,000	1,200,000	732,546
HIRE OF COUNTY EQUIPMENTS	HOUSING	100,000	24,700	100,000	137,200
LIVESTOCK AND VETERINARY	LIVESTOCK	400,000	310,750	400,000	500,880
SLAUGHTER HOUSES ADMINISTRATION	LIVESTOCK	800,000	572,130	800,000	748,830
ADVERTISEMENT/PROMOTION	TRADE	2,000,000	949,930	2,000,000	747,540
SOCIAL PREMISES USE CHARGES	YOUTH AND SPORTS	440,000	281,300	440,000	458,210
HIRE OF STADIUMS	YOUTH AND SPORTS	70,000	33,500	70,000	27,000
SAND CESS	ENVIRONMENT	1,600,000	1,511,050	1,600,000	2,949,610
ENVIRONMENT & CONSERVANCY	ENVIRONMENT	800,000	151,600	800,000	147,900
PUBLIC TOILET FEES	ENVIRONMENT	480,000	595,360	480,000	693,280
NATURAL RESOURCES EXPLOITATION e.g Blocks	ENVIRONMENT	800,000	908,180	800,000	1,618,200
EXHAUSTER SERVICES	ENVIRONMENT	-	532,000	-	2,000
SISAL CESS	FINANCE	400,000	-	400,000	592,000
SALE OF COUNTY ASSETS	FINANCE	200,000	2,928,210	200,000	-
AGRICULTURAL CESS	FINANCE	4,000,000	1,580,000	4,000,000	2,851,382
OTHER LOCAL LEVIES	FINANCE	400,000	3,917,765	400,000	5,213,175
HEALTH-HOSPITALS	HEALTH	6,000,000	9,971,536	6,000,000	10,203,910
PUBLIC HEALTH	PUBLIC HEALTH	3,000,000	1,463,130	3,000,000	1,231,850
BURIAL SITE FEES	PUBLIC HEALTH	20,000	4,600	20,000	4,700
LAND RATES	LANDS	4,000,000	819,736	4,000,000	772,598
GROUND RENT	LANDS	1,700,000	1,680,055	1,700,000	1,447,196
RATES CLEARANCE CERTIFICATE(OTHER PROPERTY INCOME)	LANDS	20,000	15,000	20,000	25,000
PLOT TRANSFER FEES	LANDS				

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		100,000	58,000	100,000	59,000
OPENING OF FILES	LANDS	20,000	10,000	20,000	-
SURVEY AND MAPPING	LANDS	20,000	-	20,000	18,000
PHYSICAL PLANNING	LANDS	200,000	16,000	200,000	121,000
MINING CESS(IRON ORE &OTHER MINERALS)	MINING	6,000,000	1,319,390	6,000,000	1,455,675
APPROVAL OF BUILDING PLANS	PHYSICAL PLANNING/WORKS	600,000	362,609	600,000	831,197
RENEWAL OF BUILDING PLANS	PHYSICAL PLANNING/WORKS	400,000	57,200	400,000	58,000
ADMINISTRATIVE SERVICE FEES	PUBLIC SERVICE & ADMINISTRATION	300,000	89,500	300,000	340,333
DRAWING PLANS FEES	PUBLIC WORKS	20,000	45,000	20,000	27,500
RENOVATION FEES	PUBLIC WORKS	400,000	156,800	400,000	96,180
PLOT FENCING FEES	PUBLIC WORKS	10,000	-	10,000	4,000
SIGNBOARDS	PUBLIC WORKS	200,000	2,879,600	200,000	-
VEHICLE PARKING FEE	PUBLIC WORKS & INFRASTRUCTURE	3,700,000	7,975,510	3,700,000	9,155,024
TUKTUK/TAXI/MOTORCYCLE	PUBLIC WORKS & INFRASTRUCTURE	400,000	-	400,000	-
RESERVED PARKING	PUBLIC WORKS & INFRASTRUCTURE	100,000	-	100,000	-
TECHNICAL SERVICES FEES	PUBLIC WORKS & INFRASTRUCTURE	500,000	40,548	500,000	12,500
LIQUOR LICENCES	TRADE	3,600,000	1,932,400	3,600,000	57,054
WEIGHT &MEASURES	TRADE	48,000	28,296	48,000	-
APPLICATION FOR SBP/RENEWAL	TRADE	1,000,000	927,600	1,000,000	128,826
MARKET STALLS/SLABS	TRADE	500,000	45,150	500,000	9,540
SINGLE BUSINESS PERMITS	TRADE	9,000,000	2,686,821	9,000,000	932,031
MARKET FEES	TRADE	7,600,000	11,913,595	7,600,000	12,978,505
APPLICATION FOR LIQUOR License	TRADE	400,000	-	400,000	29,900
CO- OPERATIVES	TRADE AND COOPERATIVE	-	5,950	-	-
GRAND TOTAL	GRAND TOTAL	64,000,000	59,069,344	64,000,000	57,592,592